

**PETROLEUM EXPLORATION AND
DEVELOPMENT IN IRELAND**

**Report Covering Period
1 January 1999 - 30 June 1999**

Report by the Minister for the Marine and Natural Resources for the six months ended 30 June 1999 in accordance with Section 57 of the Petroleum and Other Minerals Development Act, 1960 and the said Section 57 as applied by the Continental Shelf Act, 1968.

PN 7473

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Note: Block numbers refer to blocks in the Williams Grid.

INTRODUCTION

This report sets out:

particulars of all authorisations granted by the Minister and current during the reporting period;
the amount of money relating to petroleum exploration collected by the Minister during the reporting period; and
other information relating to petroleum exploration and development.

PART ONE

PETROLEUM AUTHORISATIONS

1. Petroleum Exploration Licences

A Petroleum Exploration Licence vests in the holder the exclusive right of carrying out exploration for petroleum in the licensed area.

Twenty-seven Exploration Licences were current during the reporting period. These licences were subject to the 1992 Licensing Terms for Offshore Oil and Gas Exploration and Development.

A **Standard Exploration Licence** is issued for a period of six years in respect of an area with water depths up to 200 metres and is subject to an annual rental fee of £132 per sq. km. If acreage is surrendered at the end of the 4th year the annual rental fee rises to £264 per sq. km.

A **Deepwater Exploration Licence** is issued for a period of twelve years in respect of areas in which the water depth exceeds 200 metres and is subject to annual rental fees of £66 per sq. km. If acreage is surrendered at the end of the 4th year annual rental fees rise to £132 per sq. km. and at the end of the 7th year to £264 per sq. km.

A **Frontier Exploration Licence** may be issued in respect of an area with special difficulties related to physical environment, geology or technology where such area is specified and announced by the Minister for the Marine and Natural Resources as a 'Frontier Area'. This licence type is valid for a period of not less than 15 years, comprising a maximum of four phases. Annual rental during the first phase is £22 per sq. km. and £ 44 per sq. km. during the second and subsequent phases. If acreage is surrendered at the end of the second or third phase annual rental fees rise to £88 per sq. km.

The 1992 terms also provide for an application fee of £6,580 in each case.

Licence	Licence Period	Block Nos.	Participants * Operator	% Interest
2/93 Deepwater	1 January 1993 - 31 December 2004	18/25, 18/29, 18/30, 27/4, 27/5 & 27/9	* Enterprise Oil plc; Saga Petroleum Ireland Limited; Statoil Exploration (Ireland) Limited	45% 40% 15%
2/94 Frontier	15 March 1994 - 14 March 2010	12/2, 12/3, 12/7 & 12/8	* Enterprise Oil plc. Agip Ireland BV.	60% 40%
3/94 Frontier	15 March 1994 - 14 March 2010	18/14, 18/15, 18/19 & 18/20	* Enterprise Oil plc; Saga Petroleum Ireland Limited; Statoil Exploration (Ireland) Limited	45% 40% 15%
5/94 Frontier	15 March 1994 - 14 March 2010	11/29, 19/2, 19/3, 19/4, 19/7, 19/8, 19/11, 19/12, 19/16, 19/17 & 19/21	* Statoil Exploration (Ireland) Limited; Union Texas Petroleum, Limited; Murphy Ireland Offshore, Ltd; Enterprise Oil plc.	30% 30% 25% 15%

7/94 Standard	1 April 1994 - 31 March 2000 Ø	42/18, 42/19, ----- 42/26(p), 50/5(p) & 51/1	* Marathon International Petroleum Hibernia Limited;	100%
	Ø Relinquished 31 March, 1999		* Marathon International Petroleum Hibernia Limited; Seagull Ireland Ltd.	90% 10%
2/95 Frontier	15 March 1995 - 15 March 2010	26/28 & 26/29	* Statoil Exploration (Ireland) Limited	100%
5/95 Frontier	15 March 1995 - 15 March 2010	34/15, 34/20 & 35/16	* Chevron Europe Limited; Statoil Exploration (Ireland) Limited	80% 20%
6/95 Frontier	15 March 1995 - 15 March 2010	35/19, 35/29, 35/30, 36/21, 36/26, 44/4 & 44/5	* Marathon International Petroleum Hibernia Limited; Phillips Petroleum Company United Kingdom Limited	50% 50%
8/95 Frontier	15 March 1995 - 15 March 2010	34/24, 34/25, 34/30, 35/21, 35/23(p) & 35/24	* Statoil Exploration (Ireland) Limited; Conoco (U.K.) Ltd; Union Texas Petroleum Limited; Dana Petroleum (E&P) Limited	37.931% 27.586% 20.690% 13.793%
9/95 Frontier	15 March 1995 - 15 March 2010	35/17; 35/22, 35/23(p) & 35/28	* Total Oil Marine plc.; DSM Energy (Ireland) B.V.; Conoco (UK) Limited; ARCO Ireland Offshore Inc.	50% 10% 30% 10%
10/95 Standard	1 May 1995 - 30 April 2001	49/12	* Marathon International Petroleum Hibernia Limited	100%
11/95 Standard	1 September 1995 - 31 August 2001	49/23 & 49/24(p)	* Frontier Resources International Inc.; Sherritt International Oil and Gas Limited	50% 50%
1/96 Standard	19 July 1996 - 18 July 2002	33/17(p), 33/18 & 33/22(p)	* Enterprise Oil plc; Powergen (North Sea) Limited	70% 30%
1/97 Standard	1 May 1997 - 30 April 2003	63/3(s), 63/4, 63/8, 63/9 & 63/10	* EDC (Europe) Limited; Prospeccion Y Desarrollo de Hidrocarburos Espanoles S.A. (PYDHESA); Medusa Oil Limited	57% 28.5% 14.5%
2/97 Frontier	4 June 1997 - 3 June 2013	18/9, 18/10 & 19/6	* ARCO Ireland Offshore Inc.; BG Exploration & Production Ltd; Anadarko Ireland Company	33.33% 33.33% 33.33%
3/97 Frontier	4 June 1997 - 3 June 2013	16/27, 25/1(p), 25/2, 25/6, 75/9(p) & 75/10	* BG Exploration & Production Ltd; ARCO Ireland Offshore Inc.; Anadarko Ireland Company	33.33% 33.33% 33.33%

4/97 Frontier	4 June 1997 - 3 June 2013	25/1(p), 75/4, 75/5, 75/8 & 75/9(p)	* Elf Petroleum Ireland BV; Phillips Petroleum Exploration Ireland	50% 50%
5/97 Frontier	4 June 1997 - 3 June 2013	5/18, 5/23 & 5/28	* Elf Petroleum Ireland BV; Phillips Petroleum Exploration Ireland; British Borneo International Ltd	50% 30% 20%
6/97 Frontier	4 June 1997 - 3 June 2013	5/16, 5/17, 5/21, 5/22, 5/26 & 5/27	* Enterprise Oil plc; Mobil Oil North Sea Ltd; Murphy Ireland Offshore, Ltd; Union Texas Petroleum Limited	25% 25% 25% 25%
7/97 Frontier	4 June 1997 - 3 June 2013	11/20, 11/23, 11/24, 11/25, 11/28, 12/11, 12/12 & 12/16	* Phillips Petroleum Exploration Ireland; Agip Ireland BV	50% 50%
8/97 Frontier	4 June 1997 - 3 June 2013	75/21, 75/26, 82/25 & 82/30	* Phillips Petroleum Exploration Ireland; Agip Ireland BV	50% 50%
9/97 Frontier	4 June 1997 - 3 June 2013	83/9, 83/10, 83/14 & 83/15	* Phillips Petroleum Exploration Ireland; Elf Petroleum Ireland BV	50% 50%
10/97 Frontier	4 June 1997 - 3 June 2013	83/13, 83/18, 83/19 & 83/20	* Saga Petroleum Ireland Ltd; Total Oil Marine plc; Statoil Exploration (Ireland) Limited; Shell EP Atlantic BV	30% 20% 25% 25%
11/97 Frontier	4 June 1997 - 3 June 2013	1/17, 1/18, 1/21, 1/22, 1/23, 1/26, 1/27, 77/4, 77/5, 78/25, 78/29 & 78/30	* Shell EP Atlantic BV; Statoil Exploration (Ireland) Limited; BP Exploration Operating Company Ltd	33.33% 33.33% 33.33%
12/97 Frontier	4 June 1997 - 3 June 2013	10/30, 11/26, 18/4, 18/5 & 19/1	* Statoil Exploration (Ireland) Limited; Shell EP Atlantic BV	50% 50%
1/99 Frontier	15 March 1999 - 14 March 2014	43/19, 43/20, 43/24, 43/25, 43/28 & 43/29	* Agip Ireland BV	100%
2/99 Frontier	15 March 1999 - 14 March 2014	44/18, 44/23, 44/24, 44/29, & 44/30	* Elf Petroleum Ireland BV	100%

LICENSING OPTIONS

A Licensing Option gives the holder the first right to an Exploration Licence over all or part of the area covered by the Option.

Option No.	Expiry Date	Blocks	Participants
96/2	30 September 1998 Application for Lease Undertaking under consideration	49/13(p), 49/14(p), 49/18(p) and 49/19(p)	Providence Resources plc
98/1	13 May 1999	50/11	Providence Resources plc; Island Petroleum Developments Ltd
99/1	31 March 2001	27/13, 27/14, 27/18, 27/19, 27/22 and 27/23	Marathon International Petroleum Hibernia Limited
99/2	31 March 2001	13/4 (S), 13/8 (S), 13/9, 13/13 (N) and 13/14 (N)	Enterprise Oil plc

PETROLEUM LEASES

A Petroleum Lease vests in the lessee the exclusive right to produce petroleum from the leased areas.

Fields	Commencement Date	Blocks	Participants	Operator
Kinsale / Ballycotton	7 May 1970	48/20, 48/25, 49/16, 49/21	Marathon Petroleum Company (Ireland) Ltd.	Marathon Petroleum Company (Ireland) Ltd.
Helvick	1 May 1998	49/9 (p)	Providence Resources plc	Providence Resources plc

PETROLEUM PROSPECTING LICENCES

A Petroleum Prospecting Licence is non-exclusive and confers the right to carry out exploration in any area where an Exploration Licence or Petroleum Lease is not in force.

Licence No.	Period of Years	Licence From	Licensee
1/94	3	1/4/94 (extended to 31/3/99)	Marathon International Petroleum Hibernia Limited
3/95	3	13/4/95 (extended to 12/4/2000)	Geco-Prakla (U.K.) Limited
4/96	3	8/6/96	Union Texas Petroleum Limited.
6/96	3	13/6/96	P.G.S. Exploration (UK) Ltd.

1/97	1	11/3/97 (extended to 10/3/2000)	TGS-NOPEC (UK) Ltd
2/97	3	1/6/97	Enterprise Oil plc
3/97	3	6/8/97	Phillips Petroleum Exploration Ireland
4/97	3	8/8/97	Fina Petroleum Developments Limited
5/97	3	10/9/97	Saga Petroleum Ireland Limited
1/98	3	1/1/98	Providence Resources plc
2/98	1	15/5/98	Surface Geochemical Services AS
3/98	3	15/5/98	Elf Exploration UK PLC
4/98	3	1/10/98	Chevron Ireland
1/99	3	9/4/99	Marathon International Petroleum Hibernia Limited
2/99	3	25/5/99	Fugro-Geoteam AS

ONSHORE PETROLEUM PROSPECTING LICENCE

Licence No.	Licence Period	Licence area	Participants	Operator
ON 1/97	1 December 1997- 30 November 2000	1960 km ² over North West Carboniferous Basin	S. Morrice and Associates LLC; Priority Oil and Gas LLC	S. Morrice and Associates LLC

ONSHORE LICENSING OPTIONS

Option No.	Expiry date	Area	Participants	Operator
98/1 (Sligo)	30 June 1999	411 km ² over North West Carboniferous Basin	S. Morrice and Associates LLC; Priority Oil and Gas LLC	S. Morrice and Associates LLC
98/2 (Lough Allen)	30 June 1999	1549 km ² over North West Carboniferous Basin	S. Morrice and Associates LLC; Priority Oil and Gas LLC	S. Morrice and Associates LLC

PART TWO

MONEYS RECEIVED

During the six months ended 30 June, 1999 the total amount of all moneys collected by the Minister either by way of fine or lump sum payment or by way of rent under or by virtue of any lease, licence or permit was IR£2,935,477.

The above figure includes a sum of IR£1,800,282 paid by Marathon International Petroleum Hibernia Limited in respect of royalty payments on production from the Kinsale Head Gas Field and the Ballycotton Gas Field. The Minister for Finance has directed that this payment be treated as an Extra-Exchequer receipt.

PART THREE
OTHER INFORMATION

Seismic Surveys carried out or commenced in the 6 months ended 30 June 1999

OPERATOR	CONTRACTOR	SURVEY AREA
Fugro-Geoteam AS	Fugro-Geoteam AS	Donegal Basin
Elf Petroleum Exploration Ireland BV	Geco-Prakla (UK) Limited and Delft Geophysical BV	Rockall Trough