

PETROLEUM EXPLORATION AND DEVELOPMENT IN IRELAND

**Report Covering Period
1 January, 2003 – 30 June, 2003**

Report by the Minister for Communications, Marine and Natural Resources for the six months ended 30 June, 2003, 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*.

Trn 377

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

INTRODUCTION

This Report sets out:

- the particulars of all Authorisations granted by the Minister for Communications, Marine and Natural Resources that were current during the reporting period;
- the amount of money relating to petroleum exploration and development collected by the Minister during the reporting period, and
- other information relating to petroleum exploration and development in Ireland.

PART ONE
PETROLEUM AUTHORISATIONS

PETROLEUM EXPLORATION LICENCES

A **Petroleum Exploration Licence** vests in the Holder the exclusive right of carrying out exploration for petroleum in a specific licensed offshore area.

Six 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 of up to 200 metres and is subject to an annual rental fee of **€167** per km². If acreage is surrendered at the end of the fourth year, the annual rental fee rises to **€335** per km².

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 an annual rental fee of **€83** per km². If acreage is surrendered at the end of the fourth year, the annual rental fee rises to **€167** per km². At the end of the seventh year, this figure rises again to **€335** per km².

A **Frontier Exploration Licence** may be issued in respect of an area with special difficulties related to physical environment, geology or technology – where such an area is specified and announced by the Minister for Communications, Marine and Natural Resources as a 'Frontier Area'. This Licence type is valid for a period of not less than fifteen years and is comprised of a maximum of four phases. Annual rental during the first phase is **€27** per km² and **€55** per km² during the second and subsequent phases. If acreage is surrendered at the end of the second or third phase, the annual rental fee rises to **€111** per km².

The 1992 Terms also provide for an application fee of **€8,354** in each case.

Licence	Licence Period	Block No.	Acreage	Participants (* = Operator)	% Interest
2/93 Deepwater	01 January, 1993 – 31 December, 2004	18/25 (p), 8/30(p), 27/4, 27/5 (p) & 27/9 (p)	730.3 km ²	* Enterprise Energy Ireland Ltd. Statoil Exploration (Ireland) Ltd. Marathon International Petroleum Hibernia Ltd.	45% 36.5% 18.5%
2/94 Frontier	15 March, 1994 – 14 March, 2010	12/2, 12/3, 12/7 & 12/8	930.8 km ²	* Enterprise Energy Ireland Ltd. Eni (formerly Agip) Ireland BV OMV (Ireland) Exploration GMBH	50% 40% 10%
3/94 Frontier	15 March, 1994 – 14 March, 2010	18/14 (p), 18/15(p), 18/19(p) & 18/20(p)	467.2 km ²	* Enterprise Energy Ireland Ltd. Statoil Exploration (Ireland) Ltd. Marathon International Petroleum Hibernia Ltd.	45% 36.5% 18.5%
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	2,632.3 km ²	* Statoil Exploration (Ireland) Ltd. Enterprise Energy Ireland Offshore Inc. Murphy Ireland Offshore Ltd. Enterprise Energy Ireland Ltd.	30% 30% 25% 15%

Licence	Licence Period	Block No.	Acreage	Participants (* = Operator)	% Interest
7/97 Frontier	04 June, 1997 – 03 June, 2013	11/20, 11/23, 11/24, 11/25, 11/28, 12/11, 12/12 & 12/16	1,883.2 km ²	* Eni (formerly Agip) Ireland BV	100%
1/99 Frontier	15 March, 1999 – 14 March, 2014	43/19, 43/20, 43/24, 43/25, 43/28 & 43/29	1,553.6 km ²	* Eni (formerly Agip) Ireland BV	100%
2/99 Frontier	15 March, 1999 – 14 March, 2014	44/18, 44/23, 44/24, 44/29 & 44/30	1,295.6 km ²	* Elf Petroleum Ireland BV	100%

P – part block

- Elf Petroleum Ireland BV's Frontier Exploration Licence 2/99 was relinquished on 18 June, 2003.

PETROLEUM LEASES

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

	Commencement Date	Blocks/Area of Lease	Participants (* = Operator)
<u>Offshore Petroleum Lease No. 1</u> Kinsale/Ballycotton	07 May, 1970	48/20, 48/25, 49/16 & 49/21 (Area: 1,003.03 km²)	* Marathon International Petroleum Ireland Ltd.
<u>Corrib Petroleum Lease</u>	15 November, 2001	18/20 (p) & 18/25 (p) (Area: 29.28 km²)	* Enterprise Energy Ireland Ltd. Marathon International Petroleum Hibernia Ltd. Statoil Exploration (Ireland) Ltd.
<u>Seven Heads Petroleum Lease</u>	13 November, 2002	48/22 (p), 48/23 (p), 48/24 (p), 48/27 (p), 48/28 (p), 48/29 (p) & 48/30 (p) (Area: 291.5 km²)	* Ramco Oil and Gas Ltd. Island Petroleum Developments Ltd. Northern Exploration Ltd. Sunningdale Oils (Ireland) Ltd.

P – part block

LEASE UNDERTAKINGS

A Lease Undertaking gives the Holder the first right to a Petroleum Lease if commercial discovery is established.

	Blocks and Area	Participants (* = Operator)	% Interest
50/11A Lease Undertaking (01 May, 2001 – 30 April, 2004)	50/11 (p) (Area: 47.13 km ²)	* Providence Resources Plc. Island Petroleum Developments Ltd.	75% 25%

P – part block

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.	Option Period	Blocks	Participants (* = Operator)	% Interest
99/2	11 May, 1999 – 31 March, 2001 (extended to 31 March, 2002) <i>Further authorisation under discussion</i>	13/4 (S), 13/8 (S), 13/9, 13/13 (N) and 13/14 (N)	* Enterprise Energy Ireland Ltd.	100%
00/2	01 March, 2000 – 28 February, 2001 (extended to 28 February, 2002) <i>Further authorisation under discussion</i>	13/7, 13/11 (NE) and 13/12 (N)	* Ramco Oil and Gas Ltd. Island Petroleum Developments Ltd. Sunningdale Oils (Ireland) Ltd.	70% 20% 10%
00/4	01 June, 2000 – 31 May, 2001 <i>Further authorisation under discussion</i>	48/18 (p), 48/19 (p) & 48/24 (p)	* Ramco Oil and Gas Ltd. Island Petroleum Developments Ltd. Sunningdale Oils (Ireland) Ltd.	60% 32% 8%
03/1	01 January, 2003 – 31 December, 2003	48/29 (p), 48/30 (p), 49/26, 57/4 (p) & 57/5 (p)	* Providence Resources Plc. Midmar Energy Ltd.	50% 50%
03/2	01 February, 2003 – 31 July, 2004	49/11 (p) & 49/12 (p)	* Ramco Oil and Gas Ltd.	100%

P – part block

ONSHORE PETROLEUM EXPLORATION LICENCES

An **Onshore Petroleum Exploration Licence** vests in the Holder the exclusive right of carrying out exploration for petroleum in a specific licensed onshore area.

Licence No.	Licence Period	Licensed area	Operator	% Interest
<u>1/01</u>	01 July, 2001 – 31 December, 2005	411 km ² – North West Carboniferous Basin	Evergreen Resources Inc.	100%
<u>2/01</u>	01 July, 2001 – 31 December, 2005	1,549 km ² – North West Carboniferous Basin	Evergreen Resources Inc.	100%

PETROLEUM PROSPECTING LICENCES

A Petroleum Prospecting Licence is non-exclusive and confers on the Licensee the right to search for petroleum in any area where an Exploration Licence, Reserved Area Licence or Petroleum Lease is not in force.

Licence No.	No. of Years	Licence from	Licensee
<u>1/98</u>	3	01 January, 1998 (extended to 31 December, 2003)	Providence Resources Plc.
<u>3/98</u>	3	15 May, 1998 (extended to 14 May, 2003)	Elf Exploration UK Plc.
<u>4/98</u>	3	01 October, 1998 (extended to 30 September, 2003)	Chevron Ireland
<u>1/99</u>	3	09 April, 1999 (extended to 08 April, 2004)	Marathon International Petroleum Hibernia Ltd.
<u>1/00</u>	3	08/03/2000	Ramco Oil and Gas Limited
<u>3/00</u>	3	08 June, 2000 (extended to 07 June, 2005)	Enterprise Energy Ireland Ltd.
<u>4/00</u>	3	08 June, 2000	Statoil Exploration (Ireland) Ltd.
<u>1/03</u>	3	08 March, 2003	Ramco Oil and Gas Ltd.
<u>2/03</u>	3	22 May, 2003	Fugro Geoteam AS

<u>3/03</u>	3	10 June, 2003	PGS Exploration (UK) Ltd.
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- Ramco Oil and Gas Ltd.'s Petroleum Prospecting Licence 1/00 expired on 08 March, 2003.
- Elf Exploration UK Plc.'s (TotalFinaElf's) Petroleum Prospecting Licence 3/98 expired on 14 May, 2003.
- Statoil Exploration (Ireland) Ltd.'s Petroleum Prospecting Licence 4/00 expired on 08 June, 2003.

PART TWO
MONEYS RECEIVED

During the six months ended 30 June, 2003, the total amount of all moneys collected by the Minister either by way of rentals under or by virtue of any lease, licence or permit, sale of data and application fees was **€1,074,577.30**. Details are as follows:

Rentals	Application fees	Sale of data	Total
€1,060,780.99	€9,744.00	€4,052.31	€1,074,577.30.

PART THREE
OTHER INFORMATION

EXPLORATION/APPRaisal WELLS drilled during the 6 months ended 30 June, 2003

Well No. (Block)	Well Class	Area	Operator	Rig Name	TD (MD)	Water Depth	Spud Date	Rig Release Date	Well Result	Well Status
<u>48/24-6</u>	Appraisal/Development	North Celtic Sea Basin	Ramco Seven Heads Ltd.	"Sedco 711"	4,260 ft.	331 ft.	15 March, 2003	18 April, 2003	Gas Well	Suspended
<u>48/25-6</u>	Appraisal/Development	North Celtic Sea Basin	Marathon International Petroleum Hibernia Ltd.	"Sedco 711"	9,234 ft.	305 ft.	22 April, 2003	27 May, 2003	Gas Well	Suspended
<u>12/2-1Z</u>	Exploration	Rockall Basin	Enterprise Energy Ireland Ltd. & Shell	"Jack Bates"	-	1,476 m.	Re-entered on 11 May, 2003	-	Operating	Operating
<u>48/24-7</u>	Appraisal/Development	North Celtic Sea Basin	Ramco Seven Heads Ltd.	"Sedco 704"	577 ft.	329 ft.	14 May, 2003	15 May, 2003	Junked	Abandoned
<u>48/24-7A</u>	Appraisal/Development	North Celtic Sea Basin	Ramco Seven Heads Ltd.	"Sedco 704"	-	329 ft.	16 May, 2003	-	Operating	Operating
<u>48/24-8</u>	Appraisal/Development	North Celtic Sea Basin	Ramco Seven Heads Ltd.	"Sedco 711"	-	320 ft.	12 June, 2003	-	Operating	Operating

SEISMIC SURVEYS carried out or commenced in the 6 months ended 30 June, 2003

Operator	Contractor	Vessel	Km ²	Survey Area
Fugro-Geoteam AS	Fugro-Geoteam AS	"Geo Pacific"	659	East Rockall Basin