

**PETROLEUM EXPLORATION AND
DEVELOPMENT IN IRELAND**

**Report Covering Period
1 July 2000 - 31 December 2000**

Report by the Minister for the Marine and Natural Resources for the six months ended
~~30 June 2000~~ ^{31 December} 2000 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 9500

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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-one 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 No.	Acreage	Participants * Operator	% Interest
2/93 Deepwater	1 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 Limited; ¹ Statoil Exploration (Ireland) Limited; Marathon International Petroleum Hibernia Limited	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 Limited; ¹ Agip Ireland BV.	60% 40%
3/94 Frontier	15 March 1994 - 14 March 2010	18/14, 18/15, 18/19 & 18/20	961.6 km ²	* Enterprise Energy Ireland Limited; ¹ Statoil Exploration (Ireland) Limited; Marathon International Petroleum Hibernia Limited	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	2632.3 km ²	* Statoil Exploration (Ireland) Limited; ARCO Ireland Offshore Inc; Murphy Ireland Offshore, Ltd; Enterprise Energy Ireland Limited; ¹	30% 30% 25% 15%
5/95 Frontier	15 March 1995 - 15 March 2010	34/15, 34/20 & 35/16	756.2 km ²	* Chevron U.K. Limited; Statoil Exploration (Ireland) Limited	80% 20%

PETROLEUM EXPLORATION LICENCES (contd.)

Licence	Licence Period	Block No.	Acreage	Participants * Operator	% Interest
6/95 Frontier	15 March 1995 - 15 March 2010	35/19, 35/29, 35/30, 36/21, 36/26, 44/4 & 44/5	1778.9 km ²	* 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(E) & 35/24	1394.3 km ²	* Statoil Exploration (Ireland) Limited; Conoco (U.K.) Ltd; ARCO Ireland Offshore Inc; Dana Petroleum (E&P) Limited	37.931% 27.586% 20.690% 13.793%
11/95 Standard	1 September 1995 - 31 August 2001	49/23 & 49/24(p)	431.9 km ²	* Sherritt International Oil and Gas Limited ²	100%
1/97 Standard	1 May 1997 - 30 April 2003	63/3(S), 63/4, 63/8, 63/9 & 63/10	1201.1 km ²	* EDC (Europe) Limited; Prospeccion Y Desarrollo de Hidrocarburos Espanoles S.A. (PYDHESA); Medusa Hydrocarbons Limited ³	57% 28.5% 14.5%
2/97 Frontier	4 June 1997 - 3 June 2013	18/9, 18/10 & 19/6	716.9 Km ²	* 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(S), 25/2, 25/6, 75/9(E) & 75/10	1220.9 km ²	* 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(N), 75/4, 75/5, 75/8 & 75/9(W)	976.7 km ²	* 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	495.7 km ²	* 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	991.4 km ²	* Enterprise Energy Ireland Limited; ¹ Mobil Oil North Sea Ltd; Murphy Ireland Offshore, Ltd; ARCO Ireland Offshore Inc;	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	1883.2 km ²	* 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	992.4 km ²	* Phillips Petroleum Exploration Ireland; Agip Ireland BV	50% 50%

PETROLEUM EXPLORATION LICENCES (contd.)

Licence	Licence Period	Block No.	Acreage	Participants * Operator	% Interest
9/97 Frontier	4 June 1997 - 3 June 2013	83/9, 83/10, 83/14 & 83/15	1003.9 km ²	* 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	1008.6 km ²	* Conoco (UK) Lambda Limited; ⁴ TotalFinaElf Exploration UK plc; ⁵ Statoil Exploration (Ireland) Limited; Shell EP Ireland BV	30% 20% 25% 25%
12/97 Frontier	4 June 1997 - 3 June 2013	10/30, 11/26, 18/4, 18/5 & 19/1	1187.9 km ²	* Statoil Exploration (Ireland) Limited; Shell EP Ireland BV	50% 50%
1/99 Frontier	15 March 1999 - 14 March 2014	43/19, 43/20, 43/24, 43/25, 43/28 & 43/29	1553.6 km ²	* Agip Ireland BV	100%
2/99 Frontier	15 March 1999 - 14 March 2014	44/18, 44/23, 44/24, 44/29, & 44/30	1295.6 km ²	* Elf Petroleum Ireland BV	100%

N - northern half S - southern half E - eastern half W - western half p - part block

- Notes:** (1) Enterprise Oil plc assigned its interests in exploration licences 2/93, 2/94, 3/94, 5/94, 6/97 and licensing option 99/2 to Enterprise Energy Ireland Limited.
 (2) Frontier Resources Inc. assigned its interest in exploration licence 11/95 to Sherritt International Oil and Gas Limited who now operate the licence.
 (3) Medusa Oil Limited, who hold an interest in exploration licence 1/97, changed its name to Medusa Hydrocarbons Limited.
 (4) Saga Petroleum Ireland Limited, the original operator of exploration licence 10/97, changed its name to Conoco (UK) Lambda Limited and is now a subsidiary of Conoco (UK) Limited. Conoco (UK) Lambda Limited is now the operator of the licence.
 (5) TotalFinaElf changed the name of its subsidiary Total Marine Oil plc to TotalFinaElf Exploration UK plc on 29 June, 2000.

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 International Petroleum Ireland Limited	Marathon International Petroleum Ireland Limited
Helvick	1 May 1998	49/9 (p)	Providence Resources plc	Providence Resources plc

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
96/2	Option has expired; (application for Lease Undertaking under consideration)	49/13(p), 49/14(p), 49/18(p) and 49/19(p)	* Providence Resources plc	100%
98/1	Option has expired; (application for Lease Undertaking under consideration)	50/11	* Providence Resources plc; Island Petroleum Developments Ltd.	75% 25%
99/1	1 April 1999 - 31 March 2001	27/13, 27/14, 27/18, 27/19, 27/22 & 27/23	* Marathon International Petroleum Hibernia Limited	100%
99/2	11 May 1999 - 31 March 2001	13/4 (S), 13/8 (S), 13/9, 13/13 (N) and 13/14 (N)	* Enterprise Energy Ireland Limited ¹	100%
99/3	1 October 1999 - 31 March 2001	48/23 (S), 48/24 (S), 48/28 (N) and 48/29 (N)	* Ramco Oil and Gas Ltd.; Duke Engineering and Services Ltd. Island Petroleum Developments Ltd. Sunningdale Oils (Ireland) Ltd.	37.5% 37.5% 20% 5%
00/1	15 February 2000 - 31 January, 2001	50/6 (p) and 50/7 (p)	* Providence Resources plc.; Island Petroleum Developments Ltd.	65% 35%
00/2	1 March 2000 - 28 February 2001	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%
00/3	1 June 2000 - 31 May 2002	19/9	* Statoil Exploration (Ireland) Limited; Enterprise Energy Ireland Limited; ¹ Murphy Ireland Offshore, Ltd;	30% 45% 25%
00/4	1 June 2000 - 31 May 2001	48/18 (p), 48/19 (p) and 48/24 (p)	* Ramco Oil and Gas Ltd.; Island Petroleum Developments Ltd. Sunningdale Oils (Ireland) Ltd.	60% 32% 8%
00/5	1 August 2000 - 30 April 2002	27/3 (E) and 27/8	* Enterprise Energy Ireland Limited ¹ Statoil Exploration (Ireland) Limited	55.215% 44.785%

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
6/96	3	13/6/96 (extended to 12/6/2001)	P.G.S. Exploration (UK) Ltd.
3/97	3	6/8/97 (extended to 5/8/2002)	Phillips Petroleum Exploration Ireland
1/98	3	1/1/98 (extension under consideration)	Providence Resources plc
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
3/99	1	23/11/99	Fugro Airborne Surveys
1/00	3	8/3/00	Ramco Oil and Gas Ltd.
2/00	3	5/4/00	Delft Geophysical B.V.
3/00	3	8/6/00	Enterprise Energy Ireland Limited
4/00	3	8/6/00	Statoil Exploration (Ireland) Limited

ONSHORE LICENSING OPTIONS

Option No.	Option period	Area	Participants	Operator
98/1 (Sligo)	1 January 1998 - 30 June 1999 (extended to 30 June 2001)	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)	1 January 1998 - 30 June 1999 (extended to 30 June 2001)	1549 km ² over North West Carboniferous Basin	S. Morrice and Associates LLC; Priority Oil and Gas LLC	S. Morrice and Associates LLC

ONSHORE PETROLEUM PROSPECTING LICENCE

Licence No.	Licence Period	Licence area	Participants	Operator
ON 1/97	1 December 1997- 30 November 2002	1960 km ² over North West Carboniferous Basin	S. Morrice & Associates LLC; Priority Oil and Gas LLC	S. Morrice & Associates LLC

PART TWO

MONEYS RECEIVED

During the six months ended 31 December, 2000 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 £3,821,216.

The above figure includes a sum of IR £3,448,951 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.

OTHER INFORMATION

Seismic Surveys carried out or commenced in the 6 months ended 31 December, 2000

Operator	Contractor	Vessel	Km km ²	Survey Area
Statoil Exploration (Ireland) Limited	Fugro-Geoteam AS	Geo Pacific	813 km ²	Erris Basin
P.G.S.Exploration (UK) Ltd.	P.G.S	Ramform Viking	1048 km ²	Porcupine Basin
Enterprise Energy Ireland Limited	Veritas DGC	Polar Princess	583 km ²	Slyne Basin
Phillips Petroleum Exploration Ireland	Fugro-Geoteam AS	Geo Artic	210	Rockall Basin
Marathon International Petroleum Hibernia Limited	Fugro-Geoteam AS	Geo Artic	600	Slyne Basin
Agip Exploration Ireland BV	Fugro-Geoteam AS	Geo Artic	1164	South Porcupine Basin