
W E L S H S T A T U T O R Y
I N S T R U M E N T S

2018 No. 969 (W. 196)

ENERGY, WALES

**The Petroleum Licensing (Charges)
(Wales) Regulations 2018**

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make provision for the Welsh Ministers to charge fees in respect of an application to them for a petroleum licence under the Petroleum Act 1998 and for consents required under those licences for various listed activities and matters.

Regulations 1 and 2 contain general provisions.

Regulation 3 sets out the fee payable upon application for a licence under section 4 of the Petroleum Act 1998.

Regulation 4 sets out a formula for determining the fee payable upon application for the Welsh Ministers' consent to a development and production programme. Regulation 5 sets the fee payable upon application for the Welsh Ministers' consent to a retention or development area proposal. Regulation 6 sets out fixed fees payable upon application for the Welsh Ministers' consent to a number of listed activities. Regulation 7 sets out the fee payable upon application to the Welsh Ministers for an oil field determination.

The Welsh Ministers' Code of Practice on the carrying out of Regulatory Impact Assessments was considered in relation to these Regulations. As a result, it was not considered necessary to carry out a regulatory impact assessment as to the likely costs and benefits of complying with these Regulations.

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2018 No. 969 (W. 196)

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**The Petroleum Licensing (Charges)
(Wales) Regulations 2018**

Made 4 September 2018

Laid before the National Assembly for Wales
7 September 2018

Coming into force 1 October 2018

The Welsh Ministers make the following Regulations in exercise of the powers conferred by section 4 of the Petroleum Act 1998⁽¹⁾ and sections 188 and 192 of the Energy Act 2004⁽²⁾ and now vested in them:

Title, commencement and application

1.—(1) The title of these Regulations is the Petroleum Licensing (Charges) (Wales) Regulations 2018 and they come into force on 1 October 2018.

(2) These Regulations apply in relation to Wales.

Interpretation

2. In these Regulations—

“the 2015 Regulations” (“*Rheoliadau 2015*”) means the Petroleum Licensing (Applications) Regulations 2015⁽³⁾;

“development and production programme” (“*rhaglen ddatblygu a chynhyrchu*”) means a programme submitted pursuant to a petroleum licence setting out the measures proposed to be taken in connection with the development and production of a petroleum field;

(1) 1998 c. 17. Section 4 was amended by paragraph 15 of Schedule 6 to the Wales Act 2017 (c. 4). There are other amendments to section 4 which are not relevant to these Regulations.

(2) 2004 c. 20. Section 188 was amended by paragraph 24 of Schedule 6 to the Wales Act 2017. Section 192 was amended by paragraph 60 of that Schedule. There are other amendments to sections 188 and 192 which are not relevant to these Regulations.

(3) S.I. 2015/766, amended by S.I. 2016/912 and S.I. 2018/56; there are other amending instruments but none is relevant.

“development area proposal” (“*cynnig ardal ddatblygu*”) means a proposal submitted pursuant to a petroleum exploration and development licence defining the geographic locations within a petroleum field where the licensee proposes to undertake development and production including, where relevant, a plan setting out the activities to be carried out;

“landward petroleum exploration licence” (“*trwydded fforio petrolewm tua’r tir*”) has the meaning given in regulation 2 of the 2015 Regulations;

“licensee” (“*trwyddedai*”) means the holder of a petroleum licence;

“methane drainage licence” (“*trwydded draenio methan*”) has the meaning given in regulation 2 of the 2015 Regulations;

“notify” (“*hysbysu*”) means notify in writing;

“operator” (“*gweithredwr*”) means a person who has been appointed as an installation operator, as a well operator or as both;

“petroleum exploration and development licence” (“*trwydded datblygu a fforio petrolewm*”) has the meaning given in regulation 2 of the 2015 Regulations;

“petroleum licence” (“*trwydded petrolewm*”) means a licence granted under section 3 of the Petroleum Act 1998 (searching for, boring and getting petroleum) or under section 2 of the Petroleum (Production) Act 1934 (licences to search for and get petroleum)⁽¹⁾;

“retention area proposal” (“*cynnig ardal gadw*”) means a proposal submitted pursuant to a petroleum exploration and development licence defining the geographic locations where the licensee proposes to undertake exploration and appraisal activities;

“well” (“*ffynnon*”) includes a borehole;

“well suspension” (“*atal ffynnon dros dro*”) means the suspension of the use of a well such that it may be re-used for the purpose of drilling or other works; and

“work programme” (“*rhaglen waith*”) means a programme set out in a schedule to a petroleum licence which sets out the prospecting to be undertaken during the initial term, including any geological survey by any physical or chemical means and any test drilling.

(1) 1934 c. 36. This Act was repealed by the Petroleum Act 1998 but without prejudice to any right conferred by a licence in force immediately before commencement of that Act, see paragraph 4 of Schedule 3 to that Act.

Fees payable for an application for a petroleum licence

3. A person who makes an application to the Welsh Ministers for a petroleum licence listed in the first column of Table 1 must pay the corresponding fee in the second column of that table.

Table 1

<i>Type of licence</i>	<i>Fee payable</i>
Landward petroleum exploration licence	£500
Methane drainage licence	£50
Petroleum exploration and development licence	£1,400

Fee for a consent to a development and production programme

4.—(1) A licensee who applies to the Welsh Ministers for consent to a development and production programme must pay a fee.

(2) The amount of the fee payable under paragraph (1) is determined by the formula—

$$£595 \times A \times B$$

where—

A is the number of days; and

B is the number of officers

required to determine the application.

(3) The fee payable under paragraph (1) must be paid within 30 days of the Welsh Ministers notifying the licensee of the determination of the application unless the Welsh Ministers notify the licensee that the fee may be paid at a later date.

(4) In paragraph (2), “officer” (“*swyddog*”) means a person engaged by or on behalf of the Welsh Ministers to carry out the function in respect of which the relevant fee is payable.

Fee payable for a consent to a retention area proposal or a development area proposal

5.—(1) A licensee who applies to the Welsh Ministers for consent to a retention area proposal or a development area proposal must pay a fee of £1068 if the Welsh Ministers grant consent.

(2) The fee payable under paragraph (1) must be paid within 30 days of the Welsh Ministers notifying the licensee of the determination of the application unless the Welsh Ministers notify the licensee that the fee may be paid at a later date.

Fixed fees payable for other consents

6.—(1) A licensee who applies to the Welsh Ministers for consent to an activity or matter listed in the first column of Table 2 must pay the corresponding fee in the second column of that table.

(2) Subject to paragraph (3), the fee payable under paragraph (1) must be paid at the time of making the application, unless the Welsh Ministers notify the licensee that the fee may be paid at a later date.

(3) In relation to the activities listed in paragraph (4), the fee payable under paragraph (1) must be paid within 30 days of the Welsh Ministers notifying the licensee of the determination of the application unless the Welsh Ministers notify the licensee that the fee may be paid at a later date.

(4) The activities are—

- (a) an application for consent to extend the initial, second or final term of a petroleum licence;
- (b) an application for consent to amend a work programme.

Table 2

<i>Activity or matter requiring consent</i>	<i>Fee payable</i>
Drilling a primary well	£729
Drilling a sidetrack well branching off from the principal well to a target location different from that of the principal well	£596
Fitting or refitting equipment in a well for the purpose of enabling hydrocarbon production or injection	£566
Getting petroleum from a licensed area	£1,052
Varying a consent to get petroleum from a licensed area	£1,052
Flaring or venting petroleum from a well	£765
Varying a consent to flare or vent petroleum from a well	£765
Well suspension	£596
Putting back into use any well subject to a well suspension	£566
Abandoning a well permanently	£566
Changing the licensee of a petroleum licence	£401
Changing the beneficiary of rights granted by a petroleum licence	£401
Appointing an operator under a petroleum licence	£1,201
Extending the initial, second or final term of a petroleum licence	£1,000
Amending a work programme	£1,000

Fee payable for a determination of an oil field

7.—(1) A licensee who requests from the Welsh Ministers a determination under Schedule 1 to the Oil Taxation Act 1975⁽¹⁾ (determination of oil fields) must pay a fee of £1,124.

(2) The fee payable under paragraph (1) must be paid within 30 days of the Welsh Ministers notifying the licensee of the determination of the application unless the Welsh Ministers notify the licensee that the fee may be paid at a later date.

Payment of fees

8.—(1) A fee payable under these Regulations must be paid in such manner as the Welsh Ministers determine.

(2) A fee is not paid under these Regulations until the Welsh Ministers have received the full amount of the fee in cleared funds.

(3) A fee due under these Regulations is recoverable as a civil debt.

Lesley Griffiths

Cabinet Secretary for Energy, Planning and Rural Affairs, one of the Welsh Ministers

4 September 2018

(1) 1975 c. 22. Schedule 1 was amended by paragraph 20 of Part 2 of Schedule 6 to the Wales Act 2017. There are other amendments to Schedule 1 which are not relevant to these Regulations.