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Licensing rounds

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The authorities can influence the pattern of players on the NCS through policies on awarding new production licences and by giving or withholding approval of transfers. The overall policy objective is to help secure a pattern which promotes the best possible resource management and which thereby lays a basis for creating the highest possible value and government revenues. Licensing policy is clarified through individual decisions made by the authorities in awarding production licences and approving/rejecting transfers.

1st-4th LICENSING ROUNDS

The first blocks on the NCS were announced in 1965. This round comprised all blocks in Norway's North Sea sector (south of 62°N), with the exception of those closest to the boundary with the Swedish and Danish continental shelves. The Ministry received 11 applications covering 208 of the 278 blocks announced.

A total of 22 licences were awarded covering 78 blocks, making this the most comprehensive licensing round off Norway. At the time, little was known about geological conditions on the continental shelf and opportunities for selecting promising blocks were fairly limited.

Small areas were announced in the second licensing round in 1969, which aimed to allocate some additional acreage to existing production licences. Block 25/1, which proved in 1972 to contain the Frigg field, was awarded in this round.

The third round comprised 32 blocks, with 20 of these awarded in 1974, 1976 and 1977. This round was the first time Statoil received a 50 per cent interest in each licence. Statoil, Saga Petroleum and Norsk Hydro were also awarded operatorships for the first time.

Fifteen blocks were announced in 1978 for the fourth licensing round, with eight awarded. This round included the award of block 31/2 – part of Troll – with Shell as operator.

5th-10th LICENSING ROUNDS

The fifth licensing round in 1979 was the first to include acreage north of 62°N, on the Halten Bank in the Norwegian Sea and the Tromsø Patch in the Barents Sea. Divided into three parts, the round embraced the award of 12 production licences covering an equal number of blocks between 1980 and 1982.

Nine blocks were awarded in the sixth licensing round in 1981, involving relinquished acreage in the southern part of Norway's North Sea sector.

In the same year, five blocks were awarded in the seventh round on the Træna Bank, a new area of the Norwegian Sea. All this acreage has since been relinquished.

The eighth round in 1984 was the first to offer blocks in all parts of Norway's continental shelf – the North, Norwegian and Barents Seas. Block 34/7 – containing part of Snorre – proved the most desirable acreage in this round, and Saga was appointed operator.

Acreage both south and north of 62°N was also included in the ninth round the following year, when 11 production licences covering 13 blocks were awarded.

The 10th round was divided into two parts. Part A in 1985 was restricted to North Sea acreage, while Part B the following year covered production licences in the newly-opened Nordland II area of the Norwegian Sea. A total of 17 blocks were awarded in this round.

11th-15th LICENSING ROUNDS

The 11th licensing round in 1987, also divided into Parts A and B, awarded a total of 13 production licences covering 22 full or part blocks. One of these was in the North Sea, one in the Møre South area of the Norwegian Sea, four on the Halten Bank and seven in the Barents Sea. Four of the Barents Sea licences involved key blocks. Part A of the 12th licensing round in 1988 awarded 11 production licences covering 16 full or part

blocks in the North Sea. The following year, Part B awarded 13 blocks in nine production licences – three (six blocks) in the Barents Sea, one on Nordland II, three on the Halten Bank and two (three blocks) on Møre I.

The 13th licensing round in 1991 awarded 36 blocks in 22 production licences, including 12 in the North Sea, three in the Norwegian Sea and seven in the Barents Sea.

Awards in the 14th licensing round in 1993 covered 31 blocks in 17 production licences, of which 11 were in the North Sea, four in the Norwegian Sea and two in the Barents Sea.

The 15th licensing round in 1996 awarded 46 blocks in 18 production licences, which included four in the North Sea and 14 in the Norwegian Sea.

This was the first round completed within the framework of the European Union's licensing directive (see chapter 11).

BARENTS SEA PROJECT

In May 1997, production licences were awarded for seven areas of the Barents Sea, including four as seismic areas. The Barents Sea project was initiated because of the special challenges faced in these waters – both as a result of reduced oil company interest and with regard to fishery and environmental aspects.

AWARDS OUTSIDE LICENSING ROUNDS

The Statoil/Mobil group was awarded a production licence in 1973 for blocks 33/9 and 33/12, which proved to contain the Statfjord field. Mobil was appointed operator. Statoil took over the operatorship on 1 January 1987.

Block 34/10 (Gullfaks) was awarded in 1978 to Norwegian licensees alone.

Part of Oseberg lies in block 30/9, and this acreage was awarded in 1982 to Statoil, Norsk Hydro and Saga Petroleum with Statoil as operator. Proven in block 31/2, Troll extends into blocks

31/3, 31/5 and 31/6. This acreage was the subject of a supplementary award in 1982, with Statoil, Hydro and Saga as operator for the respective blocks.

In 1985, production licence 112 was awarded as supplementary acreage to the East Frigg licensees. The relinquished part of block 25/1 was re-awarded in 1986 with Hydro as the operator, and production licence 185 went as supplementary acreage to the Brage licensees in 1991.

Production licence 085B was awarded to the Troll licensees in 1992, with production licence 018B going to the Ekofisk licensees in 1995. In the latter year, production licences 050B and 114B were also awarded to the licensees on Gullfaks and Yme respectively.

Eight production licences were awarded in 1998. These included five carve-outs, where part of the acreage in existing licences was partitioned off and made the subject of separate production licences – in this case 019C, 037B, 053B, 102B and 103B.

The other licences awarded were 114C, 128B and 237 as supplementary acreage for the Yme, Norne and Åsgard fields respectively.

Four production licences were awarded outside licensing rounds in 1999. One of these, PL 250, added supplementary acreage to the Ormen Lange discovery made by well 6305/8-1. The three others were carve-outs from existing production licences awarded to new holders. These cases covered PLs 001 B, 027 B and 028 B.

NORTH SEA ROUND

Fourteen production licences in the Norwegian North Sea were awarded in June 1999 in the North Sea round. Eleven of these were in new areas, while the remaining three represented supplementary acreage to existing discoveries or fields – PLs 050 C, 055 B and 249, supplementing 34/10-22 Gamma (Gullfaks), Brage and 25/4-6 S Vale respectively.

These awards totalled 22 full or part blocks.

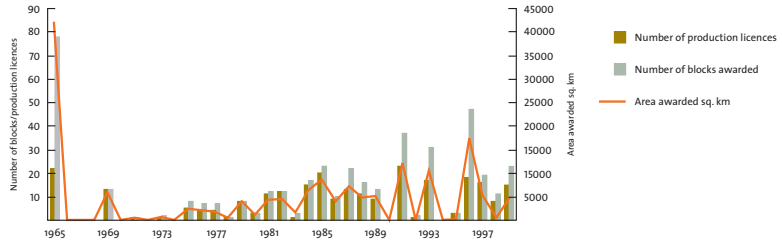


Figure 12.1 Awards per year (Source: Norwegian Petroleum Directorate)

Table 12.1 Licensing rounds

Licensing round	Year	Number of blocks	Licences
1st	1965	78	001-022
2nd	1969-71	14	023-036
BI 33/9-12 (Statfjord)	1973	2	037
3rd	1974-76	11	038-043
BI 1/9, 24/11-12 15/8-9 33/2-5 15/2-5	1976-77	9	044-049
BI 34/10 (Gullfaks)	1978	1	050
4th	1979	8	051-058
5th part 1 and 2	1980-81	6	059-064
5th part 3	1982	6	073-078
6th	1981	9	065-072
BI 30/9 1	1982	1	079
7th	1982	5	080-084
BI 31/3-5-6	1983	3	085
8th	1984	17	086-100
9th	1985	13	101-111
BI 25/2 1	1985	1	112
10th A	1985	8	113-120
10th B	1986	9	121-128
BI 25/1 1	1986	1	129
11th A	1987	11	130-137
11th B	1987	11	138-142
12th A	1988	16	143-153
12th B	1989	13	154-162
13th	1991	36	163-184
BI 31/7 1	1991	1	185
BI 31/3-5-6 1	1992	3	085B
14th	1993	31	186-202
BI 1/6 1 (Ekofisk)	1995	1	018B
BI 34/10 1 (Gullfaks)	1995	1	050B
BI 9/5 1 (Yme)	1995	1	114B
15th	1996	46	203-220
Barents Sea project II	1997		221-236
BI 7/12 3	1998		019C
BI 33/12 3	1998		037B
BI 30/6 3	1998		053B
BI 25/5 3	1998		102B
BI 25/07 3	1998		103B
BI 9/1, 9/2 og 9/4 (Yme)	1998		114C
BI 6508/1 (Norne)	1998		128B
BI 6407/3 (Åsgard)	1998		237

- 1 The award does not comprise the entire block.
- 2 Parts of the area were awarded as seismic areas which will be geographically delimited later.
- 3 Carve-out.