



Treaty Series No. 57 (1995)

Exchange of Notes

between the Government of the
United Kingdom of Great Britain and Northern Ireland
and the Government of the Kingdom of Norway

amending the Agreement relating to the
Exploitation of the Statfjord Field Reservoirs
and the Offtake of Petroleum therefrom,
signed at Oslo on 16 October 1979

Oslo, 24 March 1995

[The Agreement entered into force on 24 March 1995]

*Presented to Parliament
by the Secretary of State for Foreign and Commonwealth Affairs
by Command of Her Majesty
September 1995*

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**EXCHANGE OF NOTES
BETWEEN THE GOVERNMENT OF THE
UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
AND THE GOVERNMENT OF THE KINGDOM OF NORWAY
AMENDING THE AGREEMENT RELATING TO THE
EXPLOITATION OF THE STATFJORD FIELD RESERVOIRS
AND THE OFFTAKE OF PETROLEUM THEREFROM,
SIGNED AT OSLO ON 16 OCTOBER 1979**

No. 1

*The Minister of Foreign Affairs of the Kingdom of Norway to Her Majesty's
Ambassador at Oslo*

*Royal Ministry of Foreign Affairs
Oslo
24 March 1995*

Your Excellency,

I have the honour to refer to the negotiations between representatives of our two Governments concerning the Agreement between the Government of the Kingdom of Norway and the Government of the United Kingdom of Great Britain and Northern Ireland relating to the Exploitation of the Statfjord Field Reservoirs and the Offtake of Petroleum therefrom signed at Oslo on 16 October 1979¹, (the Agreement), and to propose that the following amendments be made to the Agreement:

Article 2(4) of the English version of the Agreement relating to Determination and Apportionment of Reserves shall be amended as follows:

(4) Subject to paragraph (8) of Article 3 and any adjustments made for operational reasons or as the two Governments may agree for other reasons, the Governments shall require their respective Licensees at all times to share the production of Statfjord Petroleum such that the cumulative volume of Statfjord Petroleum received by the Licensees of the Government of the United Kingdom and the cumulative volume of Statfjord Petroleum received by the Licensees of the Government of the Kingdom of Norway shall each correspond to the apportionment of the Reserves pursuant to paragraph (3) of this Article, notwithstanding the location of the Installations.

Article 3 of the English version of the Agreement relating to Redetermination and Reapportionment of Reserves shall be amended as follows:

(1) Either Government may request a review of the limits of the Statfjord Field Reservoirs and the total amount of the Reserves and the apportionment of the Reserves or any of them, agreed or determined under Article 2, in order to arrive at a redetermination according to the following schedule:

- (a) on the second January 1 following the Production Commencement Date;
- (b) on the fourth January 1 following the Production Commencement Date;
- (c) on the seventh January 1 following the Production Commencement Date;
- (d) on each fourth January 1 following the date referred to in subparagraph (c), until January 1 1994;
- (e) on the first day of the month following the month during which either a new petroleum reservoir is found in a new formation and identified as part of the Statfjord Field Reservoirs, or it is determined that a new petroleum reservoir is to be treated as underlying the Statfjord Area pursuant to paragraph (6) of this Article;
- (f) on 1 January 1996.

(2) No request for a review of the limits of the Statfjord Field Reservoirs and the total amount of the Reserves and the apportionment of the Reserves or any of them, agreed or determined under Article 2 may be submitted in order to arrive at a redetermination with a scheduled date later than 1 January 1996.

¹ Treaty Series No. 44 (1981) Cmnd. 8282.

(3) A Government's request for a review with regard to a redetermination on one of the dates referred to in subparagraphs (a), (b), (c), (d) or (f) of paragraph (1) of this Article, shall be addressed to the other Government not later than June 1 preceding the scheduled date of the relevant redetermination.

(4) Each redetermination on one of the dates referred to in subparagraphs (a), (b), (c), (d) or (f) of paragraph (1) of this Article shall be made by reference to the data available to the unit operator on June 1 preceding the scheduled date of the relevant redetermination, and a redetermination on a date referred to in subparagraph (e) of paragraph (1) of this Article shall be made by reference to all data that become available to the unit operator on or prior to the scheduled date of such redetermination.

(5) All redeterminations shall have effect from the first day of the month following the month during which the redetermination has been agreed by both Governments or settled in accordance with the provisions of Article 21, as the case may be, the intention of the two Governments being that such agreement will be reached on or soon after the scheduled date of the relevant redetermination.

(6) Whenever the two Governments jointly determine that a commercially exploitable petroleum reservoir partially underlies the Statfjord Area, such reservoir shall, if the Governments agree that the major portion thereof underlies the Statfjord Area, be treated in all respects as if all of the reservoir underlies the Statfjord Area and shall if the Governments agree that the minor portion thereof underlies the Statfjord Area, and unless otherwise agreed by the two Governments, be treated as if no part of the reservoir underlies the Statfjord Area.

(7) If a reservoir which partially underlies the Statfjord Area and which partially underlies an area of the Continental Shelf to which a person other than the Licensees holds a production licence, is to be treated as if all of the reservoir underlies the Statfjord Area pursuant to paragraph (6) of this Article, that person and the Licensees shall be required to enter into an agreement, within such time as the Governments shall stipulate, the terms of which shall conform to the provisions of paragraph (2) of Article 1 and shall be subject to the prior approval of the two Governments.

(8) Each Government shall require its Licensees to conduct all operations necessary for each revision and to secure that at the time the production from the Statfjord Field Reservoirs ceases the share of the total volume of Statfjord Petroleum received by the Licensees of the Government of the United Kingdom and the share of the total volume of Statfjord Petroleum received by the Licensees of the Government of the Kingdom of Norway shall each correspond to the final apportionment of the Reserves. All revisions shall be based upon the state of the Statfjord Field Reservoirs before commencement of production. Whenever the apportionment of the Reserves is revised, the Licensees shall adjust deliveries between themselves to ensure that imbalances deriving from the superseded apportionment are made good.

(9) The provisions of paragraphs (2) and (5) of Article 2 shall apply to revisions under this Article as those provisions apply to matters to be agreed pursuant to Article 2.

Article 2(4) of the Norwegian version of the Agreement relating to Determination and Apportionment of Reserves shall be amended as follows:

4. Med mindre annet følger av punkt 8 i artikkel 3 og bortsett fra de justeringer som foretas av operasjonelle grunner eller av grunner som de to Regjeringene måtte bli enige om, skal Regjeringene pålegge sine respektive rettighetshavere å dele produksjonen av Statfjord-petroleum til enhver tid slik at det samlede kvantum Statfjord-petroleum som er mottatt av Kongeriket Norges rettighetshavere og det samlede kvantum Statfjord-petroleum som er mottatt av det Forente Kongerikes rettighetshavere skal hver for seg tilsvare den fordeling av reservene som følger av punkt 3 i denne artikkel, uten hensyn til hvor installasjonene er plassert.

Article 3 of the Norwegian version of the Agreement relating to Redetermination and Reapportionment of Reserves shall be amended as follows:

1. Hver av Regjeringene kan be om en ny vurdering av grensene for Statfjord-reservoarene, de samlede reserver og fordelingen av reservene som omforenet eller fastsatt i henhold til artikkel 2, med det formål å foreta en justering av disse eller enkelte av dem på følgende tidspunkt:

- (a) den annen 1. januar etter produksjonsstart;
- (b) den fjerde 1. januar etter produksjonsstart;
- (c) den syvende 1. januar etter produksjonsstart;
- (d) hver fjerde 1. januar etter datoen i punkt c, inntil 1. januar 1994;
- (e) den første dag i måneden som følger umiddelbart etter den måned det enten er oppdaget et nytt petroleum-reservoar i en ny formasjon og som er identifisert som en del av Statfjord-reservoarene, eller det er bestemt at et nytt petroleum-reservoar skal anses for å ligge under Statfjord-området i henhold til punkt 6 i denne artikkel;
- (f) den 1. januar 1996.

2. Ingen anmodning om justering av grensene for Statfjord-reservoarene og de samlede reserver og fordelingen av reservene som omforent eller fastsatt i henhold til artikkel 2 kan fremmes med det formål å foreta en justering av disse eller enkelte av dem med en fastsatt dato senere enn 1. januar 1996.

3. En Regjeringens anmodning om en ny vurdering med sikte på en justering på en av datoene nevnt i punkt a, b, c, d eller f i punkt 1 i denne artikkel, skal rettes til den annen Regjering senest 1. juni forut for den fastsatte dato for den aktuelle justering.

4. Enhver justering på en av datoene nevnt i punkt a, b, c, d eller f i punkt 1 i denne artikkel skal foretas på grunnlag av de informasjoner som er tilgjengelige for den felles operatør den 1. juni umiddelbart forut for det fastsatte tidspunkt for den aktuelle justering, og en justering på en dato nevnt i punkt e i punkt 1 i denne artikkel skal foretas på grunnlag av samtlige informasjoner som er tilgjengelige for den felles operatør frem til og på den fastsatte dato for slik justering.

5. Alle justeringer skal ha virkning fra den første dag i den måned som følger umiddelbart etter den måned da de to Regjeringer er blitt enige om justeringen, eller justeringen er blitt fastsatt i henhold til bestemmelsene i artikkel 21. Det er de to Regjeringers hensikt å komme til slik enighet på eller umiddelbart etter det fastsatte tidspunkt for vedkommende justering.

6. Dersom de to Regjeringer i fellesskap fastsetter at et økonomisk utnyttbart petroleum-reservoar ligger delvis under Statfjord-området, skal et slikt reservoar, dersom Regjeringene er enige om at den største delen av reservoaret ligger under Statfjord-området, i alle henseende behandles som om hele reservoaret ligger under Statfjord-området. Dersom Regjeringene er enige om at den minste delen av reservoaret ligger under Statfjord-området, skal reservoaret, med mindre de to Regjeringene blir enige om noe annet, i alle henseende behandles som om ingen del av reservoaret ligger under Statfjord-området.

7. Dersom et reservoar ligger delvis under Statfjord-området og delvis under et område av kontinentalsokkelen som en annen enn rettighetshaverne innehar utvinningstillatelse til, og i henhold til punkt 6 i denne artikkel skal behandles som om hele reservoaret ligger under Statfjord-området, skal vedkommende og rettighetshaverne pålegges å inngå en avtale med et innhold som er i samsvar med bestemmelsene i punkt 2 i artikkel 1 innen den tidsfrist Regjeringene fastsetter. Avtalen er gjenstand for de to Regjeringenes forhåndsgodkjennelse.

8. Hver Regjering skal pålegge sine rettighetshavere å gjennomføre alle tiltak som er nødvendige for hver justering og å sørge for at den andel av den samlede mengde Statfjord-petroleum som er mottatt av Kongeriket Norges rettighetshavere og den andel av den samlede mengde Statfjord-petroleum som er mottatt av Det Forente Kongerikes rettighetshavere på den tid da produksjonen fra Statfjord-reservoarene opphører, tilsvarer den endelige fordeling av reservene. Alle justeringer skal baseres på

Statfjord-reservoarenes egenskaper før produksjonsstart. Når fordelingen av reservene er endret, skal rettighetshaverne justere leveringene set imellom for å sikre at ubalanser som skyldes den tidligere fordeling rettes opp.

9. Bestemmelsene i punktene 2 og 5 i artikkel 2 kommer til anvendelse ved justeringer i henhold til denne artikkel på samme måte som bestemmelsene får anvendelse på forhold som skal omforenes i henhold til artikkel 2.

If the foregoing proposal is acceptable to the Government of the United Kingdom of Great Britain and Northern Ireland, I have the honour to propose that this Note, together with your reply to that effect, shall constitute an Agreement between our two Governments and shall enter into force on the date of your reply.

Please accept, Your Excellency, the assurance of my highest consideration.

BJØRN TORE GODAL

No. 2

*Her Majesty's Ambassador at Oslo to the Minister of Foreign Affairs of the
Kingdom of Norway*

British Embassy

Oslo

24 March 1995

Your Excellency

I have the honour to acknowledge the receipt of your Note of today's date which reads as follows:

[As in No. 1]

In reply I have the honour to inform Your Excellency that the foregoing proposals are acceptable to the Government of the United Kingdom of Great Britain and Northern Ireland and that your Note and this reply shall constitute an Agreement between our two Governments which shall enter into force on this day's date.

I have the honour to convey to Your Excellency the assurance of my highest consideration.

MARK ELLIOTT



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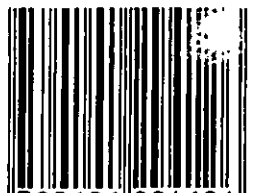
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