AGREEMENT

BETWEEN

STRATIGRAPHICALLY DIVIDED

PRODUCTION LICENCES

# Bakgrunn

By Royal Decree xx.xx.20xx are

xxxx

yyyy

[Petoro AS\*]

jointly awarded Production Licence No. xxx for petroleum activities, encompassing block(s) xxxx/x and xxxx/x,

and by Royal Decree xx.xx.20xx are

xxxx

yyyy

[Petoro AS\*]

jointly awarded Production Licence No. xxx for petroleum activities, encompassing block(s) xxxx/x and xxxx/x.

Production Licence No. xxx is stratigraphically delimited, and lies within the same block as Production Licence No. zzz.

Pursuant to Section 5 in Production Licence No. xxx (and Section 5 in Production Licence No. zzz), the following agreement is entered into on this date between the licensees in Production Licence No. xxx and Production Licence No zzz.

# Definitions

Unless otherwise determined, the following definitions shall apply:

## "Agreement" means this agreement.

## "Activity" means:

1. Surveys, which includes any and all geological, petrophysical, geophysical, geochemical and geotechnical activity, including shallow drilling, as well as operation and use of installations to the extent they are used for surveys;
2. exploration drilling, which includes drilling of wildcat and appraisal wells, as well as use of installations to the extent they are used for exploration drilling;
3. drilling of production wells;
4. development of and production from any Petroleum Deposit;
5. any associated activity in relation to items (i)-(iv), including installation of drilling and production facilities, subsea facilities, construction and laying of pipelines, maintenance, modification and removal of facilities.

## "Ministry" means the Ministry of Petroleum and Energy.

## "Petroleum Deposit" is an accumulation of petroleum in a geological unit, delimited by source rocks with structural or stratigraphic limits, contact surface between petroleum and water in the formation, or a combination of these, such that the petroleum in question is in overall pressure communication through liquid or gas.

## "Licensee" refers to the licensees in Production Licence No. xxx and/or Production Licence No. zzz.

## "Joint Operating Agreement " means the agreement entered into between the Licensees in each of the Production Licences, and which is included as Attachment A – Joint Operating Agreement in the respective Production Licence.

## "Production Licence" means Production Licence No. xxx and/or Production Licence No. zzz.

# Right to carry out the Activity

Licensees shall have the right, free of charge, to carry out the Activity in or through the area covered by a Production Licence belonging to the other Licensee in accordance with the provisions of this Agreement and the necessary consents/permits from the authorities.

# Information and consent

The Licensees shall:

1. As soon as possible after the work program has been stipulated, cf. the Joint Operating Agreement Article 12.3, but no later than at the end of each calendar year, inform each other of planned Activities for, as a minimum, the following year, unless such Activities obviously have no impact on the other Licensee's Activities.
2. If an Activity as mentioned in item (i) may affect ongoing or planned Activities in the other Production Licence of which the Licensee is aware, the Licensee shall as soon as possible and with the necessary amount of detail, inform the other Licensee of the planned Activity.
3. If the plan calls for the Activity to be carried out within the area of the other Licensee's Production Licence pursuant to Article 2, the written consent of the other Licensee to carry out such Activity must be obtained before the Activity may commence.

Such consent shall be provided within a reasonable timeframe and shall not be withheld unless the proposed Activity could, with a reasonable degree of probability, conflict with, or in some other manner be to the detriment or damage the other Licensee's ongoing or planned Activities. A planned Activity exists when it is covered under the work program for the coming year, or if there is an approved plan and budget for development and operation, or if the work on such a plan has been initiated.

If no consent is given, the Licensees shall cooperate to agree on a satisfactory solution for both Licensees' Activities. In this connection, substantial weight shall be placed on a Licensee's work commitment.

If the Licensees are unable to agree on a satisfactory solution as mentioned, each of them may bring the matter before the Ministry for decision. Before a decision is made, each Licensee shall be given the opportunity to state his case. The Ministry may require the Licensees to give any information necessary for a decision to be made.

# Ownership and exchange of data

Data and information belong to the Licensee that has carried out the Activity, regardless of where the Activity has been carried out.

Licensees shall, upon request and without compensation, share data and information of significance for the other Licensee's Activity as regards technical drilling safety, pollution and danger of pollution, injury/damage and loss of life and property.

This provision does not interfere with any rights that may be held by third parties. If, however, in case of emergency there is no time to pose a request for data and information to such third party, the Licensee possessing data and information as mentioned may put them at the disposal of the Licensee requesting them to protect life, public health or property, or to prevent or limit pollution.

# Confidentiality

This Agreement, as well as data and information exchanged between the Licensees under this Agreement, shall be kept confidential and not be provided to third parties without the written consent of the other Licensee.

# Indemnity

A Licensee shall indemnify the other Licensee for losses that have been incurred due to the first-mentioned Licensee's Activity within the area of the other Licensee's Production Licence as a consequence of:

1. Any and all actions, claims or suits of any kind from third parties, and
2. any and all damage, loss, cost and expense of any kind inflicted or incurred upon the other Licensee, directly or indirectly, as a consequence of activities or omissions.

The liability stipulated in the first paragraph item (ii) of this provision shall be limited to sevenhundredmillion (700 000 000) NOK per event, but shall in any case be limited to sevenhundredmillion (700 000 000) NOK per year.

The liability stipulated in this provision cannot be invoked if the loss is caused by gross negligence or willful actions taken by the management or senior personnel of the other Licensee.

# Final provisions

This Agreement is subject to Norwegian law.

Any dispute in relation to this Agreement shall be decided by the ordinary courts of law with Stavanger District Court as venue, unless the parties to the dispute in question agree in writing on Oslo District Court as venue. The provisions of Articles 29.2 – 29.4 of the Joint Operating Agreement shall apply correspondingly.

This Agreement shall be binding upon the Licensee for the period of time corresponding to the duration of both Production Licences.

This Agreement shall be binding upon the Licensees and any new licensees that acquire a participating interest in one or both Production Licences.

Any amendments to, exceptions from or additions to this Agreement are subject to the approval of the Ministry.

This Agreement has been signed in \_\_\_ originals, one for each of the parties and one for the Ministry.

\_\_\_\_\_\_\_\_\_\_\_, \_\_.\_\_.\_\_\_\_\_

On behalf of Production Licence No. xxx: On behalf of Production Licence No. zzz:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_