

**CUADRILLA RESOURCES  
LIMITED**



**APPENDIX - A**

**UK ONSHORE PETROLEUM LICENSING SYSTEM**

**Cuadrilla Resources Limited  
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Lower Stumble Hydrocarbon Exploration Site  
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## UK ONSHORE PETROLEUM LICENSING SYSTEM

### **Petroleum Licensing Procedure and Policy**

Petroleum rights in the United Kingdom were nationalised by the Petroleum Production Act of 1934 and as amended by the Oil & Gas (Enterprise) Act 1982. Presently such rights are in the custody of the Department of Energy and Climate Change (DECC) which governs their licensing out to the public in the form of fixed term licences.

A new system of licensing was introduced on the 30<sup>th</sup> June, 1995, involving the Petroleum Exploration and Development Licence (PEDL) which covers all aspects of petroleum industry activities from exploration to production, as is described briefly below.

#### ***The New PEDL System***

It involves a comprehensive licence allowing all forms of petroleum industry activity previously governed by the three different Licence formats of Exploration Licence (EXL), Appraisal Licence (AL) and Development Licence (DL). An initial six year period carries a work obligation and requires a mandatory 50% acreage surrender at the end of that period or at any earlier time.

Thereafter follows a six year period carrying a renewed work obligation, and that period can in turn be followed by a further twenty year Licence period.

Activities under all Licence formats are subject to planning consent, and the approval where appropriate, of the Health and Safety Executive, including both the Mines and Quarries and the Factories Inspectorate sections, the Environment Agency, English Nature, and H M Inspectorate of Pipelines.

