



Department
of Energy &
Climate Change



Code of Practice on Access to Upstream Oil and Gas Infrastructure on the UK Continental Shelf

November 2012

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Abbreviations and Acronyms

API	American Petroleum Institute
ARN	Automatic Referral Notice
CCoP	Commercial Code of Practice
CTA	Construction and Tie-in Agreement
DECC	Department of Energy and Climate Change
DEAL	Digital Energy Atlas and Library (<i>a database with public access, managed by Common Data Access Ltd, a subsidiary of Oil & Gas UK</i>)
EC	European Commission
EU	European Union
HSE	Health and Safety Executive
ICOP	Code of Practice on Access to Upstream Oil and Gas Infrastructure on the UK Continental Shelf (or Infrastructure Code of Practice)
L&I	Liabilities and Indemnities
LNG	Liquefied Natural Gas
NGLs	Natural Gas Liquids
NTS	National Transmission System
OFT	Office of Fair Trading
Oil & Gas UK	The United Kingdom Offshore Oil and Gas Industry Association Limited
OIM	Offshore Installation Manager
SoS	Secretary of State for the Department of Energy and Climate Change
TPA	Transportation and Processing Agreement
TPOSA	Transportation and Processing Operating Service Agreement
UKOOA	United Kingdom Offshore Operators Association (<i>now Oil & Gas UK</i>)
UKCS	United Kingdom Continental Shelf

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1 Introduction

- (1) This non-statutory Code sets out principles and procedures to guide all those involved in negotiating third-party access to oil and gas infrastructure on the UK Continental Shelf (UKCS).
- (2) Its purpose is to facilitate the utilisation of infrastructure for the development of remaining UKCS reserves through timely agreements for access on fair and reasonable terms, where risks taken are reflected by rewards.
- (3) By their endorsement of this Code, parties make a commitment to be guided by its principles and procedures. Parties to this Code also commit to take part in the periodic reviews of its effectiveness (refer to Paragraph 14).
- (4) This Code has been developed by Oil & Gas UK in consultation with the Department of Energy and Climate Change (DECC) and a wide range of other parties. It supersedes the previous Offshore Infrastructure Code of Practice (agreed in 1996) and became effective in August 2004. It was reviewed in 2012 to reflect new legislation in the Energy Act 2011.
- (5) Guidance to this Code has also been developed by Oil & Gas UK through a broad industry / DECC working group which became separately available from August 2008.

2 Legal Framework

- (1) The Energy Act 2011 gives the Secretary of State (SoS) powers to settle disputes relating to access to infrastructure by determining that access be provided and on what terms. These powers are summarised in Annex A.
- (2) DECC has issued guidance on the way it anticipates those powers would be used (refer to DECC Guidance on Disputes over Third Party Access to Upstream Oil and Gas Infrastructure). This DECC guidance, which may be updated from time to time, includes references to the relevant legislation and also includes a discussion of relevant UK and EU competition law.
- (3) In offering and considering terms of access, particularly the basis on which tariff levels are set, negotiating parties should have regard to the principles by which DECC has indicated it would be guided, should they not reach agreement and the prospective user were to seek a determination from the SoS. The terms that would be determined by the SoS are expected to be in line with those that would be offered where there is effective competition.
- (4) In relation to infrastructure, the application of competition law is an evolving area and the requirements of this Code may need to be updated accordingly. Annex B contains a letter dated 30 July 2004 from the UK competition authority, namely the Office of Fair Trading (OFT), on this Code's requirements.

3 The Commercial Code of Practice

- (1) This Code sets out specific principles and procedures designed to govern access to infrastructure. It is complementary to the industry's overarching Commercial Code of Practice (CCoP), agreed in 2002, within which commercial negotiations should be conducted to promote co-operative value generation. The CCoP is included as Annex C.

4 Scope of this Code

- (1) This Code applies to the processing and conveyance all UK oil and gas throughout the hydrocarbon production and supply chain from wellhead through to receiving terminals and initial onshore processing facilities. As well as infrastructure on the UKCS and within territorial waters, this includes onshore oil and gas terminals and pipelines which handle (a) oil up to the point at which it has been stabilised (i.e. to the point at which the seller in a sale at arm's length could reasonably make delivery) and (b) gas prior to its introduction into the National Transmission System (NTS) (or other pipeline distribution system operated by a gas transporter) or its introduction into a downstream interconnector. This Code applies to the conveyance of fuel gas. This Code does not apply to access to the NTS, interconnectors and LNG import terminals.
- (2) This Code applies to:
 - All parties negotiating new contracts for access to such infrastructure and the provision of infrastructure services by infrastructure owners.
 - Infrastructure owners who may be approached from time to time by prospective users requesting information pertaining to such infrastructure.
 - Prospective users requesting such information.
 - All parties who have capacity rights in infrastructure systems but do not own the physical infrastructure.
- (3) This Code applies only to those hydrocarbon volumes not already covered by existing contractual arrangements.
- (4) Annex D provides a fuller definition of infrastructure owner and other terms having specific meaning in this Code.
- (5) Access to infrastructure systems through this Code should not be in conflict with good operating practices, the safety and integrity of the system or give rise to unacceptable environmental impacts. It is the duty of all parties to comply with any relevant legislation in respect of health, safety and the environment.

5 Principles of this Code

5.1 Overarching Principles

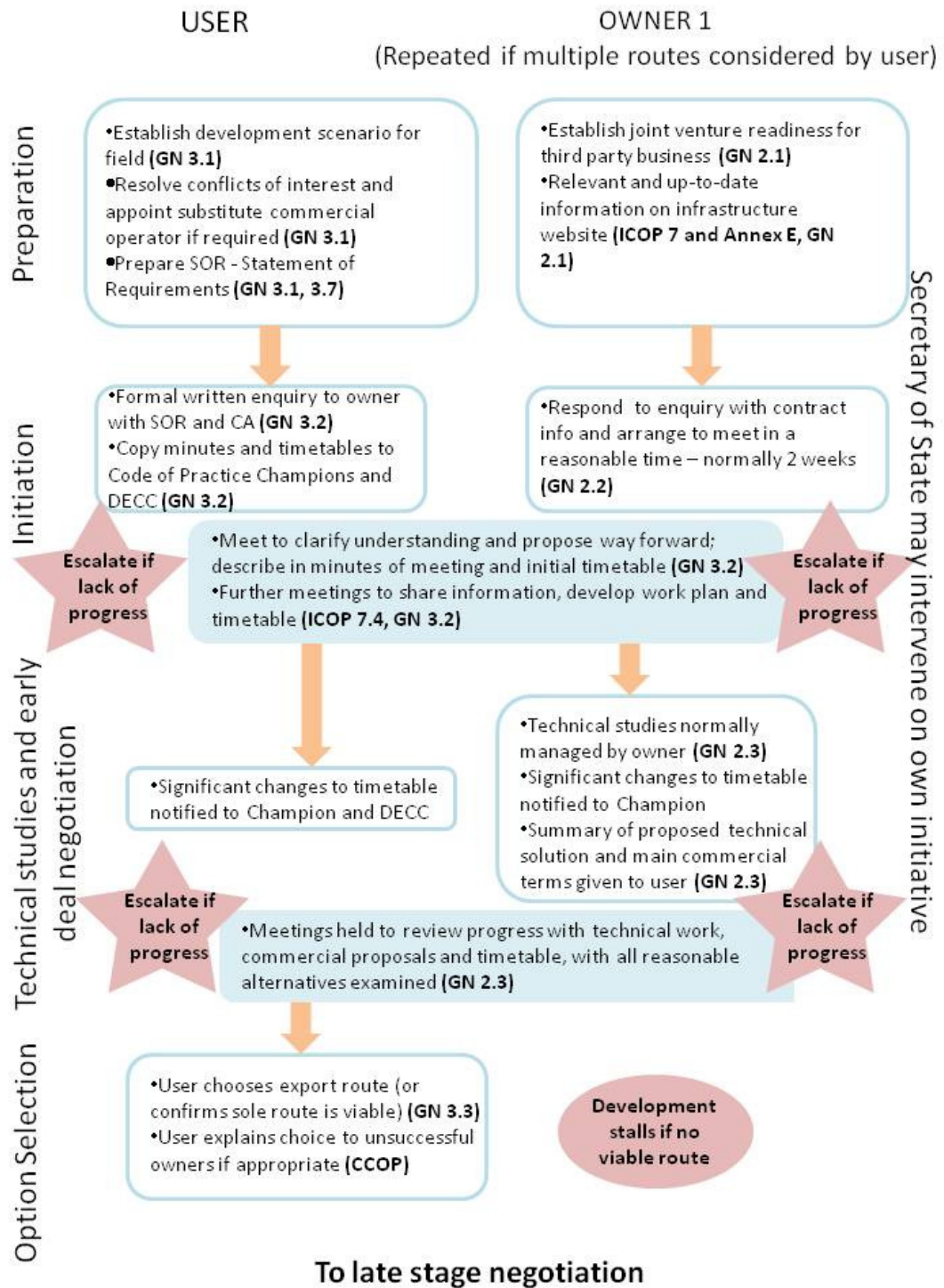
- Parties uphold infrastructure safety and integrity and protect the environment.
- Parties follow the Commercial Code of Practice.

5.2 Principles of the Infrastructure Code of Practice

- Parties provide meaningful information to each other prior to and during commercial negotiations
- Parties support negotiated access in a timely manner
- Parties undertake to ultimately settle disputes with an automatic referral to the Secretary of State
- Parties resolve conflicts of interest
- Infrastructure owners provide transparent and non-discriminatory access
- Infrastructure owners provide tariffs and terms for unbundled services, where requested and practicable
- Parties seek to agree fair and reasonable tariffs and terms, where risks taken are reflected by rewards
- Parties publish key, agreed commercial provisions

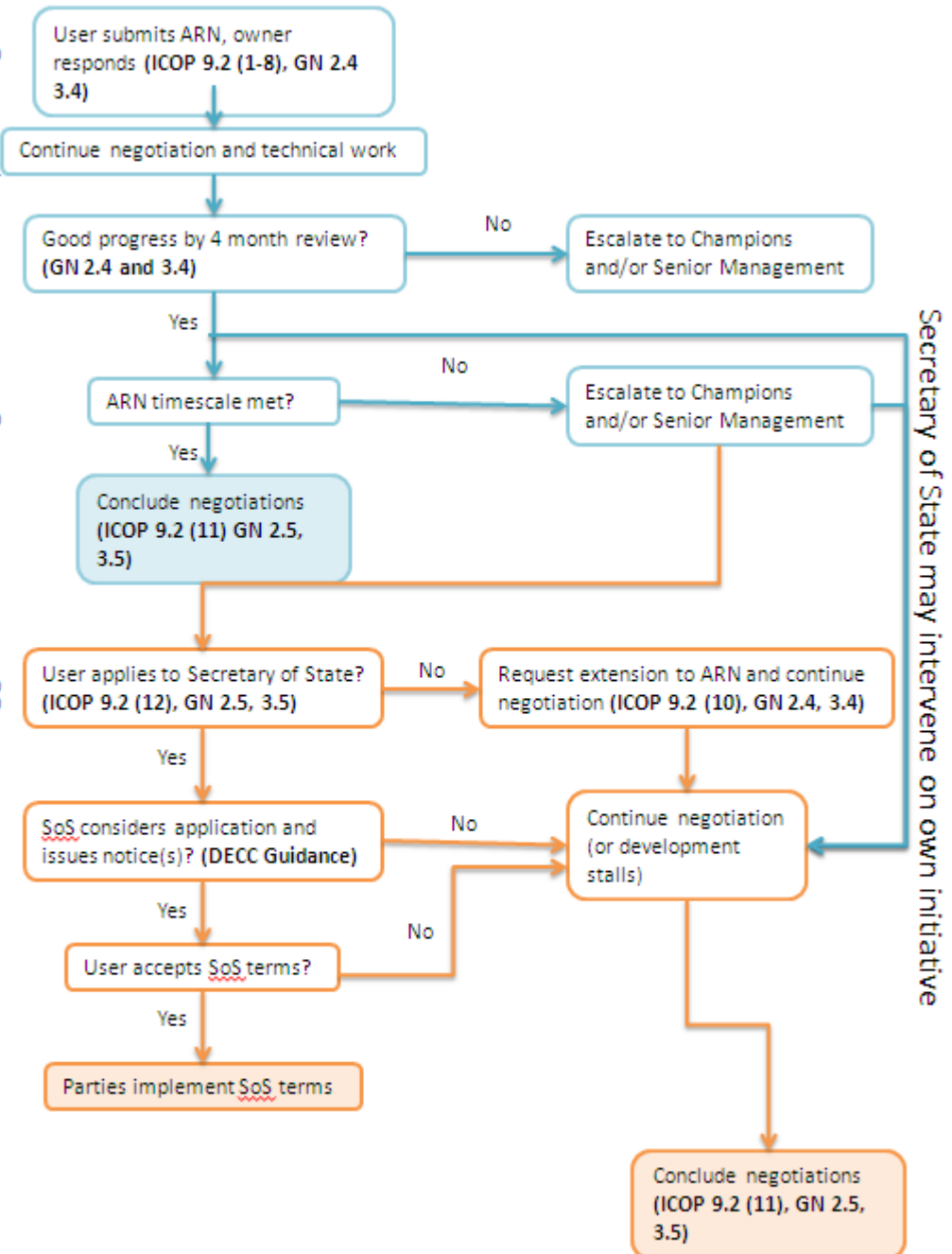
6 Flowchart of Best Practice for Negotiations

FLOW CHART 1: PREPARATION, INITIATION AND EARLY NEGOTIATION



Submitting ARN and subsequent negotiations
Deal close-out: ARN closed or determination triggered

FLOW CHART 2: LATE STAGE NEGOTIATION AND CONCLUSION



7 Provision of Information

7.1 General

- (1) Infrastructure owners should examine, maintain and review data delivery mechanisms so that prospective users can obtain an informed view of infrastructure options in their areas of interest. In particular, prospective users should have ready access to current operational and ullage data sufficient to enable the prospective user to undertake basic economic screening of alternative offtake options. Prospective users or agents acting on their behalf may be required to register for access to such data.
- (2) The cost of maintaining such information should be borne by the infrastructure owners and should be made available without charge, in good faith, on a no-liability basis.
- (3) Infrastructure owners shall be responsible for providing and maintaining the information for their facilities. The data collation and presentation may be carried out by the infrastructure operator on behalf of all infrastructure owners.
- (4) Owners of infrastructure which may be utilised for third-party access should provide information within the framework outlined below.

7.2 High Level Capacity Information (Publicly Available)

- (1) High level infrastructure capacity information should be made publicly available via the internet, by means of a company website inter-linked with a centralised website, the DEAL portal. Annex E Paragraph 1 presents an example in the format of a 'traffic lights' model. Alternative formats (graphical, tabular) are acceptable.

7.3 Specific Information for Prospective Users

- (1) Specific information should be made available to provide a readily accessible means to find out more about the infrastructure system's capacity and other relevant technical data, for the purpose of determining the suitability of the infrastructure to meet a prospective users' transportation and processing requirements.
- (2) Information should normally be available directly via a website but, as a minimum, it should be made available on request within a reasonable time period (eg within 14 days of an enquiry). The format of any information will be at the discretion of the owner/operator.
- (3) The owner/operator is not obliged to undertake material incremental study activities in order to be in a position to provide the data requested.
- (4) Annex E Paragraph 2 sets out the minimum data requirements for infrastructure-specific information which is to be made publicly available.

7.4 Information Exchange between Bona Fide Enquirers and Infrastructure Owners

- (1) Where prospective users wish to investigate developing their discovered hydrocarbons, they need to enter into more substantive discussions with infrastructure owners/operators. This Code refers to such applicants as bona fide enquirers. To facilitate such discussions, bona fide enquirers should provide information such as, but not limited to:
 - Name of the field/licence/location and owners/operator
 - Broad outline of the development, the commercial process and the proposed start-up date
 - Outline of services requested, including: production profiles/capacities required, compositions and hydrocarbon specification (eg H₂S and CO₂ content, specific gravity etc)
 - Other related services requested from other infrastructure owners
- (2) Following receipt of this request from a bona fide enquirer, infrastructure owners/operators should provide such additional information as may be appropriate to successfully conclude a commercial agreement.
- (3) Parties' data should be provided in good faith, be relevant and meaningful and, although it may change during the course of negotiations, they should recognise the time and cost involved in taking account of such changes.
- (4) The accuracy and completeness of data provided under items (1) to (3) above shall be on a no-liability basis. However, liability may be covered in the final commercial agreements.

8 Timeliness

- (1) Negotiations should be completed as quickly as possible within the constraints of both parties seeking a fair, reasonable and technically sound outcome and of prudent corporate governance procedures.
- (2) To facilitate timely progress, standard terms and conditions for systems should be developed, as far as reasonably practicable, as a starting point. This is seen as particularly valuable for assisting the provision of streamlined offers for small fields.
- (3) Best practice for the negotiating process is shown diagrammatically in the flowchart at Para 6. The timings indicated are maxima; if negotiations can proceed more quickly, then this should be the aim of both parties.
- (4) To provide a framework for negotiations, at the commencement of negotiations both parties should agree a timetable identifying insofar as possible the technical, operational, legal and commercial issues that require resolution and agreement prior to completion of the negotiation and execution of the appropriate commercial arrangements. The bona fide enquirer should indicate in this timetable the point at which he will submit the automatic referral notice (Annex F). This point should not be more than 6 months prior to the target date for completion of negotiations.
- (5) Neither party should seek to introduce delay into negotiations for the purpose of gaining commercial advantage. Equally, it is not acceptable that pursuing a rapid conclusion to negotiations should be used as a strategy to extract commercial advantage in circumstances where there are legitimate issues that require further research, investigation, resolution or negotiation.

9 Ultimate Dispute Resolution Procedure

9.1 Secretary of State Acting on Own initiative

- (1) Under certain circumstances where the SoS believes that the parties in a negotiation have had a reasonable time to reach agreement and that there is no prospect of them doing so, he may decide on his own initiative to issue a notice to secure access to the prospective user

9.2 Through Automatic Referral to the Secretary of State

- (1) To ensure that timely action is taken to address issues that might impact on progress, bona fide enquirers undertake to apply for a notice from the SoS to exercise statutory powers regarding access to the infrastructure in question if satisfactory negotiations for access have not been concluded within 6 months of the submission of the Automatic Referral Notice (ARN).
- (2) Such an invitation is irrevocable unless the bona fide enquirer advises DECC that access to the infrastructure has been agreed or that such access is no longer required. However, for example in the case of complex negotiations that are proceeding satisfactorily, and with the agreement of DECC, the period for negotiation prior to referral to the SoS may be extended beyond 6 months.
- (3) When a bona fide enquirer intends to negotiate access to an infrastructure system and to conclude negotiations within 6 months or less, they should submit an ARN by completing the pro forma in Annex F and sending it to the infrastructure owner/operator and a copy to DECC (refer to Paragraph 15 for contact details).
- (4) The appropriate time to submit the ARN is to be determined by the bona fide enquirer. Generally this will be when the bona fide enquirer is equipped with sufficient technical, cost and economic understanding on his own part to have reasonable confidence of an ability to complete the negotiation within 6 months.
- (5) Where the bona fide enquirer is seeking bids for services with the expectation that this is to be followed by a period of negotiation, then the ARN might best be submitted after selection of those bidders with whom negotiations will take place.
- (6) Where there are concurrent negotiations for different services along an infrastructure chain, a separate ARN should be completed for each separate negotiation.
- (7) Submission of an ARN creates an undertaking by the bona fide enquirer to apply for a notice from the SoS to secure access to the infrastructure in question should negotiations fail to reach a satisfactory conclusion within 6 months of submission of this ARN to the infrastructure owner (or such later date as may subsequently be agreed by DECC). This does not preclude the bona fide enquirer from making an earlier application to the SoS.

- (8) The infrastructure owner should acknowledge receipt and then complete and return it to them with a copy to DECC in a timely manner. If the infrastructure owners have concerns regarding the feasibility of completing negotiations within 6 months then they should set them out.
- (9) At any time a bona fide enquirer may notify the infrastructure owner in writing, copying to the DECC, that access to their infrastructure is no longer currently required. In these circumstances the bona fide enquirer's obligation to apply to the SoS will cease.
- (10) If it becomes evident to the bona fide enquirer that an extension to the 6-month period would facilitate a satisfactory agreement then he may seek agreement from DECC to such an extension.
- (11) A satisfactory conclusion to the negotiations will, in normal circumstances, be the signing of a binding agreement. When this or some equivalent point is reached, the parties should notify DECC and the bona fide enquirer's obligation to apply to the SoS will then cease.
- (12) If negotiations fail to reach a satisfactory conclusion within the agreed timescale and access is still required, the bona fide enquirer should apply for a notice from the SoS to secure access to the infrastructure in question. Before doing so, the bona fide enquirer should refer to the DECC guidance (see Paragraph 2 item (2)).
- (13) Should the SoS consider that the parties have not had a reasonable time to reach agreement; the bona fide enquirer will propose to DECC a future date when, in the absence of a satisfactory conclusion, they would submit a further application for a determination from the SoS.

10 Minimising Conflicts of Interest

- (1) Where a party could be a negotiator both in its capacity as an infrastructure owner and as a bona fide enquirer, it will normally be expected to elect at the outset to be a negotiator in only one of these capacities.
- (2) Similarly, where a party has ownership interests in more than one infrastructure system which are likely to be competing to provide similar services to a bona fide enquirer, it will normally be expected to elect at the outset to be a negotiator in, at most, one of the competing systems.
- (3) In the event that a party elects not to be a negotiator, the other parties shall recognise that such election does not comprise a waiver of any rights which it may have in relation to its approval of the proposed agreement.
- (4) A party that elects to step out of negotiations shall, in accordance with good commercial practice in the UKCS, be entitled to:
 - Receive and comment on those mainly operational, technical and HSE related issues that it reasonably considers may be detrimental to the infrastructure owners' position and/or to their ability to comply with their fiduciary, contractual and legal obligations
 - Exercise its rights as an infrastructure owner in relation to the approval of the terms of the proposed agreement

11 Provision of Non-Discriminatory Negotiated Access

- (1) Infrastructure owners should consider all bona fide requests for services and negotiate and offer terms to third parties in good faith, without favour to any particular company or group of companies. This principle of transparent and non-discriminatory negotiated access applies to all infrastructure coming within the scope of this Code.
- (2) Discrimination by an infrastructure owner includes the application by them of dissimilar conditions to equivalent transactions. This does not mean that infrastructure owners need to set fixed common prices for particular services, since different terms and conditions may be applied where there are differences in the service provided or the cost or risk of supply.
- (3) While infrastructure owners should not, by virtue of their ownership, discriminate by giving special preference to particular companies or agents, they may make reasonable provision of capacity for their own use (refer to Annex D).
- (4) Where bona fide enquirers are competing for access to the same limited services, the infrastructure owners are free to make a choice as long as the decision is in accordance with the principles and purpose of this Code.
- (5) Infrastructure systems should operate on the principle of clearly specified priorities which are known to all users of the system. However, it is recognised that existing contracts or capacity constraints may mean that a new user cannot be granted equal priority to existing users of the facilities.

12 Separation of Services (Unbundling)

- (1) Where it is practical and requested, infrastructure owners should offer terms for services on an unbundled basis. This should allow infrastructure owners to offer competing terms and services for distinctly separate components. Separation may also be appropriate where, although there is only one discrete chain of service, the parts of the chain have different ownership.
- (2) Infrastructure owners should discuss any technical obstacles to unbundling with prospective users with a view to finding solutions that enable separation.
- (3) When comparing an unbundled service offer with a 'one stop shop' integrated offer, a number of factors need to be considered by the parties, including scale, risk/reward sharing, and the impact on the overall system eg sterilising capacity. Terms for services offered should not result from an infrastructure owner leveraging market power in one component to deny choice in other parts of the chain.

13 Fair and Reasonable Tariffs and Terms

13.1 General

- (1) Tariffs and terms offered and agreed between parties should be fair and reasonable, where risks taken are reflected by rewards. This can best be secured by open competition between different infrastructure systems to meet prospective users' requirements, and this should be encouraged wherever possible.
- (2) As well as being entitled to make a reasonable provision of capacity for their own use and the need to honour their existing contractual commitments, in offering terms to bona fide enquirers, infrastructure owners may take into account any realistic impact of prospective new business on their system.
- (3) Where capacity is not available within existing infrastructure and the owner does not wish directly to incur the additional investment costs involved in providing additional capacity, the infrastructure owner is expected to provide the incremental capacity but it is the responsibility of the bona fide enquirer to fund such investment, including compensation for those costs and exposures agreed by the parties, in line with normal industry practice.

13.2 Liabilities and Indemnities

13.2.1 Introduction

- (1) The liability and indemnity regime forms an important part of the overall risk-reward balance with consequent impact on reward levels. The parties should bear appropriate risks having regard for the respective rewards expected to be enjoyed by each. In this context, the capacity of bona fide enquirers investing in smaller fields to bear risk may be more limited than for those investing in larger fields.
- (2) Parties should address liabilities and indemnities early in a negotiation process. Generally this should be prior to the submission of an ARN.
- (3) In order to promote the development of remaining UKCS reserves, parties will endeavour to follow these Code guidelines but at the same time recognise that the terms which infrastructure owners can offer may be influenced by terms prevailing with existing users and by the specific circumstances of each proposal.
- (4) Generally a party should accept a duty to mitigate its losses when seeking recovery from another party.

13.2.2 Tie-in Phase

- (1) If the parties agree that, taking into account factors such as the level of future tariffs and the potential exposures of the infrastructure owners, the bona fide enquirers should indemnify the owners against liabilities and losses arising out of tie-in or modification activity, then owners should

generally be prepared to offer caps on their maximum liability exposure. These caps should be reasonable and have regard to the realistic exposure of the owners and the risk-reward balance of the overall transaction. In the case of planned shut-downs required for the sole purposes of the tie-in or modification, the parties are encouraged to quantify and pre-agree a reasonable level of liquidated damages to cover losses arising from deferral of production. These may be calculated on an hourly or daily basis and subject to a reasonable cap.

- (2) Parties should be as specific as possible as to the types and categories of non-physical loss recoverable under any indemnity with a view to avoiding subsequent disputes on the extent of recovery under the indemnity and helping the placement of any insurance sought for the risk. In some cases it may be appropriate for the parties to agree that specific insurance arrangements should be put in place to cover tie-in or modification activity.

13.2.3 Transportation and Processing Phase

- (1) During the production period, post completion of the tie-in phase, where appropriate, infrastructure owners and bona fide enquirers should normally adhere to the principle of 'mutual hold harmless' in relation to damage to property related to the activity, personal injury to their respective employees and their respective contractors' employees, pollution from their respective facilities and consequential losses, usually subject to exclusions for wilful misconduct. In addition, it is likely that there will need to be specific provisions addressing delivery of off-specification production and for the provision of any non-standard services. In many circumstances, bespoke liability and indemnity regimes have evolved in respect of certain infrastructure and these may fetter the discretion of the owners. Wherever possible, the general or standard terms and conditions relating to such regimes should be provided to bona fide enquirers on request.

14 Publication of Key Commercial Terms

- (1) Infrastructure owners should publish short summaries of newly concluded construction and tie-in agreements, transportation and processing agreements and/or operating services agreements within one month of these becoming unconditional. New users will provide an appropriate summary of the development to each owner, to accompany the information provided by the owner. In the case of access for new field developments, agreements would normally be expected to become unconditional at the time of DECC granting development approval and, in any event, be no later than the date production commences.
- (2) This information should be posted on the infrastructure owner/operator's website or, if they do not have an appropriate website, on the DEAL website.
- (3) The summary should follow the relevant pro formas in Annex G and thus identify all the principal or material commercial provisions of the agreement, including prices and a tariff range or ranges of sufficient accuracy to reflect the cost to the user of the services to be provided. Annex G also includes an example of the completion of pro formas for a fictitious development.
- (4) To provide an indication of terms and tariffs for further prospective users, summaries should remain on the website at least until the agreement terminates.

15 Maintenance of the Code

- (1) Oil & Gas UK with the support of DECC, will be responsible for maintaining the Code. It will periodically review its effectiveness through consultation with its members, other UKCS licence holders and their representative bodies, terminal owners / operators and other interested parties, including DECC and OFT, to ensure that it remains relevant to the needs of users, prospective users and infrastructure owners.
- (2) Compliance with this Code, its effectiveness and whether it is fit for purpose will be reviewed at such times as may be determined by DECC and the Oil & Gas UK Board, following consultation with interested parties.

- (3) Contact points:

OIL & GAS UK

Operations Director
Exchange 2
3rd Floor
62 Market Street
Aberdeen
AB11 5PJ
Tel: 01224 577250

DECC

Head of Upstream Infrastructure
3 Whitehall Place
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SW1A 2AW
Tel: 0300 068 6056

Annex A

Legislative Background

Companies seeking access to infrastructure falling within the scope of the third party access provisions of the Energy Act 2011 must apply in the first instance to the owners. If the parties are unable to agree satisfactory terms and conditions for access to that infrastructure, the prospective user may make an application to the SoS to resolve the dispute. In considering such applications, the SoS will take account of a number of factors specified in the legislation and will be under a duty to avoid prejudice to the owners and existing users. Should the SoS decide to set terms and conditions for access, he will issue one or more notices to the parties in order to bring this about. In specific circumstances, the SoS may decide to give a notice on his own initiative without having received an application from the user.

Prior to the Energy Act 2011 coming into force, third party access provisions existed in four Acts of Parliament. Sections 82 to 91 of the Act replicate many of these provisions but also add new powers for the SoS. The full text of the Act can be obtained at:

www.legislation.gov.uk

A summary of the provisions is given below:

- A prospective user seeking access to an upstream petroleum pipeline, a relevant oil processing facility or a relevant gas processing facility, should apply to the owners of that infrastructure in the first instance.
- If the parties are unable to reach agreement on the terms and conditions, the prospective user may apply to the SoS for a notice that would secure rights of access.
- The SoS should consider whether the parties have had a reasonable time in which to reach agreement and will reject or adjourn the application if this test is not met.
- However, where the SoS believes that the parties in a negotiation have had a reasonable time in which to reach agreement and that there is no prospect of them doing so, he may decide on his own initiative to issue a notice to secure access to the prospective user. In this case the steps below are followed as if an application had been made. The SoS may require information to be provided by the owner or the prospective user in order to help decide whether to exercise this power.
- Should the SoS consider an application further, he has a right to demand relevant information – which may include financial information – which he has a general duty not to disclose to others.

- In considering an application further, the SoS will take into account a number of factors specified in the Act concerned with physical and technical constraints that apply to the infrastructure in question.
- Where the owners or an existing user is likely to be prejudiced by a notice, the SoS must specify appropriate payments by way of compensation in the notice.
- A notice may contain provisions to ensure that no person suffers a loss due to the mixing of different substances conveyed by the pipeline or processed by the facility.
- If it appears to the SoS that the pipeline or facility should be modified, then he may give a separate notice to the owner and prospective user to bring about those modifications.
- Anyone to whom a notice is given may apply to the SoS to vary a notice if it is considered that a variation is necessary to resolve a dispute in connection with the notice.
- The SoS may publish notices or variations, or a summary of their effect.

Annex B

Letter from the Office of Fair Trading on this Code's Requirements for Release of Information into the Public Domain

OFFICE OF FAIR TRADING

Office of Fair Trading
Fleetbank House
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London
EC4Y8JX
Switchboard (020) 7211 8000
www.oft.gov.uk

30 July 2004

Offshore Infrastructure

We met on 29 July 2004 to discuss proposed changes to UKOOA's Offshore Infrastructure Code Of Practice (the 'Code') and the Code's compatibility with the Competition Act 1998 (the 'Act') and EC competition law.

Since 1 May 2004, as a consequence of the application of EC Modernisation Regulation (refer to Note 1) and consequent amendments to UK competition law, there is no longer a system for notification (and clearance) of agreements. It is therefore the responsibility of each undertaking concerned (with the aid of its legal advisers) to analyse the effect of its agreements. Conduct under UK and EC competition law. There is a large body of EC legal instruments (eg block exemptions and Commission notices) and OFT competition law guidelines (refer to Note 2). Although the OFT remains willing to provide informal advice, such advice represents the views of OFT officials on the information provided, and is not binding on the OFT.

UKOOA has requested the views of the OFT on whether the Code, and in particular its information sharing aspects, could have the object of preventing, restricting and distorting competition. We take the view, based on the text of the Code and our understanding of the way in which it will be applied, that the Code is pro-competitive by object and that it is highly unlikely that we would find otherwise in any investigation.

Enforcement of competition law entails looking at the effect, as well as the object, of an agreement, taking account of all the circumstances of the case. In this respect, our present view is that the Code does not appear to raise any competition concerns and appears likely to meet its objective of increasing usage of offshore infrastructure pipeline capacity ('ullage'). However, the amended Code has yet to be implemented and its ability to facilitate anti-competitive behaviour has not been tested. In addition, our view is given without input from third parties whose knowledge of the operation of the offshore infrastructure could be material to assisting our understanding. If the OFT was to receive a complaint about the Code at a later date containing further information, we would need to be able to re-examine any issue raised.

As UKOOA will have responsibility (under Paragraph 14 of the Code) for monitoring the Code and reviewing its effectiveness through consultation with relevant parties, the Office considers that the onus is on UKOOA and the participants in the operations envisaged by the Code to operate the Code in such a way that it complies with the Act and EC competition law as relevant.

Alan Williams
Director, CE6.

Notes:

- (1) Council Regulation (EC) No 1/2003 of 16 December 2002 on the implementation of the rules on competition laid down in Articles 81 and 82 of the Treaty, OJ L 1/1, 4.1.2003, p1.
- (2) The Office has published draft guidelines on agreements that allow for information exchanges, at paragraphs 3.4 to 3.13 of 'Trade associations, professions and self-regulating bodies'.

Annex C

UK Continental Shelf Oil and Gas Industry Licence-holder Commercial Code of Practice

Mission

- Promote Co-operative Value Generation

Best Practice Process

- Establish and Agree a Timetable to Completion
- Adopt Flexible Methods and Fit-for-purpose Solutions
- Maximise the Use of Standard Form Agreements
- Comply with Codes of Conduct
- Ensure Personal Issues do Not Become a Barrier to Progress
- Conduct Post-activity Audit and Analysis

Senior Management Commitment

- Front-end Involvement and Continuous Monitoring of Progress
- Ensure Appropriate Resources are Available
- Empower Staff Consistent with Value of the Project
- Ensure Appropriate Use of Tactics
- Adopt a Non-blocking Approach

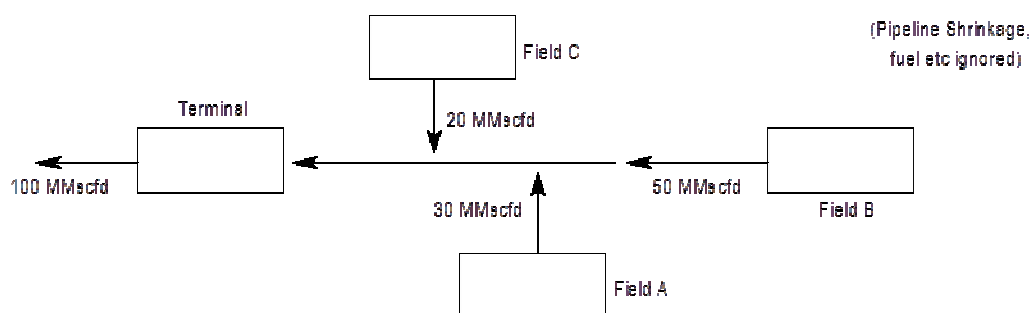
Annex D

Definitions and Explanations

1 Affiliate

An affiliate is generally recognised to mean, in relation to a company, any holding company or subsidiary company of the company in question or any company which is a subsidiary company of any holding company of the company in question. The expressions 'holding company' and 'subsidiary' shall have the meanings ascribed to them in the Companies Act 1985 (as amended by the Companies Act 1989). Given the corporate structure of some companies, such as Shell, the definition also includes such companies as is generally set out in commercial and other agreements between them and third parties in the UK.

2 Allocation, Attribution and Substitution



Allocation

The allocation process entails working out how much of the total volume of gas of a given energy value flowing out of a terminal and into the onshore transmission system has been input by individual fields feeding into that system. An example of such a process is given below:

Field	Allocated Volume
A	30
B	50
C	20
Total	100

Attribution

This takes account of the amounts Substituted between fields as follows:

Field	Sales Nomination	Allocated Volume	Substitution	Attributed Volume
A	50	30	+20	50
B	30	50	-20	30
C	20	20	0	20

Substitution

This occurs when a field produces gas to satisfy the gas sales nomination of another field. In the above example this could be as follows:

Field	Sales Nomination	Allocated Volume	Substitution
A	50	30	+20
B	30	50	-20
C	20	20	0
Total	100	100	0

ie Field B is substituting 20 units to Field A.

Allocated volume approximates how much a field has produced. The **attributed** volume approximates how much a field has sold (which may all have been produced by that field or may include a volume of **substitution** from another field).

3 Categories of User

The provisions of information made available through this Code are to allow public access for all prospective users of the infrastructure systems to enable them to make an assessment of the options for prospective business in the UKCS.

Where prospective users are licensees with an established hydrocarbon resource and intend to negotiate access into an infrastructure system, they are referred to as bona fide enquirers.

Some parts of this Code apply to information available to prospective users. Other parts apply to the information available to, and behaviours relevant to, the negotiations between bona fide enquirers and infrastructure owners/operators.

4 Capacity Terms

Firm: That capacity which is physically and contractually available upon request.

Interruptible: That capacity which can be made available, on a reasonable endeavours basis.

Ullage: That capacity of an offshore infrastructure system which is unallocated or uncontracted.

5 Infrastructure Owner

In the context of acquiring rights to use infrastructure, this means a party who owns or controls physical assets (pipelines or facilities) and/or a party with capacity rights capable of being sub-let (but does not own the asset). Section 82(19) of the Energy Act 2011 gives the full definition. A narrower definition applies to compulsory modification, being limited to a party who owns or controls infrastructure and so is in a position to make that modification. This is defined in section 84(10).

6 Reasonable Provision of Capacity

Owners of infrastructure are entitled to make reasonable provision of capacity for their own future use (including use by their affiliates). 'Reasonable' in this context is not capable of exhaustive definition and is therefore illustrated here by example.

It includes:

- Anticipated upsides or plateau extensions from fields currently using the infrastructure
- New field developments where there is a firm plan or which are expected to be developed within a reasonable time frame (say 5 years) or which were foreseen and were part of the reason for the original decision to install the infrastructure

Reasonable provision would, for example, not include deliberately refusing access in order to deny market access to a competitor or to gain some other market advantage. Nor is it reasonable for an infrastructure owner to refuse access on the basis that the owner will have a requirement for it in time for some as yet unidentified purpose.

7 Sterilising Capacity

Sterilising capacity to provide other services within the system (in addition

to the capacity actually requested) as a result of accepting the particular request for service, prejudices the production of petroleum. This would include, for example:

- Where taking in a small field could reduce the ullage to the extent that a current negotiation with a large field could not be completed
- Where a particular small field consumes all of the, say, de propaniser capacity at an oil treating facility thus preventing the use of upstream capacity which would otherwise be available
- Where a sour gas field would, by coming in, preclude the owners from a future opportunity to operate the system sweet

8 Unbundling

Separating out services or activities in the hydrocarbon transportation/processing supply chain from reservoir to redelivery point that may be offered by more than one company so that each significantly distinct component can be separately identified, costed, priced, valued and provided.

Annex E

Publicly Available Information for Prospective Users: High Level Capacity Information and Infrastructure-specific Information

1 Publicly Available High Level Capacity Information

As a minimum, and by way of an example, this basic capacity information could be equivalent to each infrastructure section being portrayed through consistent colour coded 'traffic lights' that reflect thresholds of availability over at least the next 5 years, as follows:

Indicative system capacity: (mbopd/mmscfpd/'other')

'Traffic Light' Colour	Ullage as % of system capacity
Red	< 5%
Amber	5% to <25%
Green	> 25%

Notes:

- (1) If interruptible capacity can be made available over and above the firm capacity, the extent and timing availability of such interruptible capacity should be stated (e.g. for years 1 to 3, 100mmscfpd interruptible capacity in summer, 20mmscfpd in the winter).
- (2) Particular effort should be made to provide a longer outlook on ullage in cases where Red traffic lights are shown for the next 5 years

2 Publicly Available Infrastructure Specific Information

The data should be to a sufficient level and time horizon to enable prospective users to determine whether or not the infrastructure has the potential to meet their transportation and processing requirements.

Infrastructure system capacities should be expressed in terms of the indicative system capacity and the ullage on a forward basis for each of points (5) through (12) in the following list:

- (1) Entry specification.
- (2) Exit specification.
- (3) Outline details of primary separation processing facilities.
- (4) Outline details of gas treatment facilities.
- (5) Oil export capacity.
- (6) Gas compression capacity.
- (7) Gas export capacity.
- (8) Gas lift capacity.
- (9) Produced water handling capacity.
- (10) Dehydration capacity.
- (11) H₂S removal capacity.
- (12) Water injection capacity.

Should further information or clarification on the above data be required by

the prospective user to aid his evaluation of alternative offtake options, the prospective user is encouraged to enter into dialogue with the infrastructure owner/operator to discuss the specific nature of the further information necessary and specific to the prospective users purposes at that time

(e.g. availability of spare risers, details of 'mothballed' equipment which could be reused, details of key processing constraints etc).

Additional information that is needed by a prospective user for the purpose of screening the suitability of the system should not be unreasonably withheld if it is readily available to the owner/operator. This may include information relating to:

- uptime or operating efficiency,
- expected remaining life of the system, and
- the performance of the owner/operator in dealing with third party access requests.

Best practice for the owner/operator will be to include this and other relevant information that will assist prospective users on their website.

Annex F

Automatic Referral Notice Pro-Forma

In accordance with the industry Code of Practice on access to upstream oil and gas infrastructure on the UK Continental Shelf, the submission of this pro forma creates an undertaking by [UserOilCo] to apply for a notice from the Secretary of State for the Department of Energy and Climate Change to secure access to the infrastructure in question if satisfactory negotiations for access have not been concluded within 6 months of the submission to [OwnerOilCo] (or such later date as may subsequently be agreed).

Part 1 To be completed by the field operator requesting services on behalf of bona fide enquirers and then sent to the infrastructure owner/operator and copied to DECC.

Name of Field Operator	
Contact Details	
List all Field Owners (bona fide enquirers)	
Name of Field	
Licence No/Block	
Name of Infrastructure Owner/Operator to whom application is made	
Name of Host Infrastructure	
Outline of Services requested	
Identify any other related services needed from other infrastructure owners	

.....

Authorised Signature (for UserOilCo)

.....

Date

Part 2 To be completed by the infrastructure owner/operator receiving the request for services and then returned to bona fide enquirers and copied to DECC.

Name of Infrastructure Owner/Operator	
Contact Details	
List all Infrastructure Owners	
Identify any key technical or commercial issues relating to the provision of the services requested including any that might prevent agreement being reached within 6 months	

.....

Authorised Signature (for OwnerOilCo)

.....

Date

Annex G

Pro formas for Publication of Agreed Terms and Conditions and Worked Examples for a Fictitious Development

	Page
Infrastructure Access Agreement Summary 1	3/4
Infrastructure Access Agreement Summary 2	5/6
<i>Examples</i>	
Construction and Tie-in	7/8
Transportation and Processing	9/10
Transportation, Processing and Operational Services	11/12
Field Agreement Suite Summary	13/14

Infrastructure Access Agreement Summary 1

This data is provided in accordance with the disclaimer conditions noted below:

Provided in relation to the voluntary Industry Infrastructure Code of Practice. To be used in summarising construction and tie-in and transportation and processing agreements by the owner/operator for inclusion in the publication of key commercial terms (refer to Paragraph 13 (1)).	Ref:
Agreement Title and Date:	

Scope of Agreement/Responsibilities (refer to Note 1):
--

Key Provisions (refer to Note 2)	
Commencement Date	
Entry Point	
Redelivery Point (s)	
Capacity/variation rights (Y/N) and timing (refer to Note 3)	
Send or Pay/carry forward provisions (Y/N)/Duration	
Priority rights during periods when service provision is reduced	
Technical Requirements (refer to Note 4)	
Payment Structure (refer to Note 5)	
Tariff range for service provided (refer to Note 6)	
Range of any separate contribution to capex and opex	
Any other payment(s) with range and timing (refer to Note 7)	
L&I/Risk Regime fundamentals	

Important Additional Data (refer to Note 8)
--

- Notes:**
- (1) Include key provisions and services that have a material impact on risk-reward.
 - (2) Include any important and unusual elements that materially impact risk-reward.
 - (3) For each main stream e.g. oil, gas etc.
 - (4) Should include relevant entry specifications and any important and unusual technical issues.
 - (5) The ranges should reflect the type of service provided (price range should be within a 15% band).
 - (6) Include summary of indexation principles with floors and ceilings.
 - (7) Include any fee in kind type payments relating to single component streams, or production deferral in a CTA.
 - (8) Include any key provisions that materially impact risk-reward not mentioned above (eg hydrocarbon accounting, risk, property, title, extension of terms, assignment (incl. limitations), security provisions, metering, termination, ownership and decommissioning in a CTA etc).

Disclaimer

The summary information provided above is provided by [] as the service provider:

- (1) In good faith and without any liability.
- (2) Without warranty, implied or express as to its accuracy or relevance of use by any other party.
- (3) Without obligation to provide any further information in respect of the agreement/transaction to which the summary information relates.
- (4) Without any obligation to provide access to infrastructure or services on the same terms and conditions.

Infrastructure Access Agreement Summary 2

This data is provided in accordance with the disclaimer conditions noted below:

Ref:	Provided in relation to the voluntary Industry Infrastructure Code of Practice. To be used in summarising construction and tie-in and transportation and processing agreements by the owner/operator for inclusion in the publication of key commercial terms (refer to Paragraph 13 (1)).
Infrastructure Access Summary for:	

Field Development:

Suite of Main Agreements (refer to Note 1)	
Ref:	Commercial Arrangement/Agreement title

Field Details:	
Field Name	
Licence	
Block Number	
Operator	
Partners	

Field Streams/Characteristics:					
Stream	Crude oil	Gas	Condensate	NGLs	Produced Water
Relevant (Y/N)					
Unique characteristics (refer to Note 2)					
Reserves					
Initial Rate					
Plateau					
Plateau/Peak production					

- Notes:** (1) Other agreements may exist e.g. pipeline crossings, confidentiality, but they do not materially impact risk-reward.
(2) For example – low API, high H₂S, High CO₂, significant sand production etc.

Disclaimer

The summary information provided above is provided by [] as the service provider:

- (1) In good faith and without any liability.
- (2) Without warranty, implied or express as to its accuracy or relevance of use by any other party.
- (3) Without obligation to provide any further information in respect of the agreement/transaction to which the summary information relates.
- (4) Without any obligation to provide access to infrastructure or services on the same terms and conditions.

Infrastructure Access Agreement Summary 1

This data is provided in accordance with the disclaimer conditions noted below:

<p>Provided in relation to the voluntary Industry Infrastructure Code of Practice. To be used in summarising construction and tie-in and transportation and processing agreements by the owner/operator for inclusion in the publication of key commercial terms (refer to Paragraph 13 (1)).</p>	<p>Ref: CTA ISCCA 000001</p>
<p>Agreement Title and Date: <i>Agreement for the Construction and Tie-in of the Wine field to the Barrel platform dated 7th February 2004</i></p>	

Scope of agreement/responsibilities: (refer to Note 1)

The Wine field Operator shall; drill the Wine field wells, install all the subsea equipment and flow lines and umbilical.

[OwnerOilCo] as Barrel field Operator shall complete the tie in of the flowline to the spare Barrel platform riser including installation of a shutdown valve

[OwnerOilCo] as Barrel field Operator shall pull the Wine field umbilical up the spare J tube

[OwnerOilCo] as Barrel field Operator shall install all necessary control, shutdown and metering systems on the platform and conduct all necessary commissioning tests

Key Provisions (refer to Note 2)

Commencement Date	Work to commence March 2005, completion by 1st October 2006
Entry Point	N/A
Redelivery Point (s)	N/A
Capacity/variation rights (Y/N) and timing (refer to Note 3)	N/A
Send or Pay/carry forward provisions (yes/no)/Duration	N/A
Priority rights during periods when service provision is reduced	N/A
Technical Requirements (refer to Note 4)	
Payment Structure (refer to Note 5)	
Tariff range for service provided (refer to Note 6)	N/A
Range of any separate contribution to capex and opex	Fixed price capex of £50 million, no production deferral anticipated
Any other payment(s) with range and timing (refer to Note 7)	None
L&I/Risk Regime fundamentals	

Important Additional Data (refer to Note 8)

Additional equipment ownership and decommissioning liability will be for the Barrel platform owners.

- Notes:**
- (1) Include key provisions and services that have a material impact on risk-reward.
 - (2) Include any important and unusual elements that materially impact risk-reward.
 - (3) For each main stream e.g. oil, gas etc.
 - (4) Should include relevant entry specifications and any important and unusual technical issues.
 - (5) The ranges should reflect the type of service provided (Price range should be within a 15% band).
 - (6) Include summary of indexation principles with floors and ceilings.
 - (7) Include any fee in kind type payments relating to single component streams, or production deferral in a CTA.
 - (8) Include any key provisions that materially impact risk-reward not mentioned above (eg hydrocarbon accounting, risk, property, title, extension of terms, assignment (incl. limitations), security provisions, metering, termination, ownership and decommissioning in a CTA etc).

Disclaimer

The summary information provided above is provided by [OwnerOilCo] as the service provider:

- (1) In good faith and without any liability.
- (2) Without warranty, implied or express as to its accuracy or relevance of use by any other party.
- (3) Without obligation to provide any further information in respect of the agreement/transaction to which the summary information relates.
- (4) Without any obligation to provide access to infrastructure or services on the same terms and conditions.

Code of Practice on Access to Upstream Oil and Gas Infrastructure on the UK Continental Shelf

Infrastructure Access Agreement Summary 1

This data is provided in accordance with the disclaimer conditions noted below:

Provided in relation to the voluntary Industry Infrastructure Code of Practice. To be used in summarising construction and tie-in and transportation and processing agreements by the owner/operator for inclusion in the publication of key commercial terms (refer to Paragraph 13 (1)).	Ref: TPA ISCCA 000002
Agreement Title and Date: Agreement for the transportation and processing of Wine field gas through SEGAL dated 7th February 2004	

Scope of agreement/responsibilities: (refer to Note 1)

[OwnerOilCo] as SEGAL Operator shall provide the following main services (on behalf of owners):
 Transportation of Wine gas from the SEGAL entry point to St. Fergus
 Extraction and redelivery of sales spec gas into the NTS
 Extraction and transport of NGLs to Mossmorran
 Processing and redelivery of propane, butane, and condensate at Braefoot Bay jetties

Key Provisions (refer to Note 2)

Commencement Date	1st October 2006
Entry Point	The point of redelivery of Barrel field fluids into the SEGAL system
Redelivery Point (s)	NTS at St. Fergus and Braefoot bay jetties
Capacity/variation rights (Y/N) and timing (refer to Note 3)	30mmscf/d for 3 yrs., variation possible post 2010
Send or Pay/carry forward provisions (yes/no)/Duration	100%, no carry forward provisions
Priority rights during periods when service provision is reduced	Equal priority with other users
Technical Requirements (refer to Note 4)	
Payment Structure (refer to Note 5)	
Tariff range for service provided (refer to Note 6)	20 to 23 pence per kscf for gas and £30 to £35 per tonne of NGLs No indexation
Range of any separate contribution to capex and opex	None
Any other payment(s) with range and timing (refer to Note 7)	Opex sharing provision post 2010 Reward element includes ethane taken as fee in kind
L&I/Risk Regime fundamentals	
Important Additional Data (refer to Note 8) Fiscal metering required on Wine platform	

- Notes:**
- (1) Include key provisions and services that have a material impact on risk-reward.
 - (2) Include any important and unusual elements that materially impact risk-reward.
 - (3) For each main stream e.g. oil, gas etc.
 - (4) Should include relevant entry specifications and any important and unusual technical issues.
 - (5) The ranges should reflect the type of service provided (price range should be within a 15% band).
 - (6) Include summary of indexation principles with floors and ceilings.
 - (7) Include any fee in kind type payments relating to single component streams, or production deferral in a CTA.
 - (8) Include any key provisions that materially impact risk-reward not mentioned above (eg hydrocarbon accounting, risk, property, title, extension of terms, assignment (incl. limitations), security provisions, metering, termination, ownership and decommissioning in a CTA etc).

Disclaimer

The summary information provided above is provided by [OwnerOilCo] as the service provider:

- (1) In good faith and without any liability.
- (2) Without warranty, implied or express as to its accuracy or relevance of use by any other party.
- (3) Without obligation to provide any further information in respect of the agreement/transaction to which the summary information relates.
- (4) Without any obligation to provide access to infrastructure or services on the same terms and conditions.

Code of Practice on Access to Upstream Oil and Gas Infrastructure on the UK Continental Shelf

Infrastructure Access Agreement Summary 1

This data is provided in accordance with the disclaimer conditions noted below:

<p>Provided in relation to the voluntary Industry Infrastructure Code of Practice. To be used in summarising construction and tie-in and transportation and processing agreements by the owner/operator for inclusion in the publication of key commercial terms (refer to Paragraph 13 (1)).</p>	<p>Ref: TPOSA ISCCA 000003</p>
<p>Agreement Title and Date: <i>Agreement for the Transportation Processing and Operational Services Agreement for the Wine field fluids over the Barrel Platform dated 7th February 2004</i></p>	

<p>Scope of agreement/responsibilities: (refer to Note 1) <i>The Wine field owners shall deliver the Wine field fluids to the base of the Barrel platform riser. [OwnerOilCo] as Barrel field operator shall provide the following main services (on behalf of owners):</i> <i>Accept and process all Wine field fluids within spec</i> <i>Redeliver Wine field oil to the base of the oil riser into the Forties system</i> <i>Redeliver Wine field gas to the base of the gas riser to the SEGAL system</i> <i>Provide chemical injection services as specified</i> <i>Provide system metering, control, shutdown and telemetry services as specified</i></p>
--

Key Provisions (refer to Note 2)	
Commencement Date	<i>1st October 2006</i>
Entry Point	<i>Base of the Spare Barrel riser</i>
Redelivery Point(s)	<i>Base of existing oil and gas risers</i>
Capacity/variation rights (Y/N) and timing (refer to Note 3)	<i>Gross fluids 10,000b/d plateau for 3 years</i>
Send or Pay/carry forward provisions (yes/no)/Duration	<i>100% no variation rights</i>
Priority rights during periods when service provision is reduced	<i>Equal to other Barrel platform users</i>
Technical Requirements (refer to Note 4)	
Payment Structure (refer to Note 5)	
Tariff range for service provided (refer to Note 6)	<i>£1.30 to £1.50 per barrel of gross fluids processed, indexed 100% to PPI</i>
Range of any separate contribution to capex and opex	<i>None</i>
Any other payment(s) with range and timing (refer to Note 7)	<i>Opex sharing provision post 2010</i>
L&I/Risk Regime fundamentals	
<p>Important Additional Data (refer to Note 8) <i>Any pigging operations to be charged at cost</i> <i>Commissioning gas to be charged in range 20 to 23 pence per therm.</i></p>	

- Notes:**
- (1) Include key provisions and services that have a material impact on risk-reward.
 - (2) Include any important and unusual elements that materially impact risk-reward.
 - (3) For each main stream e.g. oil, gas etc.
 - (4) Should include relevant entry specifications and any important and unusual technical issues.
 - (5) The ranges should reflect the type of service provided (price range should be within a 15% band).
 - (6) Include summary of indexation principles with floors and ceilings.
 - (7) Include any fee in kind type payments relating to single component streams, or production deferral in a CTA.
 - (8) Include any key provisions that materially impact risk-reward not mentioned above (eg hydrocarbon accounting, risk, property, title, extension of terms, assignment (incl. limitations), security provisions, metering, termination, ownership and decommissioning in a CTA etc).

Disclaimer

The summary information provided above is provided by [OwnerOilCo] as the service provider:

- (1) In good faith and without any liability.
- (2) Without warranty, implied or express as to its accuracy or relevance of use by any other party.
- (3) Without obligation to provide any further information in respect of the agreement/transaction to which the summary information relates.
- (4) Without any obligation to provide access to infrastructure or services on the same terms and conditions

Code of Practice on Access to Upstream Oil and Gas Infrastructure on the UK Continental Shelf

Infrastructure Access Agreement Summary 2

This data is provided in accordance with the disclaimer conditions noted below:

Ref: Wine Field Summary	Provided in relation to the voluntary Industry Infrastructure Code of Practice. To be used in summarising construction and tie-in and transportation and processing agreements by the owner/operator for inclusion in the publication of key commercial terms (refer to Paragraph 13 (1)).
Infrastructure Access Summary for:	Wine Field Development
Field Development: Single subsea oil producing well tie-back to host platform. Host Operator provides separation and control (TPOSA) services. Crude Oil transported to shore via Forties system and redelivered at Hound Point: Wet Gas transported via the SEGAL, with sales gas redelivered into the NTS at St Fergus and NGLs redelivered at Braefoot Bay.	
Suite of Main Agreements (refer to Note 1)	
Ref:	Commercial Arrangement/Agreement Title
ISCCA 000001	Agreement for the Construction and Tie-in of the Wine field to the Barrel platform dated 7th February 2004
ISCCA 000002	Agreement for the Transportation, Processing and Operational Services agreement for the Wine field fluids over the Barrel platform dated 7th February 2004
ISCCA 000003	Agreement for the Transportation and Processing of Wine field gas through the SEGAL system dated 7th February 2004
ISCCA 000004	Agreement for the Transportation and Processing of Wine field oil through the Forties system dated 7th February 2004

Field Details:	
Field Name	Wine field
Licence	P.344
Block Number	16/21c
Operator	UserOilCo
Partners	PartnerOilCo

Field Streams/Characteristic:					
Stream	Crude oil				Gas
Relevant (Y/N)	Y	Y	Condensate	NGLs	Produced Water
Unique characteristics (refer to Note 2)					Y
Reserves	2 to 3MMB	1BCF			Produced water production ramps up significantly after 3 years
Initial Rate	12,000BOPD	30MMscf/d			
Plateau	3 years	3 years	OBOPD	OBOPD	OBWPD
Plateau/Peak production	12,000BOPD	30MMscf/d			

Notes: (1) Other agreements may exist eg pipeline crossings, confidentiality, but they do not materially impact risk-reward.
 (2) For example – low API, high H₂S, High CO₂, significant sand production etc.

Disclaimer

The summary information above is provided by [UserOilCo] as [Wine] field Operator:

- (1) In good faith and without any liability.
- (2) Without warranty, implied or express as to its accuracy or relevance of use by any other party.
- (3) Without obligation to provide any further information in respect of the agreement/transaction to which the summary information relates.
- (4) Without any obligation to provide access to infrastructure or services on the same terms and conditions.