



Petroleum Act 1998

1998 CHAPTER 17

[^{F1}PART 1A

MAXIMISING ECONOMIC RECOVERY OF UK PETROLEUM

Extent Information

E1 Pt. 1A extended (N.I.) (1.10.2016) by [Energy Act 2016 \(c. 20\)](#), ss. **74(1)**, 84(3); S.I. 2016/920, reg. 2(c)

Textual Amendments

F1 Pt. 1A inserted (12.4.2015) by [Infrastructure Act 2015 \(c. 7\)](#), ss. **41**, 57(7)(c); S.I. 2015/481, reg. 3(b)

9A The principal objective and the strategy

- (1) In this Part the “principal objective” is the objective of maximising the economic recovery of UK petroleum, in particular through—
 - (a) development, construction, deployment and use of equipment used in the petroleum industry (including upstream petroleum infrastructure), and
 - (b) collaboration among the following persons—
 - (i) holders of petroleum licences;
 - (ii) operators under petroleum licences;
 - (iii) owners of upstream petroleum infrastructure;
 - (iv) persons planning and carrying out the commissioning of upstream petroleum infrastructure.

[owners of relevant offshore installations.]
^{F2}(v)
- (2) The [^{F3}OGA] must produce one or more strategies for enabling the principal objective to be met.
- (3) A strategy may relate to matters other than those mentioned in subsection (1)(a) and (b).

Changes to legislation: There are currently no known outstanding effects for the Petroleum Act 1998, PART 1A. (See end of Document for details)

(4) For provision about producing and revising a strategy, see sections 9F and 9G.

Textual Amendments

- F2** S. 9A(1)(b)(v) inserted (1.10.2016) by [Energy Act 2016 \(c. 20\)](#), **ss. 73(2)**, 84(3); S.I. 2016/920, [reg. 2\(c\)](#)
- F3** Word in s. 9A(2) substituted (1.10.2016) by [Energy Act 2016 \(c. 20\)](#), s. 84(3), **Sch. 1 para. 7**; S.I. 2016/920, [reg. 2\(a\)](#)

9B Exercise of certain functions of the [^{F4}OGA]

The [^{F4}OGA] must act in accordance with the current strategy or strategies when—

- (a) exercising functions under the other Parts of this Act (except Part 4),
- (b) exercising functions under Part 4 ^{F5}... ,
- (c) exercising functions under Chapter 3 of Part 2 of the Energy Act 2011 (upstream petroleum infrastructure),
- ^{F6}(ca) [exercising functions under Part 2 of the Energy Act 2016,]
- (d) exercising any function or using any power under a petroleum licence, and
- (e) exercising any other function or using any power—
 - (i) to provide advice or assistance to another person, or
 - (ii) to acquire, use or supply information,
 for the purpose of enabling the principal objective to be met.

Textual Amendments

- F4** Word in s. 9B substituted (1.10.2016) by [Energy Act 2016 \(c. 20\)](#), s. 84(3), **Sch. 1 para. 8(a)**; S.I. 2016/920, [reg. 2\(a\)](#)
- F5** Words in s. 9B(b) omitted (1.10.2016) by virtue of [Energy Act 2016 \(c. 20\)](#), s. 84(3), **Sch. 1 para. 8(b)**; S.I. 2016/920, [reg. 2\(a\)](#)
- F6** S. 9B(ca) inserted (1.10.2016) by [Energy Act 2016 \(c. 20\)](#), s. 84(3), **Sch. 1 para. 8(c)**; S.I. 2016/920, [reg. 2\(a\)](#)

^{F7}9BA Exercise of certain functions of the Secretary of State

- (1) The Secretary of State must act in accordance with the current strategy or strategies when exercising the functions mentioned in subsection (2).
- (2) Those functions are functions under Part 4 to the extent that they concern reduction of the costs of abandonment of offshore installations and submarine pipelines (including the reduction of such costs by means of the timing of measures proposed in abandonment programmes and by the inclusion in such programmes of provision for collaboration with other persons).]

Textual Amendments

- F7** S. 9BA inserted (1.10.2016) by [Energy Act 2016 \(c. 20\)](#), s. 84(3), **Sch. 1 para. 9**; S.I. 2016/920, [reg. 2\(a\)](#)

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9C Carrying out of certain petroleum industry activities

- (1) A person who is the holder of a petroleum licence must act in accordance with the current strategy or strategies when planning and carrying out activities as the licence holder.
- (2) A person who is an operator under a petroleum licence must act in accordance with the current strategy or strategies when planning and carrying out activities as the operator under the licence.
- ^{F8}(3)
- (4) A person must act in accordance with the current strategy or strategies when planning and carrying out the commissioning of upstream petroleum infrastructure.
- [A person who is the owner of—
^{F9}(5) (a) a relevant offshore installation, or
(b) upstream petroleum infrastructure,
must act in accordance with the current strategy or strategies when planning and carrying out the activities mentioned in subsection (6).
- (6) Those activities are—
 - (a) the person's activities as the owner of the installation or infrastructure (including the development, construction, deployment and use of the infrastructure or installation);
 - (b) the abandonment or decommissioning of the installation or infrastructure.
- (7) For the purposes of subsection (5), planning the activities mentioned in subsection (6) (b) includes the preliminary stage of—
 - (a) deciding whether or when to proceed with the proposed abandonment or decommissioning, and
 - (b) considering alternative measures to abandonment or decommissioning such as re-use or preservation.]

Textual Amendments

- F8** S. 9C(3) omitted (1.10.2016) by virtue of [Energy Act 2016 \(c. 20\)](#), **ss. 73(3)(a)**, 84(3); S.I. 2016/920, [reg. 2\(c\)](#)
- F9** Ss. 9C(5)-(7) inserted (1.10.2016) by [Energy Act 2016 \(c. 20\)](#), **ss. 73(3)(b)**, 84(3); S.I. 2016/920, [reg. 2\(c\)](#)

^{F10}9D Reports by the Secretary of State

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Textual Amendments

- F10** S. 9D omitted (1.10.2016) by virtue of [Energy Act 2016 \(c. 20\)](#), s. 84(3), **Sch. 1 para. 10**; S.I. 2016/920, [reg. 2\(a\)](#)

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9E [F11 OGA's] security and resilience functions

- (1) This Part does not limit the exercise of the [F12 OGA's] security and resilience functions.
- (2) This Part is subject to the exercise of the security and resilience functions by the [F13 OGA].
- (3) In this section “security and resilience function” means any function which relates to—
 - (a) the security of petroleum supplies, or
 - (b) the resilience of the petroleum industry.

Textual Amendments

- F11** Word in s. 9E heading substituted (1.10.2016) by [Energy Act 2016 \(c. 20\), s. 84\(3\), Sch. 1 para. 11\(4\)](#); [S.I. 2016/920, reg. 2\(a\)](#)
- F12** Word in s. 9E(1) substituted (1.10.2016) by [Energy Act 2016 \(c. 20\), s. 84\(3\), Sch. 1 para. 11\(2\)](#); [S.I. 2016/920, reg. 2\(a\)](#)
- F13** Word in s. 9E(2) substituted (1.10.2016) by [Energy Act 2016 \(c. 20\), s. 84\(3\), Sch. 1 para. 11\(3\)](#); [S.I. 2016/920, reg. 2\(a\)](#)

9F Producing and revising a strategy

[F14(1)]

[F15(2) After the first strategy has been produced, the OGA may—

- (a) produce a new strategy, or
- (b) revise a current strategy,

whenever the OGA thinks appropriate.]

(3) The [F16 OGA] must review each current strategy before the end of each relevant four year period.

[F17(4)]

(5) In this section “relevant four year period”, in relation to a current strategy, means a period of four years beginning with—

- (a) the date on which the strategy was issued, or
- (b) if later, the date on which the last review under subsection (3) was concluded.

Textual Amendments

- F14** S. 9F(1) omitted (1.10.2016) by virtue of [Energy Act 2016 \(c. 20\), s. 84\(3\), Sch. 1 para. 12\(2\)](#); [S.I. 2016/920, reg. 2\(a\)](#)
- F15** S. 9F(2) substituted (1.10.2016) by [Energy Act 2016 \(c. 20\), s. 84\(3\), Sch. 1 para. 12\(3\)](#); [S.I. 2016/920, reg. 2\(a\)](#)
- F16** Word in s. 9F(3) substituted (1.10.2016) by [Energy Act 2016 \(c. 20\), s. 84\(3\), Sch. 1 para. 12\(4\)](#); [S.I. 2016/920, reg. 2\(a\)](#)
- F17** S. 9F(4) omitted (1.10.2016) by virtue of [Energy Act 2016 \(c. 20\), s. 84\(3\), Sch. 1 para. 12\(5\)](#); [S.I. 2016/920, reg. 2\(a\)](#)

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9G Procedure for producing and revising a strategy

- (1) Before—
 - ^{F18}(a)
 - (b) producing a new strategy, or
 - (c) revising a current strategy,the [^{F19}OGA] must prepare a draft of the strategy or revised strategy.
- (2) The [^{F20}OGA] must—
 - (a) consult such persons as the [^{F20}OGA] thinks appropriate about the draft, and
 - (b) consider any representations made by them.
- ^{F21}(3) If, after complying with that duty, the OGA decides to proceed with the draft (in its original form or with modifications), the OGA must send the draft to the Secretary of State.
 - (3A) The Secretary of State must either—
 - (a) lay a copy of the draft before each House of Parliament, or
 - (b) return the draft to the OGA and publish the Secretary of State's reasons for doing so.
 - (3B) The Secretary of State may return the draft to the OGA only if the Secretary of State thinks that—
 - (a) the OGA has failed to comply with subsection (2), or
 - (b) the strategy will not enable the principal objective to be met.]
 - (4) [^{F22}Where a copy of the draft has been laid in accordance with subsection (3A)(a), the OGA] may not take any further steps in relation to the draft if, within the 40 day period, either House resolves not to approve the draft (a “negative resolution”).
 - (5) If neither House passes a negative resolution, the [^{F23}OGA] may issue the strategy or revised strategy in the form laid before Parliament.
 - (6) The strategy or revised strategy comes into force on the date specified by the [^{F24}OGA] (which must not be before the date when it is issued).
 - (7) Subsection (4) does not prevent a new draft of a strategy or revised strategy from being laid before Parliament.
 - (8) In this section “40 day period”, in relation to the draft of a strategy or revised strategy, means the period of 40 days beginning with the day on which the draft is laid before Parliament (or if the draft is not laid before each House on the same day, the later of the 2 days on which it is laid).
 - (9) For the purposes of calculating the 40 day period, no account is to be taken of any period during which Parliament is dissolved or prorogued or during which both Houses are adjourned for more than four days.

Textual Amendments

- F18** S. 9G(1)(a) omitted (1.10.2016) by virtue of [Energy Act 2016 \(c. 20\)](#), s. 84(3), [Sch. 1 para. 13\(2\)\(a\)](#); [S.I. 2016/920](#), reg. 2(a)
- F19** Word in s. 9G(1) substituted (1.10.2016) by [Energy Act 2016 \(c. 20\)](#), s. 84(3), [Sch. 1 para. 13\(2\)\(b\)](#); [S.I. 2016/920](#), reg. 2(a)

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- F20** Word in s. 9G(2) substituted (1.10.2016) by [Energy Act 2016 \(c. 20\), s. 84\(3\), Sch. 1 para. 13\(3\)](#); S.I. 2016/920, reg. 2(a)
- F21** Ss. 9G(3)-(3B) substituted for s. 9G(3) (1.10.2016) by [Energy Act 2016 \(c. 20\), s. 84\(3\), Sch. 1 para. 13\(4\)](#); S.I. 2016/920, reg. 2(a)
- F22** Words in s. 9G(4) substituted (1.10.2016) by [Energy Act 2016 \(c. 20\), s. 84\(3\), Sch. 1 para. 13\(5\)](#); S.I. 2016/920, reg. 2(a)
- F23** Word in s. 9G(5) substituted (1.10.2016) by [Energy Act 2016 \(c. 20\), s. 84\(3\), Sch. 1 para. 13\(6\)](#); S.I. 2016/920, reg. 2(a)
- F24** Word in s. 9G(6) substituted (1.10.2016) by [Energy Act 2016 \(c. 20\), s. 84\(3\), Sch. 1 para. 13\(7\)](#); S.I. 2016/920, reg. 2(a)

[^{F25}9H “Upstream petroleum infrastructure” and its owners

- (1) In this Part “upstream petroleum infrastructure” means anything that for the purposes of section 82(1) of the Energy Act 2011 is—
- (a) a relevant upstream petroleum pipeline,
 - (b) a relevant oil processing facility, or
 - (c) a relevant gas processing facility,
- if and in so far as it is used in relation to petroleum within subsection (2) (including such petroleum after it has been got).
- (2) Petroleum is within this subsection if it is petroleum which for the time being exists in its natural condition in strata beneath—
- (a) the territorial sea adjacent to Great Britain, or
 - (b) the sea in any area designated under section 1(7) of the Continental Shelf Act 1964.
- (3) In this Part “owner”, in relation to upstream petroleum infrastructure, means—
- (a) a person in whom the pipeline or facility is vested;
 - (b) a lessee and any person occupying or controlling the pipeline or facility; and
 - (c) any person who has the right to have things conveyed by the pipeline or processed by the facility.]

Textual Amendments

- F25** S. 9H substituted (1.10.2016) by [Energy Act 2016 \(c. 20\), ss. 74\(2\), 84\(3\)](#); S.I. 2016/920, reg. 2(c)

[^{F26}9HA “Relevant offshore installations” and their owners

- (1) For the purposes of this Part an offshore installation is a relevant offshore installation if and in so far as it is used in relation to petroleum within subsection (2) (including such petroleum after it has been got).
- (2) Petroleum is within this subsection if it is petroleum which for the time being exists in its natural condition in strata beneath—
- (a) the territorial sea adjacent to Great Britain, or
 - (b) the sea in any area designated under section 1(7) of the Continental Shelf Act 1964.
- (3) In this Part “owner”, in relation to a relevant offshore installation, means—

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- (a) a person in whom the installation is vested, and
- (b) a lessee and any person occupying or controlling the installation.]

Textual Amendments

F26 S. 9HA inserted (1.10.2016) by [Energy Act 2016 \(c. 20\)](#), **ss. 73(4)**, 84(3); S.I. 2016/920, reg. 2(c)

91 Other interpretation

In this Part—

“current strategy”, in relation to any particular time, means a strategy under section 9A(2) in force at that time;

[^{F27}“offshore installation” has the same meaning as in Part 4 (see section 44);]

“operator under a petroleum licence” means a person who is responsible for organising or supervising any of the operations of searching for, boring for, or getting UK petroleum in pursuance of the petroleum licence;

[^{F27}“owner”, in relation to a relevant offshore installation, has the meaning given in section 9HA;]

“owner”, in relation to upstream petroleum infrastructure, has the meaning given in section 9H;

“petroleum” has meaning given in section 1;

“petroleum licence” means a licence granted under—

- (a) section 3 of this Act, or
- (b) section 2 of the Petroleum (Production) Act 1934;

“principal objective” has the meaning given in section 9A;

[^{F27}“relevant offshore installation” has the meaning given in section 9HA;]

“relevant UK waters” means—

- (a) the territorial sea adjacent to the United Kingdom, and
- (b) the sea in any area designated under section 1(7) of the Continental Shelf Act 1964;

[^{F27}“submarine pipeline” has the meaning given in section 45;]

“UK petroleum” means petroleum which for the time being exists in its natural condition in strata beneath relevant UK waters;

“upstream petroleum infrastructure” has the meaning given in section 9H.]

Textual Amendments

F27 Words in s. 9I inserted (1.10.2016) by [Energy Act 2016 \(c. 20\)](#), **ss. 73(5)**, 84(3); S.I. 2016/920, reg. 2(c)

Changes to legislation:

There are currently no known outstanding effects for the Petroleum Act 1998, PART 1A.