



**Enclosure 1**

**SUMMARY OF APPLICATIONS**

**1. General information**

- a) Application area, defined by geographical coordinates of whole minutes of latitude and longitude, and with reference to block numbers.
- b) Name and address of each participating company, participating interest (%), and the role of each company (operator and/or participant).
- c) Name and address of the person who will serve as liaison in the Faroe Islands towards the Faroese authorities in connection with the handling of the application.

**2. Work programme and Faroese participation**

A brief summary is to be outlined for each application on the following subjects:

- a) Proposal on duration of license term.
- b) Proposed work programme.
- c) Proposal on how the applicant is willing to secure genuine opportunities for Faroese participation in the hydrocarbon activities.

**3. Description of the application area**

- a) A brief descriptive summary of the application area (maximum one A4 page for each area), and a sketch map (scale 1:75,000) illustrating the location of prospects and leads.
- d) A table giving the following information:

Geographical coordinates of appl. area + name of prospect/leads.	<sup>1</sup> Estimated reserves with range of uncertainty (P90, P50, P10). Oil: $10^6$ Sm <sup>3</sup> Gas: $10^9$ Sm <sup>3</sup>	Hydrocarbon type	Probability of discovery	Reservoir (stratigraphic level)

<sup>1</sup> For leads a single reserve estimate is sufficient, where possible.

## **GEOLOGICAL EVALUATION**

### **1. Evaluation**

In this enclosure the applicant shall provide a detailed geological evaluation of the areas applied for.

The enclosure shall include the following information:

- a) A review of the geological and geophysical data and database used in the application.
- b) A petroleum geological analysis of the areas applied for. The analysis shall include information concerning source rock potential, maturation and migration history, reservoir, the formation of traps, seal and retention of hydrocarbons. The analysis should emphasise those factors critical for the evaluation of identified prospects and leads.
- c) Interpreted geophysical, geological and geochemical data and maps that support the petroleum geological evaluation.
- d) An evaluation of each of the identified prospects applied for. The prospect evaluation shall include e.g. the following:
  - Time and depth maps with method of depth determination, together with a prognosed geological column, in meters and twt.
  - Anticipated hydrocarbon type, gas/oil ratio, formation volume factor, recovery factor, rock volume, and rock-dependent reservoir parameters, etc.
  - Estimated recoverable hydrocarbon volumes in metric units. Ranges of uncertainty should be specified for all resource estimates (P90, P50, P10).
  - Probability of discovery (risk) together with an explanation of how this factor is determined.

For leads the evaluation shall include similar information to the extent possible.

- e) A detailed description of exploration strategy and work programme. If the application for any given area is based only on the identification and mapping of leads, the applicant shall give a detailed description of the data acquisition and investigation necessary to ascertain whether the lead may later be classified as a prospect.

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## 2. Definitions

- a) An *application area* may consist of prospects or leads. It is defined geographically by contiguous blocks or parts of blocks and their corresponding coordinates in whole minutes of latitude and longitude.
- b) A *prospect* is a possible hydrocarbon trap with a clearly defined and mappable rock volume.
- c) A *lead* is a possible hydrocarbon trap for which available data coverage and quality is not sufficient to permit the clear definition and mapping of the trap volume.

## 3. Data formats and scales, etc.

- a) General:
  - Formats and scales, mentioned below, shall be considered as minimum requirements. In addition, the applicant may submit different products and/or use different formats and scales in order to illustrate specific points of relevance for the application.
  - All digital data shall be supplied on clearly labelled RO CDs and in clearly labelled CD-cases. The CDs shall be easily readable in ordinary CD-drives.
  - All maps must be presented with clear coordinates and/or block outline.
  - All navigation and map projection shall be in ETRS89 (WGS84), UTM zone 30.
  - All written documents shall be included in a format easily readable by Microsoft Office 2003.
  - The applicant shall name a contact individual that can aid with possible problems in reading the supplied electronic media and assist in solving any questions that Jarðfeingi may have regarding the application, etc.
- b) Maps:
  - Hardcopy:
    - Minimum one prospect or lead map shall be included in scale 1:75,000.
    - Minimum one regional map shall be included in scale 1:500,000.
  - Digital:
    - Maps shall be included as TIF, JPG or CGM files.
- c) Seismic data:
  - Minimum one time line through each prospect or lead shall be included in scale: 10 cm/sec, 1:25,000
- d) Expected drilled geological columns shall be included at 1:10,000 vertical scale.

## **FAROESE PARTICIPATION IN THE HYDROCARBON ACTIVITIES**

In this document reference is made to provisions in the model license. Clauses 12 through 14 contain provisions regarding Faroese participation in the hydrocarbon activities on the Faroese continental shelf.

### **1. Genuine Opportunities to provide Services, cf. clause 12**

Pursuant to clause 12 Faroese undertakings shall be provided with genuine opportunities, in competition with other companies, i.e. to provide goods and services connected with the performance of the activities under the licenses.

The Minister has specified procedures on the performance of this obligation and on the obligations of the licensee to submit information in this regard. Reference is made to part 5.5.1 of the explanatory notes to the Act on the Third Licensing Round.

### **2. Developing Competence and Technological Know-how, cf. clause 13**

Licensees will be obligated to promote and instigate the entering into contracts between Faroese and foreign undertakings on the development of competence and technological know-how within Faroese undertakings.

The application shall contain a plan on how the applicant will organise the development of competence within Faroese undertakings.

The applicant shall explain how he intends to oversee that the agreements lead to a continuous development of the participating Faroese undertakings.

Applicants working with specific plans of this kind can describe these plans in the application.

### **3. Research and Development, cf. clause 13(1)**

Licensees shall endeavour to give Faroese educational and research institutions and Faroese industry the opportunity to participate in research and development projects.

If the applicant is considering undertaking specific research and development projects in connection with activities on the Faroese Continental Shelf the application shall contain a description of such projects.

The applicant shall also describe in which way the applicant will organise the cooperation with Faroese educational and research institutions and Faroese industry regarding such activities.

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### **4. Education and Training, cf. clause 14**

An agreement shall be prepared between the Minister and the licensee on the licensee's obligations to conduct and bear the cost of educational and training activities in the exploration period.

The applicant shall describe in which areas and to what extent the applicant is willing to conduct advanced theoretical and practical education of personnel employed by Faroese authorities and public institutions.

The applicant shall furthermore describe in which areas and to what extent the applicant is willing to conduct and bear the costs of advanced theoretical and practical education of personnel employed by Faroese undertakings, i.e. personnel employed with Faroese undertakings participating in activities carried on by virtue of agreements pursuant to clause 13.

A new agreement shall be entered into if the license is extended.

### **5. Other Issues relating to Faroese Participation**

Within a period of 3 months after the granting of a license the licensee shall submit a plan, subject to the approval of the Minister, concerning the organisation and location of its business onshore during the exploration period, cf. clause 16(2).

**COMPANY RELATED MATTERS**

The following requested information shall be provided on an individual licensee basis.

**1. Company Structure**

Faroese entity	Name and address of the Faroese entity. Applicants with no subsidiary company nor a registered branch in the Faroes have a 3-month notice following the license award to make the proper arrangements.
Legal form	Legal form of the Faroese entity.
Manager/head and board	Name and address of the manager/head of the Faroese entity. If the entity is a limited company the names and addresses of the respective members of the board shall also be provided.
Parent company	Name, address and place of registration.
Parent company's board and management	Name of parent company's board members and management.
Shareholders	Shareholders or groups of shareholders with 10% or more of the share capital and/or with significant influence on the company. The share's ratios shall be provided.
Group	Graphical illustration and a brief written description of the group, including associated companies. An overview of the individual companies' activities shall be submitted.

**2. Financial Matters**

Credit rating	Applicants and their parent companies that are credit rated by international credit rating companies, e.g. Standard & Poors shall provide their credit ratings from year 2005 and onwards.
Accounting issues	The latest annual accounts for the applicant and for the group that the applicant is part of shall be submitted. The latest public interim accounts shall also be submitted if they are of a later date than the annual accounts.

**DOCUMENTATION REGARDING HEALTH, SAFETY AND  
THE ENVIRONMENT**

The application material shall include a general documentation of the applicant's expertise and experience with respect to the work programme applied for.

Applicants, who submitted documentation in previous Licensing Rounds, are exempted to resend documentation, unless newer or revisited information is available.

The documentation shall reflect conditions in relation to safety, working environment, environment, technology and emergency preparedness and shall focus on the below elements:

- a) The applicant's view on challenges and key issues regarding operations in Faroese waters.
- b) The applicant's requirements to training and involvement of personnel in relation to the planning and execution of drilling operations.
- c) Environmental documentation shall include:
  - i. a general description of the environment in the area covered by the application
  - ii. a demonstration of the applicant's knowledge of the Faroese legislation relevant to the planned operations
  - iii. a description of the impact the planned activity may have on the environment
  - iv. environmental management systems to be applied for operations in Faroese waters

The required documentation shall reflect the actual conditions of the offshore area covered by the application.

In case of joint applications, each company must produce documentation referring to the requirements listed in a) to c) above.