

UPDATED VERSION: 8th April 2014

**QUESTIONS AND ANSWERS IN CONNECTION WITH THE
28th OFFSHORE OIL AND GAS LICENSING ROUND**

Questions raised by potential applicants concerning this Round for answer by DECC should be *emailed* to the contacts below. DECC will aim to post any *new* questions and answers within five working days on this page.

Questions will only be answered in this way, to ensure that the same information is available to everyone at the same time, in the interests of a transparent and fair process.

These Questions and Answers have been split into 2 sections; the first section relates to Policy issues around the Licence Round. The second section relates to issues around the LARRY system

Contacts to be e-mailed with your Policy questions (*please copy both contacts in on your e-mail as this ensures your question will be dealt with quickly in the case of either contact not being in the office*):

Jen Brzozowska
Exploration Manager,
Jen.Brzozowska@decc.gsi.gov.uk

Ricki Kiff
Licence Round Co-ordinator
Ricki.Kiff@decc.gsi.gov.uk

If you require help with the LARRY system, please telephone the Portal Help Desk on 0300 068 5793 or e-mail ukop@decc.gsi.gov.uk

NOTE: That for the 28th Round DECC has incorporated generic answers to questions asked in previous rounds into the various Guidance Notes (General, Technical, Environmental, and Financial).

Please read ALL the Guidance carefully before asking further Questions.

To view a new Q & A, scroll to the *end* of the relevant section.

Policy

Information Note 1

It has been reported that links in the General Guidance Footnotes pointed incorrectly to Technical Guidance that is out of date. This has now been corrected.

Please ensure the Technical Guidance you are referring to has January 2014 in the Header.

Note that we are not accepting Hard Copy for the 28th Round. All Applications should be submitted via LARRY.

Updated Information Note 2

Please note that the “Other regulatory issues” document available on the 28th Round home page has been updated at Section 2 of the document with a revised Note 3 and 4 (relating to the development of Crown Estate Leases and windfarms) and updates to some blocks in the table on periods of seasonal concerns. The updated document is the version at 20th February 2014.

Information Note 3

Please note that the map showing “In place Crown Estate Leases, Agreements for Lease and Search Areas (overlying UKCS Petroleum Licensing Blocks)” has been updated to now show windfarm Cable Agreements. The map can be accessed from the 28th Round home page via the link entitled “The Crown Estate interest”.

LARRY

- Q: Could you explain the security of the site for submitting applications via LARRY. I have read the information on the site and it states that the site is highly secure and of course it is using SSL. I have no particular cause for concern but can you provide me with any information which explains how the Operator's information is kept confidential once it is on the site?**

A: The LARRY system is integrated with the UK Oil Portal which has a proven security model that is audited annually and is the subject of annual penetration tests.

When someone makes an application they become the lead applicant and the application is protected by their user id and a password. They can then give access to anyone else who can see or contribute to the application; e.g. a finance or environment person. They access the system via their own id and password; they also need to know the application key and licensee of the actual application. You cannot use a software generator to look for application keys. It is impossible to see any other application for which you do not have authority to view.

- Q: We are hoping to submit an Application via the LARRY system. Do I submit the Work Programme and Technical Competence aspects through that system, and am I restricted by number of pages (size of files)?**

A: If you are planning to utilise the LARRY system, you should do so for *all* parts of the Application. Please do not submit Hard Copy if you are submitting through LARRY, and please do not submit some parts through LARRY and some Hard Copy.

The Work Programme part of the Application follows the Prospect information area within LARRY. You do not need to put any parts of the Application Form (e.g. Prospect Summary Sheets and Work Programme Summary Sheets) in with the uploaded Appendix B Technical Information; we will access them from LARRY.

The Appendix B Technical Information should be uploaded to LARRY (see below for acceptable file types). Individual uploaded files are limited to 50 megabytes but you may upload more than one file. We do request though that files are easy to open or download.

As stated in paragraph 2 of the Technical Information Guidance, we do not wish to be prescriptive, but a fit-for-purpose application should be a report at most 50 pages long. Applicants should therefore consider what is appropriate to present the information to provide the rational for the application.

Appendix B also requires documentation on *Technical Competence*, which should be uploaded as a separate file, suitably labelled, in the Appendix B area of LARRY.

- 3. Q: In the Financial Information section of the Application (on LARRY) applicants need to specify their existing UKCS capital commitments. Should the commitments for:**
 - A. the licences applied for in the 26th Round but for which award is still pending and**
 - B. FDPs which have been submitted but not yet approved by DECC be included as existing UKCS capital commitments.**

A: These costs should be included as existing capital commitments but may be annotated “pending DECC approval” in order to differentiate their status from those licence commitments which have been agreed with the Department.

- 4. Q: In the Financial Information section of the Application (on LARRY) applicants need to specify their existing UKCS capital commitments. Should the commitments for:**
 - A. the licences applied for in the 26th Round but for which award is still to be executed**
 - B. FDPs which have been submitted but not yet approved by DECC**

be included as existing UKCS capital commitments.

A: By making an application for a licence or by submitting an FDP for approval by DECC, there is a presumption that the applicant intended to be committed to the proposed work programme. These costs should therefore be included as existing capital commitments but may be annotated “pending DECC approval” in order to differentiate their status from those licence commitments which have been agreed with the Department.

5. Q: If we wish to pay the Application fee by International money transfer instead of Credit Card, how do we do this using LARRY?

A: As you submit your application through LARRY, you'll be asked for payment details and given the option of electronic payment by card or an alternative method. In both cases, we generate an invoice reference which is displayed on the screen (it starts with "EDU"). Please use this invoice reference as the reference on your bank transfer.

When you choose "Alternative Payment Method", you'll be asked to complete details regarding your chosen method of payment. These, combined with the invoice reference will be used to help us reconcile your payment against your LARRY application.

6. Q: How can a partner review the Appendix B files uploaded by the Operator onto LARRY?

A: The way to view applications if you are not the Operator is via the Finance Information screen. Once you have added your Organisation and valid Application Key you will receive a 'View Application' link this will allow you to view the application in a read only format.

7. Q: We plan to submit one application for two pairs of blocks in different parts of the UKCS. Our preference is that each of the block pairs be issued as one licence i.e. two licences each containing 2 blocks. How can we make this point clear within the LARRY application forms?

A: Preferences such as this should be detailed in the "Comments and Notes" section located beneath the Block list on the companies/Blocks part of the LARRY Application.

8. Q: Where on LARRY can comments be made regarding any uncertainties in the method of calculation of reserves or alternate hydrocarbon type for Prospects?

A: The box entitled "Estimated Technical Chance of Success/Other information or comments" immediately below the Volumetrics section of the Application Form may be utilised for such uncertainties. Alternatively this can be addressed within the Appendix B text.

9. Q: Is there a handling charge for making a payment to DECC via BACSS/CHAPS on LARRY?

A: There isn't usually a handling charge for transactions within the UK. International transfers however usually incur a small handling fee, generally on the order of £7 or £12, but Companies have not been expected to allow for this in the past.

10.Q: Does payment require to be in DECC's account before the deadline to validate the submittal?

A: LARRY applications can't be submitted without either making an electronic payment (in which case the invoice reference is handled automatically), or promising to make a payment via another method (i.e. cheque/BACS).

We allow for any delay in processing by the DECC account handlers.

11.Q: What unique ID should be provided associated with the BACS/CHAPS payment to assist in cross referencing?

A: In either case LARRY assigns an invoice reference which is displayed on the payment invoice screen. Payments should be made quoting this reference.

12.Q: In LARRY the work programme is split between partners. Are the partners to fill in this information for themselves? If so, will the access key give them access to fill in Financial as well as work programme information?

A: Partners will need to complete the Financial Section independently. The Financial information requires any outstanding work programme obligation that any partner carries to be completed as well as the work programme for this specific Application; the access key gives them the ability to add their work programmes and the Financial information associated with them.

13.Q: May we indicate two blocks are ranked equally in the Order of preference?

A: The order of preference is indicative; an equal order may be specified if desired.

14.Q: Where do we comment on Legislative Compliance for Appendix C in LARRY?

A: The information on Legislative Compliance can be uploaded as part of the Environmental Sensitivities pdf into the Appendix C part of LARRY.

15.Q: Where do I add Discoveries as there is no “drop down” button for them in the Add Prospect facility on LARRY?

A: By definition, an existing discovery probably falls into the Prospect category rather than a Lead. However, whether you put it into the Prospect not fully evaluated or the fully evaluated category is your decision depending on how much additional work you think is needed to progress plans for it. You should make clear on the Lead/Prospect summary sheet, at least, that it is an existing discovery.

There is further information on how DECC categorises prospectivity and existing discoveries in Annex 2: The Marks Schemes (pages 8 and 9 of the Technical Guidance, and reference is made to Question 38 in the Q & A section).

16.Q: What if I do not wish to pay my Licence application fee by credit card?

A: If you do not wish to pay for your licence application via credit card you can use an alternative payment method. Within the payment screen there is an ‘Alternative Payment Method’ options tab which gives you the following payment options; Bank Transfer (must be over £10,000), Same Day Bank Transfer (again must be over £10,000) and Cheque.

17.Q: What file types are allowed when uploading documents in LARRY?

A: For image uploads the following file types are accepted: *.bmp; *.gif; *.jpeg; *.jpg; *.png *.tif *.tiff

For document uploads the following file types are accepted: *.pdf; *.doc; *.docx; *.txt; *.rtf

18.Q: What is the maximum file size for an uploaded document?

A: The current file size limit is 50mb.

19.Q: I am involved in numerous applications, do I have to create multiple Finance Records?

A: You only need to create one financial record per organisation. If you are involved in multiple applications you need to add the application keys to the existing finance record.

20.Q: I have uploaded my Finance Record and set its status to finished but when viewing the application it still shows the Red Cross against my organisation?

A: The link you receive to view the application from the Finance Information screen shows you the application in its current state (i.e. before you have added your finance record to the application). The application will only update once the main applicant has resumed the application.

21.Q: Do I need to be added to the application contacts before I can upload my Finance Information?

A: No, you only need to be added to the application contacts if you wish to edit the application.

22.Q: I have been added to the application contacts but do not have the Finance Information link in my Workbasket?

A: To create a New Application or upload Financial Information you need to be added to the LARRY Round Team. To obtain access to this team you need to log into the Portal via the LARRY login page which can be found on the DECC Oil and Gas website.

23.Q: I have completed my Application but my Co-licensees have not uploaded their Finance Information, can I still submit my application?

A: Unfortunately you cannot submit your application until all parties have uploaded their Finance Information.

24.Q: It states on the Payment screen that I can use AMEX to pay for my application is this true?

A: At present DECC does not accept AMEX as a payment method for LARRY applications.

25.PLEASE NOTE: If you are using Internet Explorer version 11 to complete your LARRY application, you may experience Error '500' when entering data on any screen that contains a Map. This Error is caused by Microsoft disabling the XML DOM ActiveX control in IE11 by default. To enable this control you have to go to 'Tools'-> Manage add-ons' -> Show 'All ad-ons' -> enable the 'XML DOM, and turn on the compatibility mode. Alternatively you can use IE10 or another browser e.g. Mozilla Firefox or Google Chrome.