

**Example - as forwarded from owner to the NPD - fictitious data - for illustration only**

## **Report on completed negotiations - Use of facilities by others**

This form is submitted pursuant to Section 14 of the Regulations on other companies' use of  
The owner and the user fill in the form. The user of the facility forwards the form to the Norwegian Petroleum Directorate (NPD), who will publish it.  
Please state volumes etc according to the metric system.

### Contents:

1. Key elements in the agreement that has been made regarding this agreement on use of facilities by others
2. Information on the user's fields and streams
3. Information on the negotiation process

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### 1. Key elements in the agreement that has been made regarding other companies' use of the facility [1]

<a href="#">Title and date[2] of agreement</a>	Agreement between the Smallfield Group and the Bigfield Group for Tie-in and Services Related to Smallfield Well stream at the Bigfield Facilities, dated October 15, 2006.
<a href="#">NPD reference number[3]</a>	
<a href="#">NPD reference number for related agreements[3]</a>	
<a href="#">Parties to the agreement [4]</a>	Smallfield group PL xxx (Current owners Newcomer ASA (70%) - operator and Norwegian Hope ASA (30%)) and Bigfield unit owners group (Owner A ASA (40%) - operator, Owner B ASA (20%), Owner C ASA (30%), Newcomer ASA (10%))

#### 1. Key elements of the agreement

##### This form states the key provisions regarding distribution of responsibilities and financial terms

<a href="#">Services[5]</a>	Bigfield is to provide Smallfield with wells for production and injection, tie-back of wells, processing facilities, control systems, metering and any services necessary to receive wellstream, water injection, excess water disposal, and for redelivery of processed oil at the Bigfield E loading buoy. This is limited to Drilling, tieback and maintenance of and processing streams from * Two production wells + 2 optionals * One water injection well + 1 optional. Options on extra wells are to be exercised within 5 years after first oil. Any gas after processing will be handed over to the Bigfield unit owners before crude oil is redelivered at the Bigfield E loading buoy.
<a href="#">Start and duration of services[6]</a>	Drilling to start March 1 2007, provided Bigfield wells xx/4-18 and xx/4-19 are then completed. Processing services to start when first well is put on production. Water injection to start as soon as possible (best endeavour with some special provisions) Termination according to standard provisions in Section 32 Duration in Standardised contract clauses, but not earlier than 4 years after start of production (first oil)).
<a href="#">Tariffs[7]</a>	1) Estimated Well stream process tariff: yyy NOK/Sm <sup>3</sup> . Indexed with Norwegian Consumer price Index (NCPI) 2) Water injection tariff: zzz NOK/m <sup>3</sup> , NCPI-indexation (aaa %) 3) A xxx - xxy NOK/Sm <sup>3</sup> fee for oil volumes redelivered at Bigfield E loading buoy, and ccc NOK/Sm <sup>3</sup> extra should volumes any year exceed expected volumes as defined in the agreement. NCPI-indexation.
<a href="#">Other compensation[8]</a>	To be paid by Smallfield: 4) Any cost related to drilling, tieback, workovers and maintenance of wells 5) Incremental investment cost at Bigfield in 2007, limited to ddd mill NOK, minimum eee mill NOK 6) Fff MNOK per slot per month for first four well slots, then Ggg MNOK/month. NCPI-indexation 7) HhhMNOK per year to cover for incremental operating cost, including supervision of wells, NCPI-indexation Cost sharing / other: 8) VOC-costs according to share of processed oil at Bigfield E loading buoy. 9) Any gas and gas liquids from Smallfield well stream (profit element) 10) Separate provisions should any new environmental fee or HES regulations be introduced. 11) Separate provisions should Newfield oil have a quality significantly different from what is expected
<a href="#">Capacity rights (over time)[9]</a>	Services are provided at best endeavour basis, but Minimum oil guarantee 48 months after first oil, subject to several conditions (GGG mill Sm <sup>3</sup> oil base value), and also provisions relating to how to handle any water injection problems.
<a href="#">Flexibility in volumes[10]</a>	See Minimum oil redelivered guaranty above. Items 4, 5, 6 and 7 are paid irrespectively of throughput.
<a href="#">Priority[11]</a>	See Capacity rights over time and "Special issues".
<a href="#">Technical requirements[12]</a>	No special requirements. The Smallfield oil is assumed to be very similar to Bigfield oil. For details, see "Unique characteristics of the streams" in the User field part of this form.
<a href="#">Special issues[13]</a>	There are some provisions related to priority of work related to Smallfield vs Bigfield wells. There are also provisions should water content in oil differ significantly over time (so as to be able to put priority to Smallfield and Bigfield oil with the lowest water content).

[1] What is transported, processed, injected, etc. will in the following be termed "streams"

[2] Must be updated if there are changes to, exception from or amendments to the agreement

[3] To be determined / set by the Norwegian Petroleum Directorate (NPD)

[4] The name of the owner and the user, cf. Section 3 of the Regulations, and the licensees' interests in the facility and user field

[5] A description of the services included in the agreement, including information on entry point and redelivery point for streams

[6] Start and duration of services according to the agreement

[7] Current compensation to the owner. Please also state any indexation and/or rate changes over time.

[8] Reimbursable cost, compensation for postponed production for the owner of the infrastructure, and any other compensation

[9] To be specified for the applicable capacities according to the agreement. Changes over time and conditional changes should be shown

[10] Please specify whether payment must be made irrespectively of the actual use of the facility ("send or pay"), and

[11] Priority for the user's streams when there is limited access to services

[12] Important technical requirements, and particular issues related to the user's streams

[13] Any relevant supplementary information regarding the agreement

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### 2. Information on the user's fields and streams[0]

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This form describes the field and the streams etc. that are relevant to the agreement					
The user field	<b>Smallfield</b>				
<a href="#">Planned development solution[1]</a>	The development will consist of wells from the Bigfield platform, * 2 firm, 2 optional producers * 1 firm, 1 optional water injector (sea water) Only minor modifications on the Bigfield platform are required, related to metering, upgrading of chemical injection system and some minor upgrading of water treatment				
<a href="#">Utilisation of the agreement services[2]</a>	<b>Comments</b>	<b>Start drilling</b>	<b>Well stream</b>	<b>Water injection</b>	<b>Processed oil</b>
<a href="#">1. Start date and end date[3]</a>	Start date	2007	2007	2008	2007
	End date (excluding optional wells)	2008	2015	2012	2015
<a href="#">2. Starting time plateau[4]</a>			2007	2008	2007
3. Plateau level	Mill m <sup>3</sup> /year		1,0	1,0	0,9
<a href="#">4. Duration of plateau [4]</a>	Years		8	6	2
5. Total volume	Mill m <sup>3</sup>		11	9	5
<a href="#">Unique characteristics of the streams[5]</a>	Gas-oil-ratio of about 250 Sm <sup>3</sup> /Sm <sup>3</sup> Little CO <sub>2</sub> ; <1 mole % CO <sub>2</sub> Density (kg/m <sup>3</sup> ) = 0,85 (light crude oil) No problems with H <sub>2</sub> S or sand production are expected				

[0] What is transported, processed, injected, etc. will in the following be termed "streams"

[1] Overall description, possibly with an illustration of the development. The description must include the development solution (including changes to the owner's facility in connection with the agreement), gas lift, injection (gas and/or water), export solutions and, if relevant, used drilling slots/risers and any other important parameters

[2] The field's expected streams and other figures relevant to the services in the agreement. State Items 1-5 per stream, etc. (e.g.: well stream, processed oil, gas, condensate, NGL, produced water, injected gas, the number of used risers or drilling slots)

[3] Expected start date and end date for use of the service

[4] Plateau is the highest level of service, e.g. well stream volume, water injection volume or the number of used drilling slots

[5] This may for example be: low API, high H<sub>2</sub>S, high CO<sub>2</sub>, significant sand production, etc.

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### 3. Information on the negotiation process

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<a href="#">Date when the request regarding use was received[1]</a>	01.04.2006
<a href="#">Date when the reply to this request was sent[2]</a>	17.05.2006
<a href="#">Milestones in the agreement negotiations [3]</a>	<p>A progress plan with specific milestones and a time limit for completing the negotiations was agreed by June 23, and the Ministry was notified on June 25.</p> <p>By end august, most technical matters had been clarified, and a Heads of agreement was approved by all parties on September 17.</p> <p>The final agreement was approved on October 15.</p> <p>The progress was in line with the initial progress plan submitted to the Ministry on June 25.</p>
<a href="#">The structure of and roles in the negotiations[4]</a>	<p>Polarized negotiations: The Bigfield negotiation group was represented by Owner A ASA in the negotiations. The Smallfield group was represented by Norwegian Hope ASA, with Newcomer ASA as technical assistant.</p>
Other important matters regarding the negotiations	-

[1] [The date when the owner received a request regarding use, cf. Section 6 of the Regulations](#)

[2] [The date of the owner's reply to the request regarding use, cf. Section 6 of the Regulations](#)

[3] [Start date, milestones \(deadline kept: Y / N: Reason\) and end date \(deadline kept: Y / N: Reason\) compared to the initial progress plan submitted to the Ministry, cf. Section 7 of the Regulations](#)

[4] [Negotiation structure: polarized or round table. The parties' negotiation roles: Negotiation leader, facilitator, technical assistant.](#)