

Guidelines for application letter and company information



Photo of Edge Island with outcropping Triassic source rock of the Steinkobbe-/Botneheia Formation.
Photo: Bjørn Anders Lundschie, The Norwegian Petroleum Directorate

APA 2023

Awards in predefined areas



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Submission of application letter and company information

All applicants must submit a formal application letter with an overview of all applications the company participates in, both individually and as a group (AMI). The application letter must be sent together with the company information and receipt(s) for paid application fee, if applicable, to both the Norwegian Petroleum Directorate and the Ministry of Petroleum and Energy. Upon sending via L2S Authority Communication, both the Ministry of Petroleum and Energy and the Norwegian Petroleum Directorate can be added as recipients in the same submission.

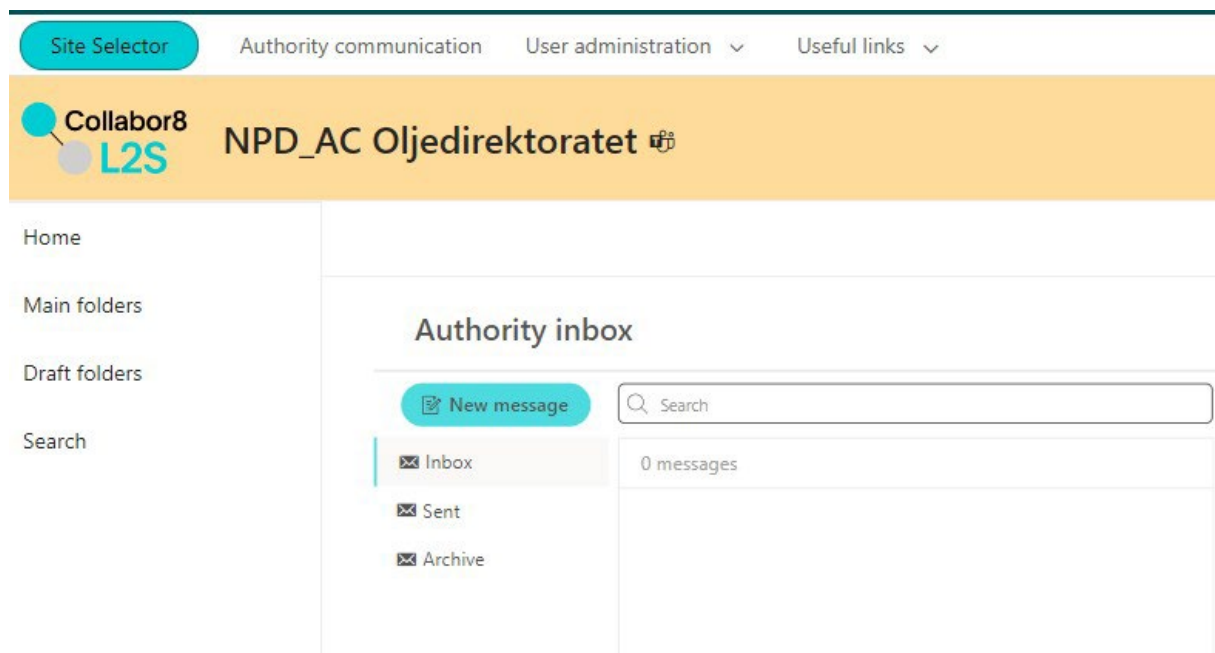
The Norwegian Petroleum Directorate

The files must be saved in one folder named *TFO2023-"companyname"-applicationletter* and the folder must subsequently be compressed ("zipped"). The folder must not contain subfolders and the file must not be protected by password.

Example for company "Energy AS": TFO2023-EnergyAS-applicationletter.zip

The submission must be named *TFO2023-"companyname"-applicationletter* and submitted via L2S Authority Communication to the Norwegian Petroleum Directorate.

The inbox in L2S Authority Communication looks like this:



The Ministry of Petroleum and Energy

The files shall be sent to the Ministry of Petroleum and Energy (MPE) in any electronic format. L2S Authority Communication is one possible solution for submitting this year.

The deadline for submission is **12:00 noon on Wednesday, 23 August 2023**. Applicants are encouraged to submit in good time before the deadline.

A receipt for the received application will be sent. Please allow for some handling time. You will immediately receive confirmation that the application has been submitted by inputting your own email address as copy:

Send message ?

Multidistribution

To *

Cc

Subject *

Message

Format | **B** / U | | |
 | ...

Company reference

Authority reference

Due date

Files must be named as follows:

Name of file	Format	Description
Application letter_"Company name"	.pdf	Application letter
Company information_"Company name"	.pdf	Company information
CompanyInformation	.xlsx	Excel workbook "CompanyInformation"
Application fee_"block number"	.pdf	Receipt of paid application fee
Annual report_"company name"	.pdf	Annual report
Quarterly statement_"date"	.pdf	Latest quarterly financial report

1. Application letter

A formal application letter containing an overview of all applications the company is submitting, both individually and as a participant in group applications, must be delivered by the application deadline. The application letter must contain the following:

1.1 Applicant and contacts

State the company name, address and nationality, as well as the name, title, telephone number and email address of the contact person(s). At least two contacts should be available in Norway for Norwegian authorities throughout the application period until award.

1.2 Application list

Copy of table 5: "Application list from company".

The applications must be listed in prioritised order, with information about the proposed operator and distribution of ownership interests. Table 5 is in the Excel workbook "CompanyInformation" on the NPD's website at: <https://www.npd.no/en/apa2023/>. The worksheet can be completed in Norwegian or English when a selection does not have to be made from a drop-down menu. Additional rows can be added to the form.

Table 5: Application list from company

Correct name of company from list										
Priority (>0)	Application for Production License in blocks:	Region	If application for additional acreage ¹ , PL no.:	Participants (Correct name of company from list)	O P O/P ²	Participation share [%] ³ (0,000001 - 100)			Application delivered by: ⁴	Fee paid by: ⁴
						Preferred	Lower	Upper		
1										
2										
3										

¹ Additional acreage: where discoveries or mapped prospects extend into announced area from an existing production licence with the same licensee(s) and ownership interests, indicate licence number

² O= operator, P= partner, O/P= no particular preference regarding operator or partner status

³ The size of the ownership interests primarily preferred, as well as an upper and lower limit which the applicant can accept, in an interval between 0,000001 and 100 %. The ownership interests must be in accordance with the interests listed in the application summaries in each application

⁴ Place an X by the company actually delivering the application, individually or on behalf of the group. Place an X by the company that paid the application fee, individually or on the behalf of the group

1.3 Map of the applied area(s)

The following must be included in an application submitted by a company:

A map with geographic coordinates, block number and scale that shows applied for acreage and outlines of the mapped discoveries, prospects and leads. It is sufficient that requested information is presented on overview map(s), for example one for each sea (the North Sea, the Norwegian Sea and the Barents Sea) or one for the Norwegian Continental Shelf.

When applying for a stratigraphic production licence, please specify the stratigraphic interval being applied for.

A company that is part of an application submitted by another company does not need to submit the information mentioned above.

1.4 Summary of application(s)

Brief text which provides a background for what each application includes, with comments on priority, ownership interests and operator requests, as well as other issues the applicant wishes to express, for example strategic considerations.

1.5 Attachment - receipt for paid application fee

A scanned copy of the receipt must be enclosed as a separate file with the application letter. Name the file "*Application fee_(block number)*". If the company is participating in a group application and the fee is paid by one of the other group members on behalf of the group, this must be indicated by marking an X in the application form.

Application letter template

The Royal Norwegian Ministry of Petroleum and Energy
Akersgata 59 (R5)
P.O. Box 8148 Dep
0033 OSLO

Awards in predefined areas 2023 (APA 2023) – Application for award of production licences

Applicant and contacts

Address:

Nationality:

Contacts: name – title – telephone number - email

Suggested text: Reference is made to the Ministry of Petroleum and Energy's announcement of Award of Predefined Areas 2023 (APA 2023) on 10.5.2023. (Applicant name) hereby applies for production licences in XX areas (see form below), distributed over XX new licences (potentially XX additional acreage to existing licences):

Application list

Ref. Item 8 in the "Invitation to apply for production licence for petroleum)"

Priority	Application for Production Licence in blocks:	Region	If application for additional acreage ¹ , PL no.:	Our Company AS					Application delivered by: ⁴	Fee paid by: ⁴
				Participants (Correct name of company from list)	O P O/P ²	Participation share [%] ³ (0,000001 - 100)				
						Preferred	Lower	Upper		
1	7324/12	Barents Sea		Company A	O	60	50	70	X	X
				Our Company AS	P	40	30	40		
2	7119/11	Barents Sea		Our Company AS	P	20	15	40	X	X
				Our Company AS	O	59,123456			X	X
3	6406/1	Norwegian Sea	PL ###	Company C	P	7,876544				
				Company D	P	33				

¹ Additional acreage: where discoveries or mapped prospects extend into announced area from an existing production licence/unit with the same licensee(s) and ownership interests, indicate licence number/unit

² O= operator, P= partner, O/P= no particular preference regarding operator or partner status

³ The size of the ownership interests primarily preferred, as well as an upper and lower limit which the applicant can accept, in an interval between 0,000001 and 100 %. The ownership interests must be in accordance with the interests listed in the application summaries in each application

⁴ Place an X by the company actually submitting the application, individually or on behalf of the group. Place an X by the company that paid the application fee, individually or on the behalf of the group

Map of the applied area(s)

Brief description of application(s)

Example of text: Priority 1 includes the eastern part of block 16/7 where our company, together with Company A, has mapped the Karlsvogna prospect at an Upper Triassic level. Priority 2 is an area in the Barents Sea southwest of Snøhvit, where our company is applying for participation as a partner with a desired ownership interest of 20%. Priority 3 is an application for additional acreage to PL XXX,

where interpretation of new seismic shows that the Mitten prospect, scheduled to be drilled in 2024, reaches out into open area.

Any other conditions the applicant wishes to express (up to 1 page).

Documents submitted by applicant:

Application priority 2: block 7119/11

Application priority 3: block 6406/1, additional acreage to PL XXX

Documents submitted by partner

Application priority 1: block 16/7 delivered by Company A

Attachment – receipt for paid application fee

Copy of receipt confirming paid application fee for application in block 7119/11 and 6406/1.

2. Company information

Each individual company that applies for production licences in APA 2023 shall submit information concerning the company to the authorities by the application deadline. Companies that submit applications on behalf of a group (AMI), shall inform the other companies in the group that each company must submit such information to the authorities, also in connection with applications for additional acreage in existing production licences.

Forms with company information:

The Excel workbook "*CompanyInformation*" can be found on the NPD's website at <https://www.npd.no/en/apa2023/> and contains all tables mentioned below. The form can be completed in Norwegian or English where a selection does not have to be made from a drop-down menu.

Table 6: The company's size and experience

Table 7: The company's financial situation

Table 8: The company's projected cash flow (only for companies without financial credit rating)

Table 9: Other company assets

2.1 The company's ownership structure and organisation in Norway

Reference is made to the Regulations of 27 June 1997 No. 653 to Act relating to petroleum activities, Section 8 i), where a description of the applicant's organisation and expertise is requested.

An overview of the company's ownership structure with a list of the principal owners/owner groups and their ownership interest must be provided. Information on where the company is registered, the company's headquarters and the composition of the board, specifying the board members' place of residence and nationality, is also requested.

Furthermore, an updated status regarding the company's organisation in Norway at the time of application must be provided. The overview must document the company's organisation with regard to expertise and capacity. If terms and conditions have been stipulated in connection with prequalification of the company as a licensee or operator, it must be clarified how the company intends to fulfil, or has fulfilled, these terms and conditions.

The information must be accompanied by an organisation chart showing the company's own employees. Only company personnel in positions that are actually occupied should be included. Consultants should also be listed in the overview.

Companies that have been established in Norway for several years should only focus on any changes in ownership structure and organisational changes for their enterprise in Norway that could be relevant for evaluation of the application. If considerable changes have been made in the company's organisation as regards expertise and capacity, documentation must be submitted as described above.

The Norwegian Petroleum Directorate and Petroleum Safety Authority Norway can independently request additional documentation.

In those cases where the company is part of an international company, major changes in the parent company must also be listed.

It is recommended that the information be limited to a maximum of three pages.

2.2 The company's size and experience

Reference is made to the Regulations of 27 June 1997 No. 653 to Act relating to petroleum activities, Section 8 h), where information on the applicant's experience and technical expertise is requested, cf. also Section 10 a).

Information on the company's size and experience in and outside Norway is provided by filling in the form "*Table 6: Size and experience*". The form must be delivered as part of the Excel workbook "*CompanyInformation*". Further comments and clarifications must be limited.

2.3 The company's financial situation

Please refer to Section 8 (e) of Regulation No. 653 of 27 June to the Act relating to petroleum activities (the Petroleum Regulations), which stipulates the disclosure of information on the applicant's enterprise. The companies must fulfil the award criteria in Section 10 (a) of the Petroleum Regulations, including financial capacity.

An up-to-date and expansive statement concerning the applicant's financial status must be submitted in connection with APA 2023. The objective is that the companies must be able to document their capacity to meet payment obligations in the work programme.

Reference is made to the Regulations of 27 June 1997 No. 653 to Act relating to petroleum activities, Section 8 e), where information is requested on the applicant's enterprise, including financial capacity, cf. also Section 10 a). An updated and complete report of the applicant's financial status must be submitted in connection with APA 2023.

Reporting for different categories of companies:

a) Companies with financial credit rating

Companies with a financial credit rating from international credit rating agencies must indicate this in the form "*Table 7: Financial status*" together with financial key figures. The form must be delivered as part of the Excel workbook "*CompanyInformation*".

b) Companies without financial credit rating

In addition to filling out the form "*Table 7: Financial status*", that must be delivered in the Excel workbook "*CompanyInformation*", companies without financial credit rating from international credit rating agencies must:

- explain how they plan to safeguard the financial obligations assumed as a result of a potential award of applied for production licences
- include the annual report, as well as the last quarterly statement, in PDF format. If relevant, there must be an annual report for both the Norwegian company and the parent company/group

- if the company conducts a significant percentage of its activities on the Norwegian Continental Shelf, the company must also:
 - account for the total planned financial obligations and how these will be met for the coming three years
 - list which exploration commitments the company has in their total portfolio
 - provide further comments regarding existing discoveries in the company's portfolio, secure reserves and expected future production beyond a longer time horizon than 2024. Here the company may refer to potential reporting to the Revised National Budget
- provide complementary comments on the capital structure. This statement should include source of debt (bank, bonds, parent company, etc.) and source of potential new equity (parent company, stock exchange, etc.). The terms of the company's loans are also requested
- fill out the form "*Table 8: Projected cash flow*" in the Excel workbook "*CompanyInformation*" showing the expected cash flow in the period 2024 to 2026 for the Norwegian company
- fill out the form "*Table 9: Other values*" in the Excel workbook "*CompanyInformation*", which shows the other assets/information in the parent company and/or the Norwegian company, and which could be relevant in the assessment of the company's financial capacity and ability to meet payment obligations associated with the APA work programme.

It is recommended that the information is limited to a maximum of five pages.

If the company is part of an international company, the information in the form "*Table 7: Financial status*" must refer to the whole group. Please specify whether the information in the form applies to the Norwegian company or the whole group using the comment field under "*Table 7: Financial status*".

If there are special circumstances that could impact the company's financial ability to meet its current or future obligations regarding the activities on the Norwegian shelf, this must be noted.