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**STATUTORY INSTRUMENTS**

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**1984 No. 1230****DEEP SEA MINING****Deep Sea Mining (Exploration Licences) Regulations 1984**

<i>Made</i>	- - - -	<i>2nd August 1984</i>
<i>Laid before Parliament</i>		<i>9th August 1984</i>
<i>Coming into Operation</i>		<i>3rd September 1984</i>

The Secretary of State, in exercise of the powers conferred upon him by sections 2 and 12 of the Deep Sea Mining (Temporary Provisions) Act 1981(a), (hereinafter referred to as “the Act”), and with the consent of the Treasury given in relation to Regulation 5, hereby makes the following Regulations:—

*Citation and commencement*

1. These Regulations may be cited as the Deep Sea Mining (Exploration Licences) Regulations 1984 and shall come into operation on 3 September 1984.

*Application of the Regulations*

2. These Regulations shall have effect in relation to licences to explore for the hard mineral resources of any part of the deep sea bed unless the Secretary of State thinks fit to modify or exclude them in any particular case.

*Applications for Exploration Licences*

3. An exploration licence shall only be granted in respect of an application which complies with the provisions of the Deep Sea Mining (Exploration Licences) (Applications) Regulations 1982(b) (hereinafter referred to as “the 1982 Regulations”). An exploration licence shall not be granted in respect of any area of the deep sea bed for which an exploration or exploitation licence granted by the Secretary of State, or a licence or authorisation issued under the law of a reciprocating country, is in force.

*Form of Licences*

4. Every exploration licence shall be for an initial period of 10 years and may be extended for successive periods of 5 years each. The licence shall incorporate the model clauses set out in the Schedule to these Regulations unless the Secretary of State thinks fit to modify or exclude those clauses in any particular case.

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(a) 1981 c.53.  
(b) S.I. 1982/58.

*Fees*

5. The fees payable to the Secretary of State during the currency of an exploration licence (in addition to the fee payable for the grant of the licence under the 1982 Regulations) shall be:

- (a) £15,000, payable one year after the grant of the licence;
- (b) £25,000, payable six years after the grant of the licence;
- (c) £25,000, payable on the grant of each extension period.

1st August 1984.

*David Trippier,*  
Parliamentary Under-Secretary of State,  
Department of Trade and Industry.

The Treasury hereby consents, so far as prescribing the fees.

2nd August 1984.

*Nigel Lawson,*  
*Margaret Thatcher,*  
Two of the Lords Commissioners of  
Her Majesty's Treasury.

## Regulation 4

## SCHEDULE

## MODEL CLAUSES FOR EXPLORATION LICENCES

Interpretation 1.— (1) In the following clauses the following expressions have the meaning hereby respectively assigned to them, that is to say:—

“the Act” means the Deep Sea Mining (Temporary Provisions) Act 1981;

“the exploration area” means the area of the deep sea bed in which the Licensee may exercise the rights granted by this licence and which is more particularly described in Annex 1 to this licence;

“the exploration plan” means the programme of activities and expenditure which has been submitted by the Licensee and accepted by the Secretary of State and which is more particularly described in Annex 2 to this licence;

“the Licensee” means the person or persons to whom this licence is granted, his or their personal representatives and any person or persons to whom the rights conferred by this licence may lawfully have been assigned.

1.— (2) Any obligations which are to be observed and performed by the Licensee shall at any time at which the Licensee is more than one person be joint and several obligations.

Right to explore 2.— (1) In consideration of the payments hereinafter provided for and the performance and observance by the Licensee of all the terms and conditions hereof the Secretary of State, in exercise of the powers conferred upon him by the Act, hereby grants to the Licensee LICENCE AND LIBERTY during the continuance of this licence and subject to the terms and conditions hereof to explore for the hard mineral resources of the exploration area in accordance with the exploration plan.

2.— (2) The Licensee shall not amend, alter or vary the exploration plan without the written consent of the Secretary of State which consent shall not be unreasonably withheld.

2.— (3) The Licensee shall give the Secretary of State at least three months' written notice of any request to amend, alter or vary the exploration plan and with such a request shall set out details of all proposed changes and the likely effect thereof with particular reference to any environmental effects.

2.— (4) The right to explore for the hard mineral resources of the deep sea bed conferred by this licence shall not include any right to their exploitation.

3. This licence unless sooner determined under any of the provisions hereof shall be and continue in force for a period of ten years from 3rd September 1984 but may, if the Secretary of State sees fit and the Licensee has at least three months before the expiry of the said period made a written request for its extension, be continued for a further period of five years and at the expiry of any such further period the same provision shall apply. Period of the licence
4. Subject to clause 5 and without prejudice to any obligation or liability imposed by or incurred under any other term or condition hereof, the Licensee may at any time determine this licence by giving to the Secretary of State not less than six months' previous notice in writing to that effect. Right of Licensee to determine licence
- 5.— (1) The Licensee shall pay to the Secretary of State the fee payable on the grant of this licence, and any such fees payable during the period of this licence as are specified in Regulations made under the Act from time to time, in the manner specified in Annex 3. Payment of consideration for licence
- 5.— (2) The Licensee shall not by reason of the determination of this licence be entitled to be repaid or allowed any part of any sum payable to the Secretary of State pursuant to this licence.
- 5.— (3) The Licensee shall have no claim for compensation against the Secretary of State in the event of the variation or revocation of this licence under clause 22 or in the event of a repeal of the Act under section 18(3) or otherwise.
6. The Licensee shall be responsible for the exercise of all functions involved in the exploration of the deep sea bed in pursuance of this licence by whomsoever carried out. Obligation of Licensee
- 7.—(1) The Licensee shall conduct all operations pursuant to this licence with due regard to the safety, health and welfare of persons employed in those operations and shall comply with any written instructions that the Secretary of State may from time to time give for this purpose. Safety, health and welfare
- 7.— (2) The Licensee shall conduct all operations pursuant to this licence with due regard to the safety of life and property at sea, and shall comply with any written instructions that the Secretary of State may from time to time give for this purpose.
- 7.— (3)(a) The Licensee shall ensure that all ships and other vessels and equipment used in pursuance of this licence are at all material times in good repair and condition and shall execute all operations in the exploration area in a proper manner using all due skill and care.
- 7.— (3)(b) The same standards shall apply to the construction,



- (a) methods of all data collection required by the terms of this licence;
- (b) the expenditure incurred in pursuance of the exploration plan;
- (c) bathymetric profiles of the site;
- (d) details of physical obstacles to mining (for example, sea-floor topography or wrecks);
- (e) point and other data on abundance (weight/unit area), grade (metal assays) and extent of nodule deposits;
- (f) mining system performance data;
- (g) such other matters as the Secretary of State may from time to time direct.

**13.—** (2) The Licensee shall deliver copies of such records to the Secretary of State as and when required to do so.

**13.—** (3) The Licensee shall notify the Secretary of State three months in advance of the placing and position of any structure (either fixed or floating), light or buoy within the exploration area, and the timing and nature of any exploratory activities.

**14.** As far as reasonably practicable the Licensee shall correctly label and preserve for reference for the period of the licence samples of matters collected in the course of exploration or assays of such samples. The Licensee shall furnish such samples or assays of such samples to the Secretary of State as and when required to do so.

Samples and assays

**15.** Any person authorised by the Secretary of State may at all reasonable times inspect or make abstracts or copies of any records, returns, plans or maps which the Licensee is required to keep or make in accordance with the provisions of his licence.

Inspection of Records and Samples

**16.—** (1) Any person appointed by the Secretary of State as an inspector under section 11 of the Act shall be entitled at all reasonable times—

Inspectors

- (a) to board or obtain access to all parts of any ship or other vessel or equipment used for or in connection with exploration under this licence whether the said ship or equipment is on the high seas or not;
- (b) to test equipment and, if he deems fit, to dismantle, test to destruction or take possession of any article of equipment used by the Licensee for the purposes of exploration under the licence;
- (c) to remove any samples or assays of such samples from any ship or equipment used for or in connection with exploration under this licence whether the said ship or equipment is on the high seas or not;
- (d) to require the Licensee to carry out such procedures in respect of

any equipment used for or in connection with exploration under this licence as may be deemed necessary by the Secretary of State;

- (e) to require the Licensee to make available for his use such equipment within the control of the Licensee which would allow inspection of the deep sea bed.

**16.— (2)** The Licensee shall convey any inspector to or from any ship used for or in connection with exploration under this licence together with any equipment required for testing by the inspector. The reasonable costs thereof shall be paid by the Secretary of State to the Licensee.

**16.— (3)** The Licensee shall provide any inspector while on board any ship in exercise of his duties under this clause with reasonable accommodation and subsistence.

**16.— (4)** In the event of immediate or apprehended danger the Licensee shall carry out promptly all reasonable instructions given by any inspector.

**Returns** **17.** During the currency of this licence the Licensee shall furnish to the Secretary of State at yearly intervals from the date of this licence a return in a form from time to time approved by the Secretary of State of the progress of the Licensee's operations in the exploration area. Such return shall contain—

- (a) the matters set out under clause 13 above;
- (b) the Licensee's annual expenditure on exploration in the exploration area;
- (c) a statement of the ownership of all ships or other vessels used by the Licensee to explore in the exploration area.

**Confidentiality** **18.— (1)** All records, returns, plans, maps, samples, assays of samples, accounts and information (in this clause referred to as "specified data") which the Licensee is or may be from time to time liable to furnish under the provisions of this licence shall be supplied at the expense of the Licensee and shall not be disclosed by the Secretary of State to any person not in the service or employment of the Crown, except as prescribed in section 13(1) of the Act or as provided below, for 12 years from the date of receipt or until the expiry of the licence, whichever is the longer.

**18.— (2)** The Secretary of State shall be entitled at any time to furnish any of the specified data to the Natural Environment Research Council and to any other body of like nature as may from time to time be carrying on activities of a substantially similar kind to the activities at present carried on by the said Council.

**18.—** (3) The Secretary of State, the said Council and any other such body shall be entitled at any time to prepare and publish reports and surveys of a general nature using information derived from any of the specified data. The Secretary of State shall consult the Licensee about such general reports prior to their publication and shall ensure that any comments of the Licensee are given due consideration.

**19.—** (1) The Licensee shall carry out the exploration under the exploration plan in such a way that his activities will not interfere unreasonably with the exercise of the freedom of the high seas by the nationals of other nations as well as of the United Kingdom under the general principles of public international law as recognised by the United Kingdom. In particular, the Licensee shall not carry out any operations authorised by this licence in or about the exploration area in such a manner as to interfere unjustifiably with navigation or fishing in the waters of the exploration area or with the observation of marine creatures, plants and other organisms and their habitats. Rights of  
third parties

**19.—** (2) The Licensee shall take all reasonable steps to ensure that his operations do not interfere with any operations carried out by a third party under an exploration or exploitation licence or authorisation issued either—

- (a) by the Secretary of State;
- (b) under the law of a country designated as a reciprocating country under section 3 of the Act.

**20.** The Licensee shall at all times keep the Secretary of State effectually indemnified against all actions, proceedings, costs (or in Scotland expenses), charges, claims and demands whatsoever which may be made or brought against the Secretary of State by any third party in relation to or in connection with this licence or any matter or thing done or purported to be done in pursuance thereof, other than anything done upon the instruction of the Secretary of State or any person authorised by him. Indemnity  
against third  
party claims

**21.—** (1) The Licensee shall not without the consent of the Secretary of State in writing assign or part with any of the rights granted by this licence in relation to the whole or any part of the exploration area or grant any sub-licence in respect of any such rights. Transfer of  
licence

**21.—** (2) The Licensee shall apply in writing for the consent of the Secretary of State to an assignment (or in Scotland assignation) of the licence or any part thereof by providing details of the proposed assignee similar to those required of an applicant making an application for an exploration licence governed by the Deep Sea Mining (Exploration Licences) (Applications) Regulations 1982.

Power of re-  
vocation or  
variation

**22.—** (1) If any of the events specified in the following paragraph shall occur the Secretary of State may revoke this licence whereupon all the rights hereby granted shall cease and determine but subject nevertheless and without prejudice to any obligation or liability incurred by the Licensee or imposed upon him by or under the terms and conditions hereof.

**22.—** (2) The events referred to in the foregoing paragraph are—

- (a) where section 6 of the Act applies;
- (b) any payment under clause 5 hereof or any part thereof being in arrear or unpaid for two months following the day on which it ought to have been paid;
- (c) any breach or non-observance by the Licensee of any of the terms or conditions of this licence;
- (d) the bankruptcy (or in Scotland sequestration) of the Licensee;
- (e) the making by the Licensee of any arrangement or composition with his creditors (or in Scotland the granting by him of a trust deed for behoof of creditors or the making of a composition contract);
- (f) if the Licensee is a company, the appointment of a receiver by the company or by the creditors of that company, or the company going into compulsory or voluntary liquidation;
- (g) the Licensee's ceasing in the case of a company to have its central management or be incorporated in the United Kingdom;

and where two or more persons are the Licensee any reference to the Licensee in sub-paragraphs (c) to (g) of this paragraph is a reference to any of those persons.

**22.—** (3) The Secretary of State may vary this licence under section 6(1) of the Act.

Disputes

**23.** The Licensee shall comply with any instructions from time to time given by the Secretary of State in writing relating to any operations carried out under this licence. If the Licensee objects to any such instruction on the grounds that it is unreasonable he may, within 30 days from the date upon which the instruction was given, refer the matter to arbitration in the manner provided by clause 24 of this licence.

Arbitration

**24.—** (1) If at any time any dispute, difference or other question shall arise between the Secretary of State and the Licensee as to any matter arising under or by virtue of this licence or as to their respective rights and liabilities in respect thereof then the question shall, except where it is expressly provided by this licence that it is to be determined, decided, approved or consented to by the Secretary of State, be referred to arbitration as provided in the following paragraph.

**24.—** (2) The arbitration referred to in the foregoing paragraph shall

be conducted in accordance with the Arbitration Act 1950 by a single arbitrator who, in default of agreement on his appointment between the Secretary of State and the Licensee within three months of a request for arbitration by either party, shall be appointed at the request of either party by the Lord Chief Justice of England for the time being.

Provided that if any such dispute, difference or other question arises solely out of any act or omission taking place in Scotland or in water adjacent thereto or in a designated area or part of a designated area in respect of which an Order in Council has been made pursuant to section 3(2) of the Continental Shelf Act 1964 making provision for the determination of questions in accordance with the law in force in Scotland the arbitration referred to in the foregoing paragraph shall be conducted by a single arbiter who, in default of agreement between the Secretary of State and the Licensee on his appointment as aforesaid, shall at the request of either party be appointed by the Lord President of the Court of Session:

And provided further that if any such dispute, difference or question arises solely out of any act or omission taking place in Northern Ireland or in waters adjacent thereto or in a designated area or part of a designated area in respect of which such an Order in Council has been made making provision for the determination of questions in accordance with the law in force in Northern Ireland the arbitration referred to in the foregoing paragraph shall be conducted in accordance with the Arbitration (Northern Ireland) Act 1937 by a single arbitrator who, in default of agreement between the Secretary of State and the Licensee on his appointment as aforesaid shall be appointed on the request of either party by the Lord Chief Justice of Northern Ireland for the time being.

## ANNEX 1

## THE EXPLORATION AREA

*Description of the area of the deep sea bed in which the Licensee may exercise the rights granted by this licence.*

## ANNEX 2

## THE EXPLORATION PLAN

*Description of the programme of activities and expenditure which has been submitted by the Licensee and accepted by the Secretary of State.*

## ANNEX 3

## METHOD OF PAYMENT OF FEES

Payment of fees shall be made directly to the Bank of England by credit transfer payment in accordance with the following details:

Bank Sort Code : 10-00-00

Bank : Bank of England  
Threadneedle Street  
London  
EC2R 8AH

Account : Paymaster General Cash  
Account Number 25021001 for the  
credit of Trade and Industry Cash  
Account Number 13644

## ANNEX 4

*Relevant instruments*

- the International Convention on Load Lines, 1966;
- the International Convention for the Safety of Life at Sea, 1974;
- the Protocol of 1978 relating to the International Convention for the Safety of Life at Sea, 1974;
- the International Convention for the Prevention of Pollution from Ships, 1973 as modified by the Protocol of 1978 relating thereto;
- the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978;
- the Convention on the International Regulations for Preventing Collisions at Sea, 1972;
- the Merchant Shipping (Minimum Standards) Convention, 1976 (ILO Convention 147).

## ANNEX 5

**REPORTS ON THE ENVIRONMENT OF THE EXPLORATION AREA:  
NOTES FOR GUIDANCE***Introduction*

1. Licensees are required to monitor and record environmental conditions in the exploration area and to submit reports on the environmental conditions to the Secretary of State at annual intervals throughout the period of operation. The following notes are intended as guidelines as to the kind of information the Secretary of State expects to receive.

*Site Characterisation Prior to Exploration Activity*

2. At the commencement of exploration activities a full report should be prepared on the existing state of the water column and the sea floor. The following type of information is required:

*(a) The Water Column*

- Primary productivity
- Dissolved oxygen and nutrients profiles
- Standing crop of zooplankton
- Currents (velocity and direction)
- Salinity and temperature profiles
- Suspended particulate material profiles

*(b) The Sea Floor*

- Benthic organisms present, spatial variability, density;
- biomass in mining and adjacent areas.

*Site Characterisation during Exploration Activity*

3. Reports should be submitted thereafter at regular annual intervals. The information required is as detailed in paragraph 2 above.

4. The purpose of these reports is to provide a full record of activity in the area in order to establish:

- (a)* in the water column, any effects of nutrient enrichment and/or turbidity on the surface water productivity, and the dispersion rate of any material discharged into the water column;
- (b)* the impact on the benthos and the extent of secondary burial.

5. Some impact on the benthos is accepted as inevitable and therefore a large benthic survey is not required after the first report. However, Licensees are expected to report regularly on any areas of special interest within the exploration area eg areas of high productivity near thermal outlets.

6. In addition to the information required by paragraphs 1 to 5 above Licensees are also requested to report any sightings of sea creatures which are classified as endangered or protected species under the Convention on International Trade of Endangered Species in Wild Flora and Fauna 1975.

Such reports should include identification of the species, location of the sighting, number of individuals and number of adults, pups, females and males.

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#### EXPLANATORY NOTE

*(This Note is not part of the Regulations.)*

These Regulations make provision for the form and content of licences granted by the Secretary of State under the Deep Sea Mining (Temporary Provisions) Act 1981 for the exploration of the hard mineral resources of the deep sea bed. They prescribe a set of model clauses to be incorporated in such licences, unless the Secretary of State thinks fit to modify or exclude them in any particular case. The model clauses govern, in particular, the scope and duration of the licence and the responsibilities of the Licensee, including requirements as to the safety, health and welfare of employees and others, the protection of the environment and respect for the rights of third parties. They make provision for surveillance of the Licensee's operations by inspectors appointed by the Secretary of State.

The Regulations prescribe the fees payable by the Licensee during the period of the licence.

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