

DATED.....

THE COAL AUTHORITY

AND

[LICENSEE]

**COAL
EXPLORATION LICENCE**

[SITE]

[REFERENCE]

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Model Document

THIS LICENCE is granted on the day of
BETWEEN :-

- (1) **THE COAL AUTHORITY** whose office is at 200 Lichfield Lane, Berry Hill, Mansfield, Nottinghamshire NG18 4RG (“the Authority”); and
- (2) the person whose details appear in the First Schedule (“the Licensee”).

1. INTERPRETATION

1.1 Definitions

In this Licence :-

- “Act”** means the Coal Industry Act 1994;
- “Authority”** means the Coal Authority and includes its successors in title;
- “Base Rate”** means the base rate as announced from time to time by the Monetary Policy Committee of the Bank of England (or any replacement committee);
- “coal”, “coal mine” and “coal-mining operations”** have the same meanings as in the 1994 Act;
- “Condition”** means any obligation of the Licensee stipulated in Clause 3 or Schedule 2;
- “Confidential Information”** has the meaning given to it by Clause 5.1;
- “Interaction Agreement”** means the agreement of that name dated 31 October 1994 made initially between (1) the Authority and (2) the British Coal Corporation;
- “Licence”** means this licence and includes any modification of or instrument entered into supplemental to it;
- “Licence Area”** means the land situate below the area shaded red and delineated by the centre of the red line on the Plan (subject to any limitation contained in Schedule 2);
- “Licence Period”** means the period specified in Part 2 of Schedule 1;
- “Licensee”** means the person or persons named in Part 1 of Schedule 1 and includes their successors as Licensee under this Licence;
- “Plan”** means the plan[s] (which may be in two or more parts) signed and annexed hereto which form part of this Licence;
- “Planning Acts”** means the Town and Country Planning Act 1990, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990, the Planning (Consequential Provisions) Act 1990 and the Planning and Compensation Act 1991, and includes any other applicable town and country planning legislation;
- “Prescribed Rate”** means one point five per cent (1.5%) per annum above the Base Rate;

“Surface Hazard”	means any occurrence or state of affairs of any description (including without limitation the presence of holes or voids, flooding, landslip, the escape of gas or the manifestation of any effects of underground spontaneous combustion) on or near the surface above, within or adjacent to the Licence Area constituting an imminent danger or hazard to any person which is due wholly or partly to coal mining operations (whensoever carried out) or the presence of coal (and any such occurrence or state of affairs shall be deemed for the purposes of this Licence to be due to coal-mining operations unless the contrary be proved on the balance of probabilities);
“VAT”	means value added tax and any tax or duty of a similar nature which may from time to time be levied in addition thereto or in substitution therefor; and
“Working Day”	means any day other than a Saturday or a Sunday or a day which is a general public or bank holiday in England.

1.2 General interpretation

In this Licence :-

- 1.2.1 words importing one gender include all other genders and words importing the singular include the plural and vice versa;
- 1.2.2 any reference to a statute or statutory instrument (whether specifically named or not) includes any amendment or re-enactment of it for the time being in force, and any instrument, order, notice, regulation, bye-law, direction, plan or permission for the time being issued, made or given under it or deriving validity from it;
- 1.2.3 Unless the context otherwise requires, any reference to a Clause, sub-clause or Schedule is to the relevant Clause or sub-clause of, or schedule to, this Licence and any reference to a Paragraph is, unless otherwise stated, to the relevant paragraph of the Schedule in which the reference is contained; and
- 1.2.4 any Condition imposing an obligation on the Licensee not to do any act or thing includes an obligation not to permit or suffer it to be done.

1.3 Contents and headings

The contents section at the beginning of, and the headings used in, this Licence do not affect its construction.

1.4 Joint and several liability

Where the Licensee comprises more than one person, the liability of those persons under this Licence is joint and several.

1.5 Approvals, etc.

Any agreement, approval, consent, detail, notice, request, requirement or other matter made or issued or to be made or issued under this Licence shall be in writing and signed by the party giving, issuing or making it or that party’s authorised officer or representative.

2. LICENCE

2.1 Grant

Subject to the terms of this Licence [and in consideration of the sum of [Amount in words (£Numbers)] paid by the Licensee to the Authority], the Authority grants to the Licensee, its contractors and agents, a [non-]exclusive licence to search and bore for coal within the Licence Area for the Licence Period and for the sole purpose of testing, sampling and analysis to remove from the Licence Area coal in such quantities as the Licensee (acting reasonably) considers are reasonably necessary for this purpose.

2.2 Reservation, Interaction Agreement and third party rights

This Licence is granted subject to :-

- 2.2.1 the right for the Authority and those authorised by it with plant, machinery and other equipment (which right is expressly reserved) from time to time on reasonable prior notice (except in case of emergency) to enter and to carry out within the Licence Area any works which the Authority considers necessary or desirable for the purpose of remedying or otherwise bringing to an end any Surface Hazard or any potential Surface Hazard (or an event or state of affairs which the Authority acting reasonably perceives as a Surface Hazard) Provided that nothing in this Clause 2.2.1 shall be taken as consent for the purposes of the Interaction Agreement to the Authority carrying out any Operations (and clauses 42.2 and 42.3 of the Interaction Agreement shall accordingly be disapplied);
 - 2.2.2 the terms of the Interaction Agreement and nothing in this Licence shall be taken as consent for the purposes of the Interaction Agreement (clauses 42.2 and 42.3 of which being disapplied to the extent stipulated) to the Licensee carrying out either any Subsidence Causing Operations or any Operations :-
 - 2.2.2.1 which increase or are likely to increase the liabilities of the Authority; or
 - 2.2.2.2 which do or are likely directly or indirectly materially to affect any Potential Operations in relation to any coal or any coal mine of the Authority situated from time to time outside the Licence Area; or
 - 2.2.2.3 which do or are likely directly or indirectly materially to affect any coal or coal mine or any Operations or any Potential Operations in relation to any coal or coal mine of any person for the time being holding a licence or consent (not being an Authorisation) from the Authority to carry on any Operations where and to the extent that such Operations or the coal mine in question are or may be covered by such licence or consent;
- (“Operations”, “Subsidence Causing Operations”, “Potential Operations” and “Authorisation” bearing in this Clause the same meanings as in the Interaction Agreement); and
- 2.2.3 any right or interest of any other person in any part of, or in any mines and minerals in, the Licence Area or whose consent is required in respect of any activity otherwise permitted by this Licence.

2.3 No representations

Nothing contained in or arising out of this Licence shall be deemed to constitute any representation or warranty by the Authority that there is, or is likely to be, any coal within the Licence Area and the Licensee acknowledges that this Licence has not been entered into in reliance wholly or partly on any statement or representation made by or on behalf of the Authority.

2.4 No right of support

Without prejudice to the provisions for the time being of the Interaction Agreement or of any agreement for the time being in force benefitting the Licence Area or any part thereof made pursuant to the Interaction Agreement where the Licensee is a party to such agreements, this Licence does not include any right of support (whether vertical or lateral) in favour of the Licensee for any part of the Licence Area or for any building, structure or works employed or (as the case may be) undertaken in connection with the exercise of the rights granted by Clause 2.1 or any activities incidental thereto, and (without prejudice as aforesaid) the Authority shall not be liable to make good or pay any compensation for any damage or loss caused directly or indirectly to the Licensee or its contractors or agents by any coal mining, winning or getting coal bed methane, methane extraction or related operations carried out, whether before or after the grant of this Licence, by any person.

3. CONDITIONS

3.1 Payment of the Licence Fee

3.1.1 The Licensee shall pay to the Authority within ten Working Days of a demand therefor given by the Authority to the Licensee :-

3.1.1.1 in connection with the exercise by the Authority of its functions in connection with or in consequence of the grant of this Licence such fees as may from time to time be prescribed by the Authority as being payable upon the grant or the coming into force of this Licence; and

3.1.1.2 such payments at times whilst the Licence is in force for any of the purposes of the 1994 Act as may be determined by the Authority therefor; and

3.1.1.3 to the extent that no particular fee is for the time being prescribed by the Authority, such reasonable fees of the Authority (including reasonable administration fees) as it may require, and reasonable expenses incurred by the Authority (including those of any agent appointed by, or consultant of, the Authority and, where appropriate legal fees), in each case in connection with any action taken by the Authority to enforce compliance by the Licensee with any of the terms and conditions of this Licence, (including any action under Sections 31 and 32 of the 1994 Act or for any other purposes of the 1994 Act).

3.1.2 The Licensee shall not, by reason of the determination or partial termination of this Licence, be entitled to be repaid all or any part of any sum payable to the Authority prior to such determination pursuant to this Licence.

3.2 Obtention of requisite permissions and rights

3.2.1 Prior to exercising any rights granted by this Licence in respect of any particular part of the Licence Area, the Licensee shall obtain, and thereafter during the exercise of any such rights, ensure that there are at all times in place and in effect, all permissions under all relevant legislation and all rights and permissions required to enable the Licensee lawfully to :-

- 3.2.1.1 search and bore within that part of the Licence Area; and
- 3.2.1.2 comply with any conditions or limitations attached to any relevant permission;

and to entitle the Authority and its agents to enter that part of the Licence Area for the purposes mentioned in Clauses 3.9 and 4.1.

- 3.2.2 To the extent that failure to do so may expose the Authority to any present or future liability or, in the case of an agreement, prevent the Authority from being able to enter the Licence Area as provided in Clause 3.2.1, the Licensee shall at all times during the subsistence of this Licence observe and perform the terms and conditions of any permission or agreement referred to in Clause 3.2.1 and shall, unless otherwise agreed between the parties (such agreement not to be unreasonably withheld), carry out and complete before the expiry or earlier determination of this Licence (and where determined as to part only, in relation to the relevant part of the Licence Area) any works required to be carried out as a condition or limitation of any planning permission (which expression in this Clause 3.2 includes any permission granted under a development order) implemented by the Licensee in exercising the rights granted by this Licence or incidental thereto, whether or not the date by which the planning permission requires such works to be carried out is within the Licence Period.
- 3.2.3 The Licensee shall, from time to time, when so required by the Authority, produce to the Authority evidence sufficient to establish that the Licensee has complied and is complying with the requirements of this Clause 3.2.

3.3 The Interaction Agreement and exercise of rights

- 3.3.1 The Licensee agrees with the Authority that this Licence shall constitute an Authorisation for the purposes of the Interaction Agreement.
- 3.3.2 The Licensee shall commence to exercise the rights granted by this Licence within [words (numbers) months/years] from the date of this Licence and on and from such commencement shall continue to exercise such rights diligently and without unnecessary delay.
- 3.3.3 The Licensee shall give notice to the Authority not later than seven days after the commencement of exercise of the rights granted by this Licence and shall notify the Authority forthwith on the completion of its programme of exploration.

3.4 Mine outlets and mine workings

- 3.4.1 In respect of any abandoned mine outlet or mine working to which this Clause 3.4.1 applies found within the Licence Area by the Licensee, its employees, contractors or agents, the Licensee shall :-
 - 3.4.1.1 forthwith take steps to ensure that there is no immediate danger to members of the public from the abandoned outlet or working;
 - 3.4.1.2 record the position thereof and notify the Authority and the owner of the surrounding surface land of the same without delay; and
 - 3.4.1.3 take all reasonable steps to safeguard any operations and activities carried out in the vicinity of the mine outlet or mine working in connection with the rights granted by this Licence.
- 3.4.2 Clause 3.4.1 shall apply to any mine outlet or mine working appearing to be abandoned until such time as it may be established that such mine outlet or mine working is not vested in the Authority.

- 3.4.3 The Authority shall not be liable to the Licensee, its employees, contractors or agents in respect of the existence or state of any abandoned mine outlet or mine working in the Licence Area, any omission to take action in respect thereof, or any action taken by the Licensee or its employees, contractors or agents in relation to, or in the vicinity of, such outlet or working.

3.5 Keeping and delivery of records

- 3.5.1 The Licensee shall make and keep an accurate record of its programme of exploration and/or appraisal and of the results obtained from, and the consequences of, such programme, including :-

- 3.5.1.1 full borehole logs including type of drill used, method of drilling, method of treatment and sealing and record of any equipment left in the borehole;
- 3.5.1.2 an Ordnance Survey based 1/2,500 scale plan showing the location to an accuracy of ± 1 metre and details of surface levels to an accuracy of ± 0.1 metre of all boreholes, exploratory trenches and/or pits together with a schedule of the borehole co-ordinates and surface and seam levels;
- 3.5.1.3 all results obtained from geophysical explorations, geochemical surveys and deviation surveys together with the Licensee's interpretation of, and conclusions drawn from, such results;
- 3.5.1.4 geological descriptions of all deposits encountered in boreholes, exploratory trenches and/or pits;
- 3.5.1.5 an Ordnance Survey based 1/10,000 scale plan showing the location, dimensions and levels of any geophysical boreholes;
- 3.5.1.6 the results of any other form of exploration; and
- 3.5.1.7 the qualitative analysis of coal and any other mineral owned by the Authority recovered from cored boreholes and trenches;
- 3.5.1.8 any occurrence of minewater or mine gasses in the strata and the results of any water, methane or other mine gas monitoring as required under Schedule 2;

and shall deliver to the Authority without request copies of such records in a readily reproducible form (with an additional "back-up" copy where not in documentary form) at intervals not exceeding twelve months starting on the date of commencement of exercise of the rights granted by this Licence (the last such interval being shorter if necessary so as to end one month after the expiry or earlier termination of this Licence) PROVIDED THAT the Authority will comply with Clause 6 hereof in relation to such records and information supplied.

- 3.5.2 In this Clause 3.5, "records" includes maps and plans as well as computer records and other records kept otherwise than in documentary form, and "record" shall be construed accordingly.

3.6 Avoidance of harmful methods of working

- 3.6.1 The Licensee shall execute all operations in or in connection with the Licence Area in a proper and workmanlike manner and in accordance with the standards and practice generally accepted in exploration. The Licensee should be conversant with all current applicable legislation and will adopt appropriate practices and procedures for working and drilling in hazardous conditions associated with mine workings and mine entries and seek advice as may be necessary from suitably qualified persons. The Licensee should ensure that contractors are competent and have the necessary experience.
- 3.6.2 In particular, but without prejudice to Clause 3.6.1 :-
- 3.6.2.1 the Licensee shall seal all boreholes drilled by it under the provisions of this Licence and execute any restoration works necessary as a result of its activities within the Licence Area in accordance with the requirements relating thereto set out in Schedule 2; and
- 3.6.2.2 the Licensee will notify the Authority's Surface Hazards Office, using the 24 hour Emergency Call Out Service on 01623 646333, immediately there is evidence of any Surface Hazard directly or indirectly caused by or related to the above mentioned activities both during and following completion of works. The Licensee will, seeking proper advice if necessary, take all necessary steps for the purpose of controlling, extinguishing or making safe the Surface Hazard.

3.7 Not to win or work minerals

Save to the extent permitted by Clause 2.1, the Licensee shall not win or work any coal or other minerals vested in the Authority within the Licence Area.

3.8 Compliance with relevant legislation and obligations

To the extent that failure to do so may expose the Authority to any (other than *de minimis*) present or future liability, the Licensee shall comply in all respects with the provisions of any statute and any other obligation imposed by law relating to the Licence Area (or any part of it), or any activities carried on within it pursuant to or in connection with this Licence, and shall not do or omit to be done any act or thing which may result in the Authority incurring or having imposed on it or becoming liable to pay, by reason of any statute or other obligation imposed by law, any penalty, damages, compensation, costs, charges or expenses.

3.9 Inspection by Authority

The Licensee shall permit the Authority and its authorised representatives and agents at any time :-

- 3.9.1 to inspect the Licence Area and any activities then being carried on within it pursuant to or in connection with this Licence, and shall provide (after reasonable notice has been given, being not less than 48 hours except in the case of an emergency) any facility necessary for the inspection to be carried out effectively and a representative to accompany any person making the inspection; and
- 3.9.2 during the Licence Period and thereafter until one month after the date on which the Licensee shall have fully complied with its obligations under Clause 3.5 as to delivery of copies of records, to inspect any samples taken by the Licensee from the Licence Area, and to inspect and take copies of, and make notes from, all records maintained by the Licensee in respect of the matters referred to in Clause 3.5.

3.10 Dealings with Licence

- 3.10.1 Subject to Clause 3.10.2, the Licensee shall not assign, sub-licence, share with any person or otherwise deal with or create any trust of the benefit of this Licence or any rights or interest hereunder.
- 3.10.2 The Licensee may assign or transfer its rights or interest under or the benefit of this Licence with the prior written consent of the Authority (such consent not to be unreasonably withheld or delayed) and may charge its interest hereunder to a bona fide financier of the Licensee.
- 3.10.3 The Licensee shall give notice to the Authority within twenty eight days of any transfer or assignment of or charge over the rights or interests granted by or the benefit of this Licence and shall pay to the Authority its reasonable registration fee for the time being in respect thereof.

3.11 Fees

The Licensee shall within ten Working Days of demand therefor pay to the Authority, or otherwise indemnify the Authority against, any fees reasonably incurred (including legal fees) or expense properly incurred by the Authority (including all internal management & administration costs of the Authority) in connection with :-

- 3.11.1 any application made by the Licensee to the Authority whether or not the application proceeds or is granted; or
- 3.11.2 any steps which the Authority may take; or
- 3.11.3 any request which the Authority may reasonably make to the Licensee;
- in each case under the terms of this Licence; or
- 3.11.4 any action taken by the Authority in connection with any breach or alleged breach by the Licensee of any of the Conditions;

together, in the case of any sum expended by the Authority, with interest on such sum at the Prescribed Rate from the date on which such expenditure was made until the date of payment by the Licensee.

3.12 Interest

If any payment from the Licensee to the Authority is not made on the due date, the Licensee shall pay to the Authority interest at the Prescribed Rate on the payment outstanding from, but not including, the due date for payment to, and including, the actual date of payment.

3.13 VAT

- 3.13.1 All sums payable under or pursuant to this Licence by the Licensee shall be deemed to be exclusive of VAT.
- 3.13.2 Where under or pursuant to the terms of this Licence the Authority makes a supply to the Licensee and VAT is payable in respect of such supply, the Licensee shall pay to the Authority on the date of such supply (in addition to the Licence Fee and any other consideration provided by this Licence) a sum equal to the amount of the VAT so payable subject to the provision by the Authority of a valid VAT receipt for the sum claimed.

3.13.3 Where the Licensee is required by the terms of this Licence to reimburse the Authority or any other person for the costs or expenses of, or any other sum in respect of, any supply made to the Authority or such other person (including any supply which the Authority or such other person is deemed to make to itself) the Licensee shall also at the same time pay and indemnify and keep indemnified the Authority and any such other person against all amounts in respect of VAT incurred by the Authority (or such other person, as the case may be) in respect of that supply save to the extent that the Authority (or such other person, as the case may be) is entitled to, and retains, repayment or credit in respect of such amounts.

3.14 Other information

The Licensee shall provide to the Authority as soon as practicable such relevant further information as the Authority may reasonably require and to which the Licensee may reasonably be expected to have access concerning the activities covered by this Licence or their consequences.

3.15 Advertisements and prospectuses

No statement shall be made nor advertisement, notice, prospectus or other document issued by the Licensee claiming or suggesting (whether expressly or impliedly) that the Authority has expressed an opinion that the Licence Area, or any part of it, is, from its geological formation or otherwise, one in which coal is or is likely to be obtainable.

3.16 Indemnity

The Licensee shall, at all times, notwithstanding the expiry of the Licence Period or sooner determination of this Licence, keep the Authority indemnified against all actions, proceedings, costs, charges, claims and demands whatsoever which may be made or brought against the Authority by any person in relation to or in connection with or arising out of any matter or thing done or purported to be done or which should have been done pursuant to or in connection with this Licence.

3.17 No agency

Notwithstanding anything contained in this Licence, the Licensee has no authority to enter into any obligation or give any undertaking on behalf of the Authority nor to vary or accept any variation to any obligation or undertaking entered into or given or owed by or to the Authority, and the Licensee shall, at all times, ensure that neither it nor its employees, agents or contractors hold themselves out, either directly or indirectly and whether by conduct, representation or otherwise, as possessing any authority to commit the Authority in any way whatever.

3.18 Additional provisions

The additional provisions contained in Schedule 2 shall apply.

4. RIGHTS AND OBLIGATIONS OF THE AUTHORITY

4.1 Power to execute works, etc.

If the Licensee shall at any time fail to perform the obligations arising under Clauses 3.2, 3.4, 3.6, 3.8 or 3.18, the Authority shall be entitled, after giving to the Licensee reasonable notice in writing of its intention to do so (and where appropriate a reasonable opportunity and period of time to comply with such obligations), to arrange for the execution of any works and the doing of any things which, in the opinion of the Authority, may be necessary to secure the performance of the said obligations or any of them, and to recover the costs and expenses of so doing from the Licensee in accordance with Clause 3.11.

4.2 Compliance with accepted terms of permissions

The Authority shall, in exercising the rights referred to in Clauses 3.9 and 4.1, comply with such reasonable terms and conditions attached to any such right or permission as is referred to in Clause 3.2.1 (where such right or permission is relevant to such exercise) as have been notified by the Licensee to the Authority in writing and which the Authority has accepted in writing for the purposes of this Clause 4.2.

5. EXTENSION OF LICENCE PERIOD

Where there are reasonable grounds for extending the Licence Period and the Licensee has complied and is complying in all material respects with the Conditions, the Authority shall not unreasonably refuse to extend the Licence Period for such time as is reasonable in all the circumstances, but any such extension may be made subject to such further reasonable fees, consideration and conditions as the Authority reasonably thinks fit.

6. CONFIDENTIALITY

6.1 For the purposes of Clauses 6.2, 6.3 and 6.4, “Confidential Information” shall mean all and any information from time to time provided by the Licensee to the Authority pursuant to Clause 3.5 and, insofar as such information comprises details of the results of the Licensee’s programme of exploration, Clause 3.14.

6.2 Subject to Clause 6.3, all Confidential Information (except insofar as it is, or becomes, in the public domain) shall be kept confidential by the Authority until the expiry or sooner determination of this Licence and shall not be disclosed during such time as aforesaid to any person not in its employment or advising it in a professional capacity.

6.3 Clause 6.2 does not apply to the disclosure or use of Confidential Information :-

6.3.1 to which the Licensee has given its consent; or

6.3.2 where it is required by law; or

6.3.3 where it is required to enable the Authority to carry out its functions or to discharge its duties under any statute; or

6.3.4 in any of the circumstances described by the lettered paragraphs of section 59(2) of the Act; or

6.3.5 which falls outside the scope of section 57(4) of the Act by virtue of section 57(5) of that Act.

6.4 The Authority shall maintain procedures for ensuring the confidentiality of all Confidential Information which it is obliged to keep confidential under Clause 6.2 such that :-

6.4.1 Confidential Information is disseminated within the Authority on a “need to know” basis;

6.4.2 employees, members, agents, consultants and professional advisers of the Authority are made fully aware of the Authority’s obligations of confidence in relation to the Confidential Information; and

6.4.3 any copies of Confidential Information, whether in hard copy or computerised form, clearly identify the Confidential Information as confidential.

7. TERMINATION

7.1 Right of Licensee to determine or surrender

Subject to Clause 7.5, the Licensee may, at any time by giving one month's notice to the Authority of its intention so to do, determine this Licence on the expiry of such notice.

7.2 Automatic termination

If either :-

7.2.1 a lease of or including coal (whether or not with any coal mine) is granted by the Authority to the Licensee (or, where the Licensee comprises more than one person, to any one or more of those persons) in relation to any part of the Licence Area during the Licence Period; or

7.2.1 an agreement or option for such a lease determines or lapses (without immediate replacement) during the Licence Period;

this Licence shall, save as mentioned in Clause 7.5, automatically cease and determine, provided that in the circumstances described at 7.2.1 above, such cesser and determination shall affect only such part of the Licence Area as is comprised in such a lease.

7.3 Determination by the Authority

Subject to :-

7.3.1 the Authority giving at least thirty days' notice in writing to the Licensee of its intention so to do; and

7.3.2 where the rights or interest of the Licensee under this Licence or the benefit of this Licence have been charged by way of a permitted bona fide charge to a third party of which notice has been given to the Authority in accordance with Clause 3.10.3, the Authority giving at least thirty days' notice in writing to the chargee (at the last address of the chargee notified to the Authority in writing) of its intention so to do;

in each case referring to the breaches on which reliance is placed, and without prejudice to any other right, remedy or power contained in this Licence or otherwise available to the Authority;

7.3.3 if there shall be a material breach of any of the Conditions; or

7.3.4 if the Licensee does not commence to exercise the rights granted by this Licence within such period (if any) as may be required by Clause 3.3.2; or

7.3.5 if at any time after the expiry of six months from the date of this Licence it appears to the Authority, acting reasonably, that the Licensee is not demonstrating an intention to exercise (in more than token fashion) or to continue so to exercise, the right granted by Clause 2.1 or where such right has been so exercised is not proceeding with reasonable diligence to seek all necessary permissions and to take such other steps as may be necessary for the subsequent mining of any viable reserves of coal within the Licence Area;

then, and in any such case, the Authority may at any time thereafter, and subject to Clause 7.4 and Clause 7.5, determine this Licence by further notice to the Licensee. (Where the matter so identified is not capable of remedy, the first notice given by the Authority pursuant to this Clause shall be sufficient to determine the Licence).

7.4 Restrictions on determination

- 7.4.1 Where notice is given pursuant to Clause 7.3.2 and in the event that before the expiry of the specified period the Licensee remedies (or makes a substantial start on remedying and evidences its intent and ability to continue with and complete the remedying of) all such breaches, then the Authority shall not determine this Licence for so long as the Licensee thereafter continues to perform and observe all the covenants and obligations on its part contained in this Licence subject, where the breach was not remedied within the specified period, to the Licensee completing as soon as reasonably practicable the remedying of any such breach.
- 7.4.2 Where notice is given pursuant to paragraph (b) of Clause 7.3, and in the event that before the expiry of the specified period, the chargee procures the remedying (or makes a substantial start on the remedying and evidences its intent and ability to continue with and complete the remedying) of all such breaches and enters into a binding and effective deed with the Authority (in a form reasonably acceptable to the Authority) whereunder the chargee assumes all of the Licensee's obligations hereunder (including for the avoidance of doubt those binding on the Licensee but unperformed prior to the date of such deed) then the Authority shall not determine this Licence for so long as the chargee performs and observes its covenants under such deed subject, where the breach was not remedied within the specified period, to the remedying of any such breach as soon as reasonably practicable.

7.5 Consequences of determination or surrender

With effect from any determination or surrender of this Licence either as a whole or in respect of any part of the Licence Area, the rights granted and obligations imposed by this Licence, with the exception of Clauses 3.5, 3.6, 3.9, 3.11, 3.13, 3.14, 3.16 and 3.18, shall cease or cease in respect of that part (as the case may be), but any such determination or surrender shall be without prejudice to the rights of either party hereto in respect of any breach of the terms and conditions of this Licence prior to such determination or surrender.

8. NOTICES

8.1 Address for service

Any demand, notice or other communication to be given under this Licence shall be in writing and shall be sufficiently served if it is delivered personally, or sent by facsimile transmission or by pre-paid registered or recorded delivery mail :-

- 8.1.1 in the case of the Authority, to it at 200 Lichfield Lane, Mansfield, Nottinghamshire, NG18 4RG (Fax No : 01623 620363) or at such other address or fax number in the United Kingdom as the Authority may for the time being have notified to the Licensee; and
- 8.1.2 in the case of the Licensee, to it (and, if there shall be more than one person within the definition of the Licensee, then any one of them), either at the address or fax number set out (in relation to such person) in Part 1 of Schedule 1 or at such other address or fax number in the United Kingdom as that person may for the time being have notified to the Authority, or in the case of a body corporate, at the registered or principal office for the time being of the body corporate.

8.2 Service by facsimile

For the purposes of this Clause 8, facsimile transmission to the specified fax numbers will count as good service only if the party serving the demand notice or other communication also despatches or delivers a copy of it by one of the other methods of service.

8.3 When service effected

Service shall be deemed to have been effected, in the case of posting by pre-paid mail, on the second Working Day after posting and in the case of facsimile transmission, subject to compliance with Clause 8.2, at the time when it was sent by facsimile transmission except that any notice sent by facsimile transmission after 4.30 pm shall be deemed to have been served at 9.00 am on the next Working Day.

8.4 Postal disputes

If, at the time at which any notice or other communication referred to in Clause 8.1 is to be served or given, there is in progress any industrial dispute affecting postal deliveries either generally or to or within the postal area in which is situated the address of the intended recipient thereof, then, notwithstanding the provisions of Clause 8.1 or Clause 8.3, such notice or other communication shall be deemed to be sufficiently served only if it is served in accordance with Clause 8.2 and/or is delivered personally.

9. GOVERNING LAW AND JURISDICTION

9.1 This Licence shall be governed and construed in all respects in accordance with the law of England and Wales.

9.2 The Authority and the Licensee irrevocably agree that the courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Licence and that accordingly any suit, action or proceeding (together in this Clause referred to as "Proceedings") arising out of or in connection with this Licence may be brought in such court.

9.3 Each of the Authority and the Licensee irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any Proceedings in any such court as is referred to in this Clause and any claim that any such Proceedings have been brought in an inconvenient forum and further irrevocably agrees that a judgment in any Proceedings brought in the courts of England and Wales shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

AS WITNESS the hands of a duly authorised representative on behalf of the Authority and a duly authorised representative on behalf of the Licensee the day and year first before written.

SCHEDULE 1

Definitions

Part 1 - Licensee

[LICENSEE]

whose [registered] office is situated at :-

[Licensee's [Registered] Address]

[Company Registered in [England and Wales/Scotland] No.[Registration Number]]

Tel: [Licensee's telephone number]

Fax: [Licensee's fax number]

Part 2 - Licence Period

The period of [words (number) months/years] from and including the date of this Licence

SCHEDULE 2
Additional Provisions

1. Depth

The licence granted by Clause 2.1 to search and bore for coal within the Licence Area does not extend in any part of the Licence Area beyond the depth of [words (numbers)] metres [below the [Name] Seam].

2. Sealing of and other works to boreholes and backfilling of exploratory excavations

- 2.1 The provisions of Paragraphs 2.2 to 2.14 inclusive shall apply subject to any agreement to the contrary between the Authority and the Licensee and neither the Authority nor the Licensee shall unreasonably withhold or delay its agreement to a variation of such provisions proposed by the other.
- 2.2 Boreholes shall be sealed using a suitable cementitious based material, as appropriate, having regard to the groundwater chemistry as evidenced by water samples from the site.
- 2.3 Subject to any remedial measures required by Clause 3.6.2.2 and to Paragraph 2.4, boreholes shall be adequately sealed on completion throughout their length to within 0.6 metres of the surface by pumping cement mixture through an open ended string of drill rods lowered near the base of the hole. The rods shall be withdrawn as the borehole is filled. A borehole volume shall be devised, taking into account the results of any geophysical surveys, and the quantities of cement used in the sealing process checked against the calculated borehole volume to check that sealing throughout the length has been achieved. The remaining 0.6 metres of borehole length shall be filled with material extracted in the course of exercising the rights under this Licence and any subsoil and topsoil replaced as the uppermost layers.
- 2.4 Where the Environment Agency requires treatment other than as described in Paragraph 2.3, the boreholes shall be sealed with the cementitious based material as described in Paragraph 2.3 from the bottom of the borehole to a point at least fifteen metres above the base of the aquifer and from the top of the aquifer to the surface. The aquifer sections shall be treated according to the Environment Agency's then current specification.
- 2.5 The top two metres of any surface casing, or such greater length as may be required to be removed in any rights or permissions obtained under Clause 3.2.1, shall be cut off and removed from the boreholes together with any other sections of casing which may in any way impede any future mining operations.
- 2.6 Exploratory excavations shall be backfilled on completion with material extracted in the course of exercising the rights under this Licence. The backfill shall be adequately compacted, the surface of the land levelled and any subsoil and topsoil replaced as the uppermost layers.
- 2.7 The Licensee will ensure that appropriate equipment is available on the site and that testing procedures are adopted to detect the emission of any flammable or noxious gas from any part of the Licence Area, and take appropriate action to protect members of the public and workmen. Furthermore, as far as is reasonably practicable, the Licensee will take all appropriate measures to prevent mine gasses migrating into neighbouring properties as a result of the works.

- 2.8 Any borehole drilled through coal measure strata shall be considered as potentially methane bearing. The Licensee shall take full regard of the procedures outlined in Appendix 3 of the Code of Safe Drilling Practice issued by the British Drilling Association (Operations) Ltd (“the B.D.A. Code”), with particular reference to monitoring. Whilst monitoring for methane the Licensee shall also monitor for other mine gases. In addition, where gas is encountered the Licensee must ensure that there is full dialogue between himself and the Authority concerning the exploration activities and how these might impact on the gas regime in the locality. Readings are to be recorded on the Daily Drill Logs as to time, depth and concentration of gas, if any.
- 2.9 The Licensee shall mark the position of all known shafts and adits, and make all persons having access to the prospecting area aware of the potential hazard of these features. The Licensee shall take all steps, including the erection and maintenance of fences and warning notices, necessary to prevent any person from falling into or interfering with any mine entry, mine working, mining collapse, excavation or borehole during and as a result of the works.
- 2.10 In addition to any shafts or adits notified to the Licensee by the Mining Reports Office of the Authority there may be shafts and adits of which the Authority has no knowledge. No drill rig should be sited over or within 15 metres of any known shaft or adit.
- 2.11 Any treatment of shafts or adits must have the Authority’s prior approval.
- 2.12 The Licensee will comply with all reasonable directions given by the Authority which the Authority in its absolute discretion believes is necessary to safeguard coal, mine workings, mine entries, the environment or public safety.
- 2.13 Any aquifer or make of water in a borehole shall be recorded. Where water is encountered in a location which could cause a water discharge at the surface or interaction with any inter-connected opencast/deep mine operations or operations of the Authority, no further drilling operations shall be undertaken until there has been full dialogue between the Licensee and the Authority and its nominated representative and the possible effects have been evaluated.
- 2.14 The Licensee shall ensure that nothing is deposited, falls or flows into any mine entry, mine working, mining collapse, excavation or borehole which by itself, or in combination with anything else which may be or which might reasonably be expected to be, in or adjacent to any such mine entry, mine working, mining collapse, excavation or borehole, could block or weaken any underground excavations beyond the Licence Area, or could cause or aggravate pollution of underground water, or could cause any nuisance or harm to persons or property on the surface or underground, including any mining operations
- 2.15 The Licensee shall ensure that no steel, or radioactive or contaminated material shall be left in any borehole. If such materials cannot be retrieved written notification of the nature and location of the material concerned shall be made immediately to the Authority.
- 2.16 The Licensee shall include a copy of these Conditions in the contract issued to any contractor the Licensee employs on site. The Licensee and any contractor employed by the Licensee shall abide by the B.D.A. Code.
- 2.17 The Licensee shall ascertain the positions of any surface structure and underground services such as cables, pipelines etc and ensure that no drilling operations are carried out in their vicinity and shall abide by the Code of Practice for Safe Working in the Vicinity of British Gas Transmission Pipelines.

SIGNED on behalf of

THE COAL AUTHORITY by :-

.....

Print Name

duly authorised herein in the presence of :-

.....

Print Name

SIGNED on behalf of

[LICENSEE] by :-

.....

Print Name

duly authorised herein in the presence of :-

.....

Print Name

Model Document