

THE COAL AUTHORITY

GUIDANCE NOTES FOR APPLICANTS FOR COAL ACCESS AGREEMENTS, OR FOR ACCESS TO LAND OWNED BY THE COAL AUTHORITY, FOR THE PURPOSE OF COAL BED METHANE EXTRACTION

1. Introduction

Under the Coal Industry Act 1994, those wishing to gain access to coal for the purpose of extracting coal bed methane (cbm) will require the permission of the owner of the coal. In the vast majority of cases the owner is likely to be the Coal Authority. The Authority's permission may also be needed for access to surface land owned by the Authority. Applicants are advised to consult the Authority prior to submitting an application.

Where rights have already been granted by the Authority over an area of coal, or surface land, any applicant for a cbm access agreement may require the agreement of the holder of those rights as well as the Authority. In such cases, the Authority will not grant access unless it can be demonstrated that the holder of the existing rights has consented to access by the applicant.

It is the Authority's policy not to grant access to areas of the coalfields in Great Britain or to surface land in its ownership for the purpose of cbm extraction unless a petroleum licence has been granted to the applicant by the Department of Trade and Industry.

2. Timing and Content of Applications; Application Fees

An application for a coal access agreement or for access to surface land may be made to the Authority at any time, whether or not, for example, any necessary planning permission has been obtained. The information to be provided and the accompanying fee are set out in the form of application and scale of fees annexed to these notes.

Applicants should note the following in relation to their submissions :-

- i. Applications must be in English.
- ii. Applicants are required to pay a non-refundable fee when submitting an application.
- iii. The Authority reserves the right to require additional information and explanation from the applicant.

- iv. If it emerges during the processing of this application that any information supplied by the applicant is false or misleading, or that any material information has been withheld, the Authority may reject the application.
- v. Applicants should note that neither the receipt nor acknowledgement of receipt of an application constitutes a warranty or undertaking on the part of the Authority that a licence or rights will be granted, nor does the grant of a licence or rights imply any representation by the Authority that there is any coal within the licensed area.

3. Processing of Applications

The Authority will process applications without delay having regard to its statutory duties. It will greatly assist the Authority if the applications are full and complete, and if applicants respond promptly to any request for further information or explanation.

4. Determining Applications

The Authority will determine all applications for cbm access agreements in the light of its statutory duties, as outlined in sections 2 and 3 of the Coal Industry Act 1994. *Inter alia*, these include the duties :-

- i. To secure, so far as practicable, that an economically viable coal-mining industry in Great Britain is maintained and developed by the persons authorised to carry on coal-mining operations;
- ii. to have regard to the desirability of the exploitation, so far as that is economically viable, of coal bed methane in Great Britain; and
- iii. to act in accordance with such arrangements and principles as it may, with the approval of the Secretary of State, have determined for the purposes of (ii) above.

5. The Coal Bed Methane Map

In accordance with the above, the Authority has prepared a coal bed methane map, in consultation with the Department of Trade and Industry. The map indicates the areas of the coalfields in Great Britain where access for the purposes of cbm extraction is most likely to be restricted. A copy of the map is available for inspection at the Authority's offices or can be provided subject to the payment of an appropriate fee for its production and delivery.

6. Arrangements and Procedures which the Authority will adopt

Where an area (or any part of it) which is the subject of a cbm application falls within an area shown on the map which has been designated "Category 1", the Authority will consider the implications of the application for existing and future coal mining. Where rights to the coal have not already been granted, the Authority may be prepared, after seeking any expressions of interest for coal mining purposes through the publication of the application, to adopt a flexible approach in the granting of access rights.

Where the area which is subject of a cbm application falls into "Category 2", the Authority will normally provide access to the applicant on standard terms and with a minimum of additional conditions. However, the Authority reserves the right to seek expressions of interest in the area concerned through the publication of the application and to protect mining prospects that have been identified within such an area before the application was received.

7. Publication of CBM Applications

In recognition of the Authority's duty towards the coal mining industry, all cbm applications which include areas falling within "Category 1" will be publicised by the Authority in order to give coal mining operators the opportunity to express any interests in the area concerned.

In "Category 2" areas, the Director of Operations of the Authority will use his discretion as to whether a cbm application should be publicised. Factors which will be taken into account in these circumstances will include the proximity of the application to existing coal mining operations, knowledge of any relevant coal exploration activity in the area and a reasonable assessment of the potential for coal mining operations in the area concerned. The Director of Operations will normally take a decision on whether such an application should be published as soon as is reasonably practicable.

Applications in "Category 1" areas will be normally be published in the next edition of the Authority's subscription newsletter. If it is decided to publish an application covering only a "Category 2" area, that will normally appear in the next edition of the Authority's newsletter after the decision has been taken.

8. Expressions of Interest following publication

A period of 30 days will generally be allowed for expressions of interest and generally a further 30 days for the submission of applications. The cbm applicant will be kept fully informed of any expressions of interest and will be supplied with information relating to any subsequent application for a coal-mining licence to allow the possibility of negotiated co-operation between the cbm applicant and the coal-mining licence applicant.

Where the Authority grants a licence for coal-mining operations (in accordance with its statutory duties) in these circumstances, the relevant cbm application will not be granted in respect of the area which is the subject of the licence unless a separate agreement has been reached for joint operations between the relevant parties. However, the Authority will endeavour to ensure that the area remaining the subject of the cbm application is maximised.

Where no expressions of interest are received, the Authority will proceed to consider the cbm application as soon as is reasonably practicable. Where there is neither licence nor pending licence, or where no expressions of interest are received in areas designated as "Category 1" which are the subject of a cbm application, the Authority will then consider the application as though it were in an area designated "Category 2".

9. Fees and other payments

Information on the fees payable on the grant of an access agreement, or an agreement for access to surface land, and during the terms of any agreement are set out in the schedule outlining the Authority's fees attached to the form of application annexed to these notes.

10. Model Provisions for CBM Access Agreements

Copies of the model CBM Access Agreement may be obtained from the Authority.

11. Review of Refusals of Applications

The Authority will state in writing to the applicant its reasons for refusal of an application. The applicant may, within 28 days, state in writing to the Authority his reasons why that refusal should be reviewed and may supplement such written reasons with oral representations. The review will be conducted by a panel of members of the Authority.

12. Interaction Agreement

An applicant who has not already done so will be required to become a party to the Interaction Agreement before being granted a cbm access agreement.

Interaction comprises, broadly, the effects of one operation entering the coal upon another. Those effects include the flows of water and gas, and effects on the structural integrity of workings, seams and surface.

The Interaction Agreement provides a framework to facilitate arrangements between the parties concerned for dealing with possible interaction effects (other than those addressed by the Health and Safety Commission's regulatory regime).

Copies of the Interaction Agreement, and records of the parties to it, may be obtained on payment of a fee from the Authority.

APPLICATION FOR AGREEMENT BY THE COAL AUTHORITY
FOR ACCESS TO COAL / SURFACE LAND
FOR THE PURPOSE OF COAL BED METHANE EXTRACTION

2 copies of the complete application together with the appropriate fee should be sent to the Coal Authority's **Director of Operations at 200 Lichfield Lane, Berry Hill, Mansfield, NG18 4RG.**
The application should include the following information :-

1. APPLICANT

Name

Contact Name

Address

Tel No.

Fax No.

Legal status

*(eg company limited by shares, partnership, sole trader.
In case of registered company, give Registration No.)*

Agent for the purposes of submitting or processing the application (if any)

Name

Contact Name

Address

Tel No.

Fax No.

Legal Representative (if any)

Name

Contact Name

Address

Tel No.

Fax No.

- 2. APPLICATION AREA** (ie the area to which the Access Agreement would apply)
- (a) Name given to application area.
 - (b) Location of the centre of the application area as a National Grid Reference to the nearest 10 metres. In addition state :-
 - i. Area in hectares
 - ii. Description of the extent of coal underneath the application area (together with a vertical section)
 - iii. Local Planning Authority
 - iv. Mineral Planning Authority
 - (c) An up to date Ordnance Survey based map on a scale of not less than 1/10,000 indicating :-
 - i. The limit of the application area shown edged red. Where the limit of the application area does not follow natural features, it is to be defined by a fine black line and edged red.
 - ii. The position of any known active underground or opencast mining operations.
 - iii. The position of any known abandoned mine outlets.
 - (d) Whether the application is for an amendment to a current coal bed methane access agreement held by the applicant or the application area is an extension or other continuation of the area to which a current access agreement applies.
 - (e) Whether the application area, or any part of it, falls within an area designated "Category 1" for the purposes of the Authority's coal bed methane map (and, if so, the map at (c) above should indicate the approximate position of the "Category 1" area(s)).
 - (f) Proposed date of commencement of coal bed methane activities.
 - (g) Proposed duration of coal bed methane access agreement.

3. ACCESS TO LAND OWNED BY THE AUTHORITY

- (a) If applicable, the nature and extent of the access rights requested to land owned by the Authority shown on an Ordnance Survey based map.
- (b) If applicable details of the terms on which the applicant is offering to acquire associated surface land and/or other mineral interests owned by the Authority :-
 - (i) proposed lump sum payment
 - (ii) suggested phasing of lump sum payment

4. TECHNICAL INFORMATION

- (a) Details of the applicant's proposed programme of geological, geophysical and geotechnical work, including drilling, trenching, sampling and analyses.
- (b) Details of the proposed target horizon(s) (e.g. [] metres below [] seam) and any seams above and up to 50 metres below the target horizon(s).
- (c) Details of measures the applicant would take to prevent or remedy spontaneous combustion, uncontrolled emissions of gas or water or other hazard directly or indirectly caused or related by the proposed activities.
- (d) Details of old workings, if any, likely to be contacted by the proposed activities.
- (e) An assessment of any interaction effects likely to be caused by the proposed activities.
- (f) Details relating to the sealing of boreholes and restoration proposals.
- (g) Name and location of nearest active coal-mining operation (as defined in Section 65 of the Coal Industry Act 1994).

5. DETAILS OF PETROLEUM LICENCE HELD

- (a) Licensee's Name
- (b) Licence No.
- (c) Date Issued
- (d) Blocks (by reference to National Grid co-ordinates)
- (e) Expiry Date of Licence

6. A DECLARATION IN THE FOLLOWING FORM

I / We hereby :-

- (a) apply for a Coal Bed Methane Access Agreement to extract methane from the coal within the area and request the access rights to land described above;
- (b) enclose a cheque in the sum of [£] by way of application fee;
- (c) certify that the information provided is correct and not misleading;
- (d) (in the case of agents), I am / we are fully authorised to submit this application / request on behalf of the applicant(s).

SignedDate

On behalf of
(insert applicant's name if signed by an agent)

LICENSING FEES
FOR COAL BED METHANE ACCESS AGREEMENTS

VAT is not levied on licence fees but does apply to legal costs.

APPLICATIONS

To be decided by the applicant :-

EITHER

Minimum charge of £500 or £5 / hectare up to 2,000 hectares. Thereafter the fee will be subject to site specific consideration.

OR

£5,000 initial sum plus £1,000 per borehole.

GRANT OF ACCESS AGREEMENT

To be charged at £500 on the grant of the Access Agreement plus legal fees (based on the grant of an Access Agreement in the standard form).

ANNUAL LICENCE FEE

To be charged at £500 per annum per Access Agreement