

Unofficial translation of Consolidated Act No. 1533 of 16 December 2019. In case of discrepancy, the original Danish text shall prevail.

Consolidated Act on the Use of the Danish Subsoil¹⁾

The Act on the Use of the Danish Subsoil, see Consolidated Act No. 1190 of 21 September 2018, as amended by act No. 500 of 1 May 2019.

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- 1) The Act contains provisions that implement Directive 94/22/EC of the European Parliament and of the Council of 30 May 1994 on the conditions for granting and using authorizations for the prospection, exploration and production of hydrocarbons, OJ 1994, no. L 164, page 3, as amended by Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council, OJ 2018, no. L 328, page 1, parts of the Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora, OJ 1992, no. L 206, page 7, as most recently amended by Council Directive 2013/17/EU of 13 May 2013 adapting certain directives in the field of environment, by reason of the accession of the Republic of Croatia, OJ 2013, no. L 158, page 193, parts of the Directive 2008/99/EC of the European Parliament and of the Council of 19 November 2008 on the protection of the environment through criminal law, OJ 2008, no. L 328, page 28, parts of Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC, OJ 2009, no. L 140, page 16, as most recently amended by Directive (EU) 2015/1513 of the European Parliament and of the Council of 9 September 2015 amending Directive 98/70/EC relating to the quality of petrol and diesel fuels and amending Directive 2009/28/EC on the promotion of the use of energy from renewable sources, OJ 2015, no. L 239, page 1, parts of Directive 2009/31/EC of the European Parliament and of the Council of 23 April 2009 on the geological storage of carbon dioxide and amending Council Directive 85/337/EEC, European Parliament and Council Directives 2000/60/EC, 2001/80/EC, 2004/35/EC, 2006/12/EC, 2008/1/EC and Regulation (EC) No 1013/2006, OJ 2009, no. L 140, page 114, as most recently amended by Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council, OJ 2018, no. L 328, page 1, parts of Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds, OJ 2010, no. L 20, page 7, as amended by Council Directive 2013/17/EU of 13 May 2013 adapting certain directives in the field of environment, by reason of the accession of the Republic of Croatia, OJ 2013, no. L 158, page 193, parts of Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment, OJ 2012, no. L 26, page 1, as amended by Directive (EU) 2015/1513 of the European Parliament and of the Council of 16 April 2014 amending Directive 2011/92/EU on the assessment of the effects of certain public and private projects on the environment, OJ 2014, no. L 124, page 1, and parts of Directive 2013/30/EU of the European Parliament and of the Council of 12 June 2013 on safety of offshore oil and gas operations and amending Directive 2004/35/EC, OJ 2013, no. L 178, page 66, as most recently amended by Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council, OJ 2018, no. L 328, page 1.

1.-(1) The purpose of this Act is to ensure appropriate use and exploitation of the Danish subsoil and its natural resources.

(2) This Act shall apply to

- (i)** preliminary investigations, the exploration for and production of raw materials in the Danish subsoil that were not subject to private commercial exploitation in this country prior to 23 February 1932,
- (ii)** use of the subsoil for storage or for purposes other than the production of raw materials,
- (iii)** scientific investigations of the subsoil that are of importance to the activities referred to in paragraphs (i) and (ii) above, and
- (iv)** emergency procedures for adjoining oil and natural pipeline facilities, separation facilities and terminal facilities for crude oil to secure the country's hydrocarbon supply.

(3) The Act also applies in Danish Territorial waters, the Danish exclusive economic zone and in the Danish continental shelf area.

1a. The following definitions apply in this Act:

- (i)** Operator: The party that carries out activities under a licence covered by this Act on behalf of the licensee or sole risk activities on behalf of some of the licence holders.
- (ii)** Offshore (area): Danish territorial waters, the Danish exclusive economic zone or the Danish continental shelf, as defined in the United Nations Convention on the Law of the Sea.
- (iii)** Licensee: those who participate in a license covered by this act. A licensee may consist of one or more natural or legal persons holding the licence jointly, including concessionaires and assistants.

2. The raw materials referred to in section 1 above shall belong to the Danish state. The exploration for and production of the said raw materials by any other party shall be subject to a licence being granted by the Minister for Climate, Energy and Utilities under the provisions contained in this Act. The activities referred to in section 1(2) (ii) and (iii) of above shall be subject to a licence being granted by the Minister for Climate, Energy and Utilities.

2a. The Minister for Climate, Energy and Utilities shall lay down rules or make decisions for the purpose of implementing or using international conventions and EU rules on matters covered by this Act, including regulations, directives and decisions regarding protection and conservation of the Danish marine environment in the Danish exclusive economic zone and in the Danish continental shelf area.

Part 2

Preliminary Investigations

3. -(1)The Minister for Climate, Energy and Utilities may grant licences for a term of up to three years for performing specific types of preliminary investigations in order to explore for and produce raw materials included under this Act, or to use the subsoil for storage or purposes other than the production of raw materials. Such licences shall indicate the areas to which they apply.

(2) License under subsection 1 for preliminary investigations for the purpose of exploration for and production of hydrocarbons can only be granted within the area specified in schedule 1.

4.-(1) The Minister for Climate and Energy may lay down terms and conditions applicable to the licence, including terms and conditions regarding the payment of taxes and fees and reporting on the progress and results of investigations.

(2) The Minister for Climate and Energy may lay down provisions regarding the payment of a fee for the issuance of licences.

Part 3

Exploration for and Production of Raw Materials

5.-(1) The Minister for Climate and Energy may grant a licence conferring an exclusive right on the holder to explore for and to produce one or more raw materials within a defined area and subject to specific terms and conditions. Licence can only be granted for exploration for and production of hydrocarbons within the area specified in schedule 1. Separate licences may be granted for exploration and production, respectively. An exploration licence may grant the licensee a preferential right to a production licence.

(2) An exploration licence may lay down provisions on a gradual reduction of the area comprised by the licence and may set out any work obligations to be met by the licensee.

(3) The Minister for Climate and Energy may refuse to consider an application for a licence pursuant to subsection (1) if the exploration for or production of the relevant raw material cannot be expected to be compatible with other ongoing or planned use of the subsoil or with appropriate exploitation of the subsoil in other respects.

(4) The Minister for Climate, Energy and Utilities may lay down provisions on the payment of a fee for applying for the licences referred to in subsection (1) above.

6.-(1) The licences referred to in section 5 above shall be issued upon being submitted for approval to a committee set up by the Danish Parliament.

(2) As and when determined by the Minister for Climate, Energy and Utilities or by the chairman of the committee concerned, the members of the committee and any other parties present during the committee's discussions shall keep confidential any information that may come to their knowledge as a consequence of considering licences submitted in accordance with subsection (1) hereof.

(3) If the committee does not grant its approval for a licence, see subsection (1) above, the committee shall inform the Minister of the reasons for withholding its approval, if the Minister so requests.

7. The term of a licence granted in pursuance of section 5 above shall be fixed with due regard being paid to the nature of the raw material(s) covered by the licence. The licence term cannot exceed 50 years.

8.-(1) A licence granted in pursuance of section 5 above may stipulate that the state or a state-owned company shall be entitled to take part in the activity covered by the licence, subject to specific terms and conditions.

(2) Where the state or a state-owned company participates in activities under a licence to explore for and produce hydrocarbons granted pursuant to section 5 above and issued after 1 July 1995, in exercising its voting rights the state or the state-owned may only safeguard such interests as are within the purview of this Act, and may not exercise its voting rights to prevent the licensee from basing its activities on commercial principles. The state or a state-owned company may not be informed about or exercise its voting rights in respect of decisions on the licensee's choice of suppliers. Nor may the state or a state-owned company exercise any majority voting right together with one or more Danish public-sector participants in respect of any other decisions.

(3) Notwithstanding the provision of subsection (2) above, it may be stipulated as a condition for such a licence that any decisions made by the licensee that fail to comply with licence terms regarding the protection of resources or the state's financial interests shall not be binding on the state participant, provided that such participant informs its co-licensees, within a specific time limit, that it opposes the decision in question. The right to oppose a decision shall be exercised non-discriminatorily, in particular with regard to decisions on investments and the licensee's choice of suppliers.

(4) Where state participation takes place through a state-owned company that also holds licences of the nature referred to in subsection (2) above or holds shares in licences that it has acquired on a different basis, the state-owned company shall keep separate accounts of the activities carried on under each category of shares in a licence. Further, the company shall ensure that the division of the company managing the state participation does not disclose any information to the division of the

company that has acquired licence shares on a different basis. If the division of the company managing the state participation engages the division of the company that acquired licences on a different basis as its consultant, the former division of the company may make such information available to the latter division as is required to perform the consulting services. The other holders of the licences to which such information relates shall be notified in advance which information will be passed on in this way, and they shall be given sufficient time to raise any objections.

(5) The Minister for Climate, Energy and Utilities may lay down more specific rules regulating the matters referred to in subsections (2) and (4) above, such rules being incorporated into the licence terms or into special agreements concluded between the Minister for Climate, Energy and Utilities and the company managing the state participation.

9. A licence granted pursuant to section 5 above shall stipulate the consideration to be paid by the licensee to the state. In this connection, it may be stipulated that a periodic charge shall be paid based on the size of the area covered by the licence (area rental), and that a tax shall be levied on the volume of raw materials produced (royalty). Moreover, the licence terms may stipulate that a share of the profit from the activities covered by the licence shall be payable to the state.

10.-(1) Exploration and production shall be carried on in a safe and appropriate manner that prevents any waste of raw materials.

(2) Before production and measures aimed at production are initiated, a plan for the production activities, including the organization of production and the layout of production installations and any pipelines (production measures, etc.), shall be approved by the Minister for Climate, Energy and Utilities.

(3) Substantial changes and supplements to an approved plan for the production activities are subject to approval by the Minister for Climate, Energy and Utilities before they are initiated. A reduction in the capacity of the facilities and pipelines is deemed a material change of an approved plan for the production activities.

(4) The Minister for Climate, Energy and Utilities may lay down terms and conditions for approvals granted pursuant to subsections (2) and (3).

(5) The Minister for Climate, Energy and Utilities may, in case of approvals under subsections 2 and 3, determine conditions that a licensee is obliged to conclude an agreement with another licensee on investments in space and weight capacity at the owner's facility, including terms that the agreement must include terms about the right of use of facilities and installations, on a right of repurchase and on payment for space and weight capacity.

(6) The Minister for Climate, Energy and Utilities may, by processing applications under subsections 2 and 3 disclose confidential information in the approval processing to another licensee for the purpose of that licensee's assessment of third-party access to the facilities and installations covered by the application. Before the disclosure, the Minister shall consult the owner of the facilities and installations covered by the application, about the nature and extent of the confidential information in the case. The recipient of such information is under a duty of confidence. Sections 152 and 152c-152f of the Danish Criminal Code shall apply mutatis mutandis. If no agreement is concluded on third-party access, the recipient shall return originals and copies and delete all electronic copies of information received, including information received in processing results and analyses, no later than simultaneously with the recipient's notice not to enter into any agreement on using capacities in facilities and installations for third-party access.

11.-(1) Where an accumulation of hydrocarbons extends into the areas of several licensees, the relevant licensees shall coordinate exploration and any subsequent production activities. Agreements in this respect shall be subject to the approval of the Minister for Climate, Energy and Utilities. Where the parties fail to reach an agreement on coordination of such activities within a

reasonable time limit, the Minister for Climate, Energy and Utilities may order such coordination and lay down the applicable terms and conditions.

(2) Where an accumulation of hydrocarbons extends into another country's sovereign territory and an agreement on the coordination of exploration and production is made with the relevant country, the Minister for Climate, Energy and Utilities may order the licensee whose licence includes the Danish share of the accumulation to take part in such coordination, and may lay down the applicable terms and conditions. Any agreements on coordination made by licensees shall be subject to the approval of the Minister for Climate, Energy and Utilities.

(3) Upon submitting the matter to a committee set up by the Danish Parliament, the Minister for Climate, Energy and Utilities shall be authorized to enter into an agreement with the relevant country's authorities about the coordination of exploration and production of the accumulations mentioned in subsection (2) above, and to grant the necessary exemptions from the provisions of this Act

11a. If more licensees have licences for exploration and production, which are limited in the depth, and if the licences comprise the entire or partially the same geographical area, the licensee must coordinate exploration and any production. Agreements to that effect require the approval of the Minister for Climate, Energy and Utilities. If an agreement on coordination has not been reached within a reasonable time, the Minister may order this and determine the terms thereof.

Part 4

Special Provisions on Exploration for and Production of Hydrocarbons

12.-(1) The licences for hydrocarbon exploration and production mentioned in section 5 above shall be granted in one of the ways described in paragraphs (a) to (d) below, as determined by the Minister for Climate, Energy and Utilities:

- (a) Following a notice inviting applications from the public. The invitation shall be published in the Danish Official Gazette and in the Official Journal of the European Union at least 90 days before the closing date for applications.
- (b) Where an application for a licence has been submitted for a specific area without a prior invitation to the public, see paragraph (a) above, and the Minister for Climate, Energy and Utilities finds that the application should be considered, the Minister shall publish a notice concerning the application in the Danish Official Gazette and the Official Journal of the European Union. Other interested parties shall be granted a period of at least 90 days after the date of such publication in which to submit applications. As a minimum, the notices referred to in paragraph (a) and the first and second sentences of paragraph (b) shall specify that applicants may apply for an exclusive right to explore for and produce hydrocarbons, and shall indicate the areas for which applications may be or have been submitted, the expected date for granting licences, and from where information on the licence terms, etc. can be obtained. Any change in the licence terms, etc. shall be notified to all parties involved.
- (c) Where the employment of the procedures set out in paragraphs (a) or (b) above is not considered appropriate, the Minister for Climate, Energy and Utilities may grant licences within specific areas, and possibly within specific time limits, without initiating the procedures set out in paragraphs (a) and (b) above. Such a procedure shall be introduced through the issuance of a special Executive Order, which shall take effect when a notice concerning the employment of this procedure has been published in the Official Journal of the European Union. As a minimum, such notice shall indicate the areas for which applications may be submitted, and from where more detailed information on the licence terms can be obtained. Any amendments to the Executive Order shall be published in the same way.
- (d) Where warranted by geological or production considerations, the Minister for Climate, Energy and Utilities may grant a licence for an area to holders of licences for any adjoining area without employing the procedures set out in paragraphs (a) to (c) above. In such cases, the holders of

licences for all other adjoining areas shall be given an opportunity to submit applications and sufficient time to do so, and they shall have access to information on the terms and conditions, etc. applicable to such licences.

(2) Before applications are invited in pursuance of subsection (1)(a) or (b) or under an Executive Order in pursuance of paragraph (c), the Minister for Climate, Energy and Utilities shall submit a statement to a committee set up by the Danish Parliament, indicating for which areas or blocks applications are intended to be invited and the general terms and conditions on which licences are intended to be granted. Members of the committee and any other parties present during the committee's discussions about such statements shall keep confidential any information that may come to their knowledge through the committee with respect to the terms on which licences are to be granted based on the procedure outlined in subsection (1)(a), until the date on which an invitation is made to the public.

(3) The Minister for Climate, Energy and Utilities may refrain from granting a licence on the basis of the applications received when the procedures referred to in subsection (1)(a) and (b) above are employed.

(4) The terms and conditions on which licences are to be granted when employing the procedure outlined in subsection (1)(a) may not be published until the date on which an invitation is made to the public.

12a.-(1) The licences mentioned in section 12(1) above shall be granted on the basis of selection criteria concerning:

- (a) the applicant's technical and financial capacity, and
- (b) the exploration activities that the applicants intend to carry out, or the way in which the applicants intend to carry out production in the area in question.

(2) Moreover, the Minister for Climate, Energy and Utilities may decide that the amount that applicants are prepared to pay for the issuance of a licence shall form part of the selection criteria.

(3) Further, the Minister for Climate, Energy and Utilities may set up other relevant, objective and non-discriminatory criteria, in order to make a final choice among applicants considered to have equal merit based on an evaluation made according to the selection criteria established in subsection (1)(a) and (b), and possibly subsection (2).

(4) In addition to the criteria mentioned in subsections (1)-(3) above, when evaluating applications the Minister for Climate, Energy and Utilities may attach weight to any lack of efficiency or non-compliance with obligations under previous licences.

(5) Where the Minister for Climate, Energy and Utilities stipulates that the procedure for granting licences shall include a provision to the effect that the Minister shall determine the composition of any groups of companies jointly to be granted the licences mentioned in subsection (1), the composition shall be determined on the basis of one or more of the criteria established in subsections (1)-(4).

(6) Where the Minister for Climate, Energy and Utilities stipulates that the procedure for granting licences shall include a provision to the effect that the Minister shall appoint the operator of a group of companies that is granted licences jointly, such appointment shall be made on the basis of the operator's expertise and possibly on the basis of one or more of the criteria established in subsections (1)-(4).

(7) The criteria established in subsections (1)-(6) shall be published together with the notices inviting applications referred to in section 12(1)(a) to (c) above. Any changes made to these criteria shall be published in the same way.

13.-(1) The hydrocarbon exploration and production licences referred to in section 5 shall be granted for a term of up to six years, which term may be extended by up to 4 years at a time for the purpose of further exploration, where warranted by special circumstances. The total term of exploration may only exceed 10 years in exceptional cases.

(2) When the pertinent terms and conditions in a licence granted pursuant to subsection (1) above have been met, the licensee shall be entitled to an extension of the licence with a view to

production. In special cases, the Minister for Climate, Energy and Utilities may extend the term of a licence notwithstanding that the conditions for an extension have not been met. The licence term may only be extended for those parts of the area that contain commercial accumulations that the licensee plans to exploit, and not by more than 30 years. In case of major uncertainty about the extent, in terms of area, of the production potential from one or more of the accumulations in an area covered by a licence to be extended for the purpose of production, the Minister for Climate, Energy and Utilities may decide, when granting the extension, that the delineation of the accumulation shall be temporary. As a condition for extending the licence, the Minister for Climate, Energy and Utilities may stipulate that an application for approval pursuant to section 10 shall be submitted within a specific time limit.

(3) If necessary from a resource point of view or due to economic considerations or in the interests of society, the Minister for Climate, Energy and Utilities may order a licensee covered by this Act to submit an adequate plan within a specified time limit for the production measures, etc., see section 10, to be undertaken in respect of an accumulation that is considered commercially exploitable. Upon approving the plan, the Minister for Climate, Energy and Utilities may order the licensee to initiate production. At the same time, the licence term shall be extended for the purpose of production from that part of the area that contains the accumulation, but not by more than 30 years.

(4) The term for production, as fixed in pursuance of subsections (2) and (3), or in the relevant licence, may be prolonged where warranted by special circumstances. In the event that the total licence term will thus exceed 50 years, the provisions of section 6 shall apply *mutatis mutandis*.

(5) Where required due to special circumstances, the Minister for Climate, Energy and Utilities may grant licenses for a term exceeding the number of years mentioned in subsections (2) and (3) above.

14. In connection with approving production measures, etc. in pursuance of section 10, the date of production startup shall be fixed so as to ensure that the accumulation contributes to Denmark's energy supply in an expedient manner and that existing or planned processing and transportation systems are utilized.

15.-(1) In granting approval for the production of hydrocarbons pursuant to section 10, the Minister for Climate, Energy and Utilities shall stipulate the quantities that may be produced for periods of at least six months. Unless new information about the accumulation has been obtained, the Minister shall base such stipulations on the production plan approved in pursuance of section 10 above.

(2) Where warranted by concern for safe, appropriate or efficient production, or necessitated by weighty considerations for society, the Minister for Climate, Energy and Utilities may make changes in approved production plans and regulate production.

15a. Agreements on other licensees' use of facilities for production, processing or transportation of hydrocarbons etc. established under an approval or licence under this Act shall ensure that the profit on the production is distributed to the effect that it mainly accrues to the licensee of the accumulation, whereas the owner of the facility charges a reasonable profit taking into account the risk which the owner of the facility undertakes in connection with the licensee's use of the facility.

16.-(1) Following negotiations with the licensees, the Minister for Climate, Energy and Utilities may order that installations for the production, processing and transport of hydrocarbons, etc. established in pursuance of an approval or a permit granted according to this Act may be used by other licensees where warranted by resource or economic considerations or the interests of society. It is a condition that the existing and planned users' projected use is not unreasonably impaired or obstructed as a consequence.

(2) Following negotiations with the licensees, the Minister for Climate, Energy and Utilities may order that the exploitation of two or more hydrocarbon accumulations shall be coordinated where warranted by resource or economic considerations or the interests of society.

(3) The Minister for Climate, Energy and Utilities shall approve agreements on the use by other licensees of facilities for production, processing or transportation of hydrocarbons etc. established under approval or licence under this Act and on coordinated use of two or more hydrocarbon accumulations, and may determine terms therefor, including about distribution of costs. The agreement must be submitted to the Minister no later than eight days from the conclusion.

(4) Where an agreement regarding the use by other licensees of installations for the production, processing and transport of hydrocarbons, etc. established pursuant to an approval or a permit according to this Act or regarding coordinated exploitation of two or more hydrocarbon accumulation cannot be reached within a reasonable period of time, the Minister for Climate, Energy and Utilities may lay down terms and conditions in this respect, including about payment. The Minister for Climate, Energy and Utilities may demand that the parties disclose the information required for laying down such terms and conditions.

(5) The Minister for Climate, Energy and Utilities may determine time schedules and deadlines for negotiations about other licensees' use of facilities for production, processing and transportation of hydrocarbons etc., including time limits for the parties' provision and exchange of information covered by subsection (8).

(6) The Minister for Climate, Energy and Utilities may prepare standard agreements for the purpose of other licensees' use of facilities for production, processing and transportation of hydrocarbons etc. The standard agreements must be published at the website of the Danish Energy Agency. Standard agreements can be deviated from through agreement between the parties.

(7) The rules in subsections 3-6 apply similarly for terms that a licensee, who owns facilities for production, processing or transportation of hydrocarbons etc. established under an approval or a licence under this Act, is obliged to enter into an agreement with another licensee on investment in extra capacity at the owner's facility, including a right of use of facilities and installations, a right of repurchase and on payment as set out under section 10.

(8) The Minister for Climate, Energy and Utilities may lay down rules regarding the use by other licensees of installations for the production, processing and transport of hydrocarbons, etc., the procurement and exchange of information and agreements in this respect, the arrangement of negotiations, etc. concerning third-party use of installations and regarding publication of the key points of the agreements made.

(9) Subsections (1)-(8) do not apply to upstream pipeline networks for natural gas.

16a.-(1) The Minister for Climate, Energy and Utilities may determine to transfer the right to negotiate agreements on third-party access to idle capacity in a third-party facility on behalf of the owner of this facility to the owner of the facility which the third-party facility forms part of. The Minister for Climate, Energy and Utilities may determine terms of the transfer, including about time limitation and withdrawal of the right to negotiate.

(2) If a determination has been made about transfer under subsection 1, the owner of the third-party facility retains the right to the income that relates to the use by others of the idle capacity of the third-party facility. Owners of facilities, who have been given a right of negotiation under subsection 1, shall safeguard the financial interests of the owner of the third-party facility loyally in connection with the conclusion of agreements on third-party access to the idle capacity.

(3) The owner of the facility where the third-party facility is located has the right to charge reasonable remuneration and full cover of costs as regards new third parties to negotiate their access to the idle capacity.

17.-(1) The establishment and operation of pipeline facilities for use in the activities comprised by this Act may only take place pursuant to a licence from the Minister for Climate, Energy and Utilities.

(2) A licence may be granted subject to specific conditions on the routing, dimensions transport capacity, and ownership of the pipeline, as well as the right for other parties to use the pipeline, payment for this, fees payable to the state, etc.

(3) Reduction of capacities of pipelines is deemed a material change which is covered by the

requirement for licence under subsection 1. However, this does not apply to the upstream pipeline networks for natural gas.

(4) The Minister for Climate, Energy and Utilities may, through processing of applications under subsections 1 and 3 disclose confidential information in the approval procedure to another licensee for the purpose of the other licensee's assessment of the third-party access to the facilities and installations covered by the application. Before the disclosure, the Minister shall consult the owner of the facilities and installations covered by the application, about the nature and extent of the confidential information in the case. The recipient of such information is under a duty of confidentiality. Sections 152 and 152c-152f of the Danish Criminal Code shall apply *mutatis mutandis*. If no agreement is concluded on third-party access, the recipient shall return originals and copies and delete all electronic copies of information received, including information received in processing results and analyses, no later than simultaneously with the recipient's notice not to enter into any agreement on using capacities in facilities and installations for third-party access.

(5) Subsections (1) -(4) shall not apply to local pipelines that form part of installations used in the production from an individual field.

17a.-(1) Licensees holding a licence to explore for and produce hydrocarbons, or licence to establish and operate pipeline facilities in connection with the production of hydrocarbons, shall prepare plans with a view to maintaining and carrying on the supply of hydrocarbons for society in case of crises, including the preparation of contingency plans and the implementation of necessary measures to secure own installations, pipelines, critical systems and data, etc. This shall also apply to owners of adjoining oil and natural gas pipeline facilities, separation facilities and terminal facilities for crude oil, see section 1 of the Act on the Establishment and Use of a Pipeline for Transport of Crude Oil and Condensate and sections 3a and 4 of the Act on the Continental Shelf and Certain Pipeline Facilities in the Territorial Sea. Licensees and owners shall coordinate these emergency procedures with those stipulated by other legislation.

(2) If the licensee or owner consists of one or more natural or legal persons holding the licence jointly, subsection (1) shall apply to each individual natural or legal person.

(3) The Minister for Climate, Energy and Utilities may lay down more specific rules and regulations regarding the performance of the duties set out in subsection (1) above, including regarding the submission of relevant information about such work to the Minister, and more specific rules and regulations regarding the implementation of EU legislation.

18. The Minister for Climate, Energy and Utilities may decide that a royalty fixed in pursuance of section 9, see section 13, shall be paid in the form of extracted hydrocarbons. Any such decision shall take effect at the earliest six months after the licensee has been notified of the decision.

Part 4a

Special Provisions regarding Exploration for and Production of Geothermal Energy

18a.-(1) Licences pursuant to section 5 for exploration and production of geothermal energy shall be granted following an invitation of applications from the public.

(2) Before applications are invited in pursuance of subsection (1), the Minister for Climate, Energy and Utilities shall submit a statement to a committee set up by the Danish Parliament, indicating for which areas applications are intended to be invited and the general terms and conditions on which licences are intended to be granted. Members of the committee and any other parties present during the committee's discussions about such statements shall keep confidential any information that may come to their knowledge through the committee with respect to the terms on which licences are to be granted, until the date on which an invitation is made to the public.

(3) The Minister for Climate, Energy and Utilities may refrain from granting a licence on the basis of the applications received based on the invitation to the public pursuant to subsection (1).

(4) The terms and conditions on which licences are to be granted following an invitation to the public, see subsection (1), may not be published until the date on which applications are invited

from the public.

18b.-(1) Licences for exploration and production of geothermal energy shall be granted on the basis of selection criteria concerning

- (a) the applicants' technical and financial capacity, and
- (b) the exploration activities that the applicants offer to carry out, or the way in which the applicants intend to carry out production in the area in question.

(2) Moreover, the Minister for Climate, Energy and Utilities may decide that the amount that applicants are prepared to pay for the issuance of a licence shall form part of the selection criteria.

(3) Further, the Minister for Climate, Energy and Utilities may set up other relevant, objective and non-discriminatory criteria, in order to make a final choice among applicants considered to have equal merit based on an evaluation made according to the selection criteria established in subsection (1)(a) and (b), and possibly subsection (2).

(4) In addition to the criteria mentioned in subsections (1)-(3) above, when evaluating applications the Minister for Climate, Energy and Utilities may attach weight to any lack of efficiency or non-compliance with obligations under previous licences.

(5) The Minister for Climate, Energy and Utilities may determine that it must be included the granting of licences that composition of groups of businesses which jointly are granted licences as mentioned in subsection 1, is made by the Minister. The composition of such groups shall be determined on the basis of one or more of the criteria established in subsections (1)-(4).

(6) The Minister for Climate, Energy and Utilities may stipulate that a procedure for granting licences shall include a provision to the effect that the Minister shall appoint the operator of a group of companies to be granted licences jointly. The appointment shall be based on the operator's expertise and possibly other of the criteria established in subsections (1)-(4).

(7) The criteria pursuant to subsections (1)-(6) shall be published in connection with inviting applications in accordance with section 18(a)(1). Any changes made to these criteria shall be published in the same way.

18c.-(1) Licences pursuant to section 5 for the exploration for and production of geothermal energy shall be granted for a term of up to six years, which term may be extended by up to two years at a time for the purpose of further exploration, where warranted by special circumstances. The total term of exploration may only exceed ten years in exceptional cases.

(2) When the terms and conditions of a licence granted pursuant to subsection (1) above have been met, the licensee shall be entitled to an extension of the licence with a view to production. In special cases, the Minister for Climate, Energy and Utilities may extend the term of a licence notwithstanding that the conditions for an extension have not been met. The licence term may only be extended for those parts of the area from which it is intended to recover geothermal energy, and not by more than 30 years. As a condition for extending the licence, the Minister for Climate, Energy and Utilities may stipulate that an application for approval of a plan for the production activities pursuant to section 10 shall be submitted within a specific time limit.

(3) The term for production, as fixed in pursuance of subsection (2) or in the relevant licence, may be prolonged where warranted by special circumstances. In the event that the total licence term will thus exceed 50 years, the provisions of section 6 shall apply *mutatis mutandis*.

(4) Where warranted by special circumstances, the Minister for Climate, Energy and Utilities may grant licences for a term extending beyond the periods mentioned in subsections (1) and (2).

18d. Upon approval of plans for production measures, etc. in pursuance of section 10, the date of production startup shall be determined.

Part 5

The State's Right to Purchase Liquid Hydrocarbons

19.-(1) The Minister for Climate, Energy and Utilities may decide that the state or a state-owned

company shall be entitled to purchase up to half a licensee's ongoing production of liquid hydrocarbons. Any such decision shall take effect six months at the earliest after the seller has been notified of the decision. The hydrocarbons produced shall be supplied at a reasonable market price, at the time and place where delivery is effected, and on the usual terms of delivery.

(2) Decisions made in pursuance of subsection (1) above may not be made in respect of production that is carried on under licences granted after 1 January 1995.

20.-(1) If the buyer and the seller have not arrived at an agreement on the price or on the basis for its calculation within three months of the seller's receipt of the notification referred to in section 19 above, either party may bring the matter before the Oil Board.

(2) The parties shall be entitled to demand that negotiations be held at six-month intervals to review the price or the basis for its calculation. Where the buyer and seller have not arrived at an agreement on the price or the basis for its calculation within one month of the demand being made, either party may bring the matter before the Oil Board.

(3) In the event that the buyer and the seller fail to agree on the other terms of delivery, including the time and place of delivery, either party may bring the matter before the Oil Board.

21.-(1) The Oil Board, which is set up by the Minister for Climate, Energy and Utilities, shall be composed of a chairman and two other members. The chairman shall be appointed on the recommendation of the President of the Danish Supreme Court. The two other members shall have special knowledge of the oil trade. The members and their deputies shall be appointed for a term of four years.

(2) Decisions made by the Oil Board cannot be brought before any other administrative authority.

(3) The Minister for Climate, Energy and Utilities shall lay down detailed rules regulating the activities of the Board.

22. A decision to buy oil made in pursuance of section 19 above shall not restrict the state's right to make decisions to sell and supply liquid hydrocarbons in pursuance of other legislation.

Part 6

Other Use

23.-(1) The Minister for Climate, Energy and Utilities may grant a licence for a defined part of the subsoil that gives the licensee an exclusive right of exploration and use of the subsoil for storage or purposes other than production, subject to specific terms and conditions. Exploration licences may be granted for a term of up to six years, which term may be extended by up to two years at a time for the purpose of further exploration, where warranted by special circumstances. The total term of exploration may only exceed 10 years in exceptional cases.

(2) Licences pursuant to subsection (1) shall be granted separately for exploration and for use of the subsoil for storage or purposes other than production.

(3) An exploration licence may grant the licensee a preferential right to use the subsoil for storage or purposes other than production, provided that exploration of the relevant area has been completed, that all conditions in the exploration licence have been met, and that the application for a licence for storage or purposes other than production was submitted during the term of the exploration licence.

(4) An exploration licence may lay down provisions on the work obligations to be met by the licensee.

(5) Licences pursuant to subsection (1) may only be granted to an applicant considered to be financially sound, reliable and technically competent to operate and manage the activities comprised by the licence, and provided the applicant can ensure specialized and technical instruction and training of the operator and all personnel.

(6) During the term of the licence, the licensees shall at all times be able to substantiate that they are financially sound and possess or have access to the requisite technical competence to operate and manage the activities pursuant to subsection (1).

(7) Where an agreement has been concluded between the licensee and operator regarding the latter's operatorship of the activities pursuant to subsection (1), documentation substantiating the existence of the pertinent written agreements shall be available at all times. The operator shall be able to substantiate the specialized and technical instruction and training of its personnel; see subsection (5).

(8) The licences referred to in subsection (1) above shall be issued upon being submitted for approval to a committee set up by the Danish Parliament. Section 6(2) shall apply *mutatis mutandis*.

(9) The Minister for Climate, Energy and Utilities may lay down more detailed rules and regulations regarding the payment of a fee for the processing of applications pursuant to subsection (1) above.

(10) The Minister for Climate, Energy and Utilities may lay down more detailed rules and regulations regarding use of the subsoil pursuant to subsection (1) above.

23a. A licence granted pursuant to section 23 above shall stipulate the consideration to be paid by the licensee to the state.

23b.-(1) Licences pursuant to section 23 shall be granted in one of the following ways, as determined by the Minister for Climate, Energy and Utilities:

- (i) Following a notice inviting applications from the public.
- (ii) Where the employment of the procedure set out in paragraph (i) above is not considered expedient, the Minister for Climate, Energy and Utilities may grant licences within specific areas, and possibly within specific time limits, without initiating the procedure set out in paragraph (i). Such a procedure shall be introduced through the issuance of a special Executive Order, which cannot take effect until a notice concerning the employment of this procedure has been published. As a minimum, such notice shall contain information about the areas for which applications can be submitted and how to obtain more detailed information about the terms and conditions. Any amendments to the Executive Order shall be published in the same way.
- (iii) Where warranted by geological or storage considerations, the Minister for Climate, Energy and Utilities may grant a licence for an area to holders of licences for any adjoining area without employing the procedures set out in paragraphs (i) and (ii) above. In such cases, the holders of licences for all other adjoining areas shall be given an opportunity to submit applications and sufficient time to do so, and they shall have access to information on the terms and conditions, etc. applicable to such licences.

(2) Before applications are invited in pursuance of subsection (1)(i), or an Executive Order pursuant to subsection (1)(ii) is issued, the Minister for Climate, Energy and Utilities shall submit a statement to a committee set up by the Danish Parliament, indicating for which areas or blocks applications are intended to be invited and the general terms and conditions on which licences are intended to be granted. Members of the committee and any other parties present during the committee's discussions about such statements shall keep confidential any information that may come to their knowledge through the committee with respect to the terms on which licences are to be granted based on the procedure outlined in subsection (1)(i), until the date on which an invitation is made to the public.

(3) The Minister for Climate, Energy and Utilities may refrain from granting a licence on the basis of the applications received when the procedure referred to in subsection (1)(i) above is employed.

(4) The terms and conditions on which licences are to be granted when employing the procedure outlined in subsection (1)(i) may not be published until the date on which an invitation is made to the public.

(5) The Minister for Climate, Energy and Utilities shall lay down more detailed rules and regulations about the granting of licences pursuant to section 23, including about the information to be submitted in applications for exploration and storage licences.

23c.-(1) The licences mentioned in section 23b(1) above shall be granted on the basis of selection criteria concerning:

- (a) the applicants' technical and financial capacity, and
- (b) the exploration activities that the applicants offer to carry out, or the way in which the applicants intend to carry out storage or other use of the subsoil in the area in question.

(2) Moreover, the Minister for Climate, Energy and Utilities may decide that the amount that applicants are prepared to pay for the issuance of a licence shall form part of the selection criteria.

(3) Further, the Minister for Climate, Energy and Utilities may set up other relevant, objective and non-discriminatory criteria, in order to make a final choice among applicants considered to have equal merit based on an evaluation made according to the selection criteria established in subsection (1)(a) and (b), and possibly subsection (2).

(4) In addition to the criteria mentioned in subsections (1)-(3) above, when evaluating applications the Minister for Climate, Energy and Utilities may attach weight to any lack of efficiency or non-compliance with obligations under previous licences.

(5) The Minister for Climate, Energy and Utilities may stipulate that a procedure for granting licences shall include a provision to the effect that the Minister shall determine the composition of any groups of companies jointly to be granted the licences mentioned in subsection (1). The composition of such groups shall be determined on the basis of one or more of the criteria established in subsections (1)-(4).

(6) The Minister for Climate, Energy and Utilities may stipulate that a procedure for granting licences shall include a provision to the effect that the Minister shall appoint the operator of a group of companies jointly to be granted licences. The appointment shall be based on the operator's expertise and possibly other of the criteria established in subsections (1)-(4).

(7) The criteria pursuant to subsections (1)-(6) shall be published together with the notices inviting the applications referred to section 23(b)(1). Any changes made to these criteria shall be published in the same way.

23d.-(1) Exploration and storage or other use of the subsoil shall be carried on in a safe and appropriate manner.

(2) Before storage or other use of the subsoil and any measures aimed at such activities are initiated, a plan for the activities, including the organization of production and the layout of installations, as well as a plan for corrective measures in case of leakages or significant irregularities that involve a risk of leakage from a storage complex shall be approved by the Minister for Climate, Energy and Utilities.

(3) The holder of a licence pursuant to section 23 shall notify the Minister for Climate, Energy and Utilities of any planned changes to the operation of the activities. Where required, the Minister shall issue an updated licence.

(4) Substantial changes and supplements to the plan for the activities, see subsection (2), shall be approved by the Minister for Climate, Energy and Utilities before being initiated. The Minister shall issue a new or updated licence.

(5) The Minister for Climate, Energy and Utilities may lay down terms and conditions in connection with granting approvals and licences pursuant to subsections (2) to (4).

(6) The Minister for Climate, Energy and Utilities may lay down rules regarding plans, see subsection (2), for storage or other use of the subsoil.

Part 6a

Special Provisions regarding Geological Storage and Piped Transport of CO₂ (Carbon Dioxide)

23e.-(1) For the purposes of this Part, the following definitions shall apply:

- (i) "waste" means the substances defined as waste in Executive Order No. 1632 of 21 December 2010 on Waste;
- (ii) "CO₂ storage site" means a defined volume area within a geological formation used for the geological storage of CO₂ and associated surface and injection facilities;

- (iii) “*CO₂ stream*” means a flow of substances that results from CO₂ capture processes, to be injected into a CO₂ storage site;
- (iv) “*CO₂ transport network*” means a network of pipelines including associated booster stations or the like, for the transport of CO₂ to the CO₂ storage site;
- (v) “*geological formation*” means a lithostratigraphical subdivision within which distinct rock layers can be found and mapped;
- (vi) “*geological storage of CO₂*” means injection of CO₂ streams accompanied by storage of CO₂ in underground formations;
- (vii) “*hydraulic unit*” means a hydraulically connected pore space where pressure communication can be measured by technical means and which is bordered by flow barriers, such as faults, salt domes, lithological boundaries, or by the wedging out or outcropping of the formation;
- (viii) “*storage complex*” means the CO₂ storage site and surrounding geological domain which can have an effect on overall storage integrity and security, that is, secondary containment formations;
- (ix) “*closure of a CO₂ storage site*” means the definitive cessation of CO₂ injection into that CO₂ storage site;
- (x) “*corrective measures*” means any measures taken to correct significant irregularities or to close leakages in order to prevent or stop the release of CO₂ from the storage complex;
- (xi) “*leakage*” means any release of CO₂ from the storage complex;
- (xii) “*significant risk*” means a combination of the probability of occurrence of damage and a magnitude of damage that cannot be disregarded without calling into question the purpose of Directive 2009/31/EC of the European Parliament and of the Council of 23 April 2009 for the storage site concerned;
- (xiii) “*significant irregularity*” means any irregularity in the CO₂ injection or storage operations or in the condition of the CO₂ storage complex itself, which implies the risk of a leakage or risk to the environment or human health.

23f.-(1) The suitability of the subsoil for geological storage of CO₂ shall be determined through a characterization and assessment of the potential storage complex and surrounding area.

(2) A geological formation in the subsoil shall only be selected as a CO₂ storage site, if under the intended conditions of use there is no significant risk of leakage, and if no significant environmental or health risks exist.

(3) In the case of more than one CO₂ storage site in the same hydraulic unit, the potential pressure interactions shall be such that both sites can simultaneously meet the requirements of this Act and provisions laid down in pursuance hereof.

(4) The Minister for Climate, Energy and Utilities shall lay down more detailed rules and regulations regarding the criteria for a characterization and assessment of the suitability of a geological formation for use as a CO₂ storage site.

23g.-(1) A CO₂ stream shall consist overwhelmingly of carbon dioxide. No waste or other matter may be added for the purpose of disposing of that waste or other matter.

(2) The Minister for Climate, Energy and Utilities shall lay down more detailed rules and regulations regarding criteria and procedures for the composition of CO₂ streams.

23h.-(1) The holder of a licence for a CO₂ storage site shall establish and maintain a register of the quantities of CO₂ delivered and injected as well as the properties and composition of the CO₂ stream. In case of injection of CO₂ streams, they shall be deemed to have been stored immediately following injection.

(2) The Minister for Climate, Energy and Utilities shall lay down more detailed rules and regulations regarding the content of the register.

23i.-(1) The holder of a licence for a CO₂ storage site shall set up a programme for monitoring the injection facilities and storage complex before the injection of CO₂ is initiated. The programme shall describe the licensee’s measures to ensure appropriate operation of the storage site. The

licensee shall ensure compliance with the monitoring programme and ensure that it is checked appropriately. At least once a year, the licensee shall submit a report to the Minister for Climate, Energy and Utilities that describes the programme and programme checks. The report is subject to approval by the Minister for Climate, Energy and Utilities.

(2) The Minister for Climate, Energy and Utilities shall lay down more detailed rules and regulations regarding the matters mentioned in subsection (1), including about the content of the monitoring programme and the procedure for checking it and submitting reports.

23j.-(1) In case of leakages or significant irregularities which imply the risk of leakage from a CO₂ storage complex, the licensee shall immediately notify the Minister for Climate, Energy and Utilities.

(2) The licensee shall take the necessary corrective measures for the storage complex, including measures related to the protection of human health. As a minimum, the corrective measures shall be taken on the basis of a corrective measures plan; see section 23d(2).

(3) The Minister for Climate, Energy and Utilities may at any time require the licensee to take the necessary corrective measures as well as measures related to the protection of human health, including measures additional to those laid out in the corrective measures plan; see section 23d(2).

(4) If the licensee fails to take the necessary corrective measures within a reasonable period of time, the Minister for Climate, Energy and Utilities shall take the necessary corrective measures and order the licensee to pay the associated costs.

23k.-(1) Closure of a CO₂ storage site may only take place following the approval of the Minister for Climate, Energy and Utilities.

(2) A CO₂ storage site shall be closed:

- (i) if the relevant conditions stated in the CO₂ storage licence have been met;
- (ii) following an application from the licensee; or
- (iii) if the Minister for Climate, Energy and Utilities so decides pursuant to section 23n(1) after the withdrawal of a CO₂ storage licence.

(3) After a CO₂ storage site has been closed, the licensee shall be responsible for sealing the storage site and removing the injection facilities.

(4) The Minister for Climate, Energy and Utilities may lay down more detailed rules and regulations regarding the conditions applicable to closure of a CO₂ storage site.

23l.-(1) The licensee shall draw up and comply with a post-closure plan for the period following closure of the CO₂ storage site before responsibility is transferred in pursuance of section 23o. The post-closure plan shall be approved by the Minister for Climate, Energy and Utilities.

(2) The Minister for Climate, Energy and Utilities may lay down more detailed rules and regulations regarding the content of the post-closure plan.

23m.-(1) The Minister for Climate, Energy and Utilities shall review and where necessary update or, as a last resort, withdraw the CO₂ storage licence;

- (i) if any leakages or significant irregularities occur or there is a risk of such leakages or irregularities occurring; or
- (ii) if it is necessary on the basis of the latest scientific findings and technological progress.

(2) The Minister for Climate, Energy and Utilities shall lay down more detailed rules and regulations for reviewing, updating and withdrawing CO₂ storage licences.

23n.-(1) If a CO₂ storage licence is withdrawn pursuant to section 23m or section 30(1), the Minister for Climate, Energy and Utilities shall either issue a new storage licence to another licensee or close the CO₂ storage site.

(2) Until a new CO₂ storage licence has been issued, the Minister for Climate, Energy and Utilities shall temporarily take over all obligations relating to the CO₂ storage site.

(3) If the Minister for Climate, Energy and Utilities decides to close the CO₂ storage site, the Minister for Climate, Energy and Utilities shall take over the responsibility for such site.

(4) The Minister for Climate, Energy and Utilities may order the previous licensee to pay the costs associated with transferring the obligations regarding the CO₂ storage site pursuant to subsection (2) and the responsibility for the CO₂ storage site pursuant to subsection (3).

23o.-(1) Where a CO₂ storage site has been closed pursuant to section 23(k)(2)(i) and (ii), all legal obligations relating to the storage site shall be transferred to the Minister for Climate, Energy and Utilities on the Minister's initiative or upon request from the licensee, provided the following conditions are met:

- (i) all available evidence indicates that the stored CO₂ will be completely and permanently contained;
- (ii) a period of no less than 20 years after the closure of the CO₂ storage site has elapsed, unless the licensee can substantiate that the criterion set up in paragraph (i) above has been complied with before the end of such period;
- (iii) the payment obligation pursuant to 23r has been fulfilled;
- (iv) the CO₂ storage site has been sealed and the injection facilities have been removed.

(2) The Minister for Climate, Energy and Utilities may lay down more detailed rules and regulations regarding the transfer of responsibility for CO₂ storage sites pursuant to subsection (1) and regarding the documentation to be made available before the transfer of responsibility can be deemed to have taken place.

23p.-(1) Where a CO₂ storage site has been closed pursuant to section 23k(2)(iii), transfer of responsibility shall be deemed to have taken place if and when all available evidence indicates that the stored CO₂ will be completely and permanently contained, and after the CO₂ storage site has been sealed and the injection facilities have been removed.

(2) The Minister for Climate, Energy and Utilities may lay down more detailed rules and regulations regarding the transfer of responsibility for CO₂ storage sites pursuant to subsection (1) and regarding the documentation to be made available before the transfer of responsibility can be deemed to have taken place.

23q.-(1) A holder of a licence for a CO₂ storage site shall provide valid and effective financial security or any other equivalent for the estimated costs of all obligations following from the licence for CO₂ storage. The financial security or any other equivalent shall be periodically adjusted to take account of changes to the assessed risk of leakage and the estimated costs of all obligations arising under the licence for storage of CO₂. The financial security or any other equivalent shall be valid and effective before commencement of injection into a CO₂ storage site.

(2) The financial security or any other equivalent, see subsection (1), shall remain valid and effective:

- (i) after a CO₂ storage site has been closed pursuant to section 23k(2)(i) and (ii) until the responsibility for the storage site is transferred to the Minister for Climate, Energy and Utilities, see section 23o; and
- (ii) after the withdrawal of a CO₂ storage licence, see section 23m or section 30(1);
 - (a) until a new licence for storage of CO₂ has been issued to another licensee; or
 - (b) where the storage site is closed pursuant to section 23n(1) until the transfer of responsibility has taken place pursuant to section 23o, provided the payment stipulated in section 23r has been effected.

(3) The Minister for Climate, Energy and Utilities may lay down more detailed rules and regulations regarding the establishment, adjustment and maintenance of the financial security or any other equivalent and regarding the calculation of coverage of such security.

23r.-(1) Before the transfer of responsibility pursuant to section 23o, the licensee shall pay an amount to the Minister for Climate, Energy and Utilities to cover the expected monitoring costs for a period of 30 years. No other costs may be imposed following the transfer of responsibility, but see section 23s.

(2) The Minister for Climate, Energy and Utilities may lay down more detailed rules and regulations regarding the calculation and payment of the costs referred to in subsection (1)

above.

23s. If, before or in connection with the transfer of responsibility, the holder of a licence for a CO₂ storage site is guilty of providing deficient data, has concealed relevant information, displayed negligence or deceit or has failed to exercise due diligence, the Minister for Climate, Energy and Utilities shall order the previous licensee to pay the costs incurred after the transfer of responsibility.

23t.-(1) Potential users are entitled to use CO₂ transport networks and CO₂ storage sites against payment, but see subsection (3).

(2) The prices and conditions for transport in CO₂ transport networks and storage at CO₂ storage sites pursuant to subsection (1) shall be determined by the CO₂ transport network company and the storage company, respectively. The companies shall publish their tariffs and conditions for use of CO₂ transport networks and CO₂ storage sites.

(3) CO₂ transport network and storage companies may refuse access to CO₂ transport networks and CO₂ storage sites pursuant to subsection (1) if the necessary capacity or connection is not available to the companies. Duly substantiated reasons shall be given for any such refusal.

(4) CO₂ transport network and storage companies that refuse access on the grounds of lack of capacity or a lack of connection shall make any necessary enhancements as far as it is economic to do so or when a potential customer is willing to pay for them, provided this would not negatively impact on the environmental security of transport and geological storage of CO₂.

(5) The Minister for Climate, Energy and Utilities may lay down more detailed rules and regulations regarding the access to CO₂ transport networks and CO₂ storage sites.

(6) The Minister for Climate, Energy and Utilities shall lay down rules regarding the settlement of disputes concerning access to CO₂ transport networks and CO₂ storage sites.

23u.-(1) The establishment and operation of pipeline facilities for transporting and storing CO₂ may only take place pursuant to a licence from the Minister for Climate, Energy and Utilities.

(2) A licence may be granted subject to conditions regarding routing, dimensions, ownership and payment for use.

(3) Subsections (1) and (2) shall not apply to local pipelines forming part of facilities used for storing CO₂.

23v. The Minister for Climate, Energy and Utilities shall lay down rules regarding the establishment and maintenance of a register of licences granted for storage of CO₂ and of closed CO₂ storage sites.

Part 7

Scientific Investigations

24. The Minister for Climate, Energy and Utilities may grant licences for scientific investigations of the subsoil; see section 1(2)(iii) above.

Part 7a

Requirements for technical and financial capacity, appointment and approval of operators, insurance, provision of security and division of licences, etc.

24a.-(1) A licensee holding a licence covered by this Act shall have the necessary technical and financial capacity and shall be expected to carry on the activities in a manner so as to ensure that society gains maximum insight into and benefit from the activities.

(2) The licensee's technical capacity, see subsection (1), shall be adequate for carrying out the activities with a view to responsible resource management and to handling unforeseen events in a safe and appropriate manner. Accordingly, the licensee shall have the necessary technical capacity,

etc. to ensure the appropriate preparation, immediate launch and uninterrupted continuation of all measures necessary for effective emergency response and subsequent remediation.

(3) The licensee's financial capacity, see subsection (1), shall be adequate for the licensee to carry out all activities forming part of the next phase of the activities comprised by the licence, including to have a reserve for unforeseen expenses and security to cover potential liability in damages resulting from the activities. Accordingly, the financial capacity shall include means for the immediate launch and uninterrupted continuation of all measures necessary for effective emergency response and subsequent remediation, including the removal of installations once production has been discontinued.

24b.-(1) If the activities under the licence are divided into phases, a licensee holding a licence covered by this Act shall be able to document that it has the necessary technical and financial capacity to carry out the activities comprised by the licence. Such documentation shall be provided prior to the transition to a new phase of a work programme, prior to the approval of an exploration or appraisal well, see section 28, or a plan for production activities, see sections 10 and 17, and prior to the initiation of a plan for the decommissioning of production installations and transport facilities; see section 32a.

(2) If a licensee holding a licence covered by this Act cannot document the necessary technical and financial capacity, see subsection (1), no preliminary investigations or exploration, production and decommissioning activities may be carried on under the licence, and no approvals and licences may be granted in pursuance of section 10(2) and (3) and sections 17 and 28. In such cases, upon application the licensee can be granted a time limit of up to three months for remedying the situation. In special circumstances, a further extension of the time limit may be granted. If the situation cannot be remedied within the time limit stipulated, the licence will be revoked; see section 30.

(3) If the licensee is granted a time limit for procuring the documentation required according to subsection (2), the Minister for Climate, Energy and Utilities may permit the licensee to carry on certain activities and may lay down terms and conditions in this respect.

24c.-(1) The Minister for Climate, Energy and Utilities may at any time request that a licensee holding a licence covered by this Act shall document that it has the necessary technical and financial capacity to carry out the activities comprised by the licence; see section 24a.

(2) If one or more parties jointly holding a licence, see subsection (1), cannot document having the necessary technical and financial capacity, the Minister for Climate, Energy and Utilities may order such party or parties to remedy the situation within a specified time limit. Moreover, the Minister may order the party or parties to discontinue the activities in whole or in part.

24d.-(1) The Minister for Climate, Energy and Utilities shall appoint an operator in connection with granting licences pursuant to sections 3, 5, 17, 23 or 24. Only operators assessed to have the necessary technical and financial capacity are eligible for appointment as operators. The Minister for Climate, Energy and Utilities may lay down specific terms and conditions for such appointment. The Minister for Climate, Energy and Utilities shall consult the supervisory authority pursuant to the Offshore Safety Act before appointing an operator.

(2) The Minister for Climate, Energy and Utilities shall approve replacement of the operator. The Minister for Climate, Energy and Utilities may lay down specific terms and conditions for such approval. The Minister for Climate, Energy and Utilities shall consult the supervisory authority pursuant to the Offshore Safety Act before approving an operator.

(3) The licensee shall continuously ensure that the operator appointed or approved pursuant to subsection (1) or (2) has the capacity to meet the requirements for carrying out specific operations within the framework of the licence, and shall also take all reasonable steps to ensure that the operator meets the requirements, performs its functions and fulfils its obligations.

(4) If the supervisory authority pursuant to the Offshore Safety Act or the Act on the Protection of the Marine Environment makes a decision to the effect that an operator no longer has the capacity to meet the relevant requirements laid down by Directive 2013/30/EU of 12 June 2013 on safety of offshore oil and gas operations, the supervisory authority shall notify the Minister for Climate,

Energy and Utilities accordingly. The Minister for Climate, Energy and Utilities shall notify the licensee holding the relevant licence of the decision.

(5) In situations where a decision has been made to the effect that an operator does not have the capacity to meet the requirements for carrying out specific operations within the framework of a licence, see the first sentence of subsection (4) above, the licensee holding the relevant licence shall take over the responsibility for the operator's duties from the time when the notification pursuant to the second sentence of subsection (4) has reached the licensee. The licensee shall immediately propose another operator for approval by the Minister for Climate, Energy and Utilities pursuant to subsection (2) above.

(6) Where no operator has been appointed by the Minister for Climate, Energy and Utilities in respect of a licence covered by this Act, the licensee shall submit an application for approval of an operator to the Minister for Climate, Energy and Utilities, such application to be submitted within six months from the commencement of this Act. The operator shall meet the requirements for technical and financial capacity; see subsection (1) above. Where the operator recommended by the licensee does not meet with the approval of the Minister for Climate, Energy and Utilities, the licensee shall submit a proposal for another operator within a specified time limit for the approval of the Minister for Climate, Energy and Utilities. The Minister for Climate, Energy and Utilities shall consult the supervisory authority pursuant to the Offshore Safety Act before approving an operator. The Minister for Climate, Energy and Utilities may lay down specific terms and conditions for such approval.

24e.-(1) A licensee's liability in damages under licences issued covered by this Act shall be covered by insurance. The insurance shall provide reasonable cover, in light of the risks involved in the performance of the activity and the premiums to be paid.

(2) The Minister for Climate, Energy and Utilities may order that additional insurance shall be taken out. The Minister for Climate, Energy and Utilities may allow the provision of security instead of insurance.

(3) A licensee holding a licence covered by this Act shall establish a procedure for prompt and adequate handling of claims for damages, including damages for transboundary incidents.

(4) The procedure pursuant to subsection (3) shall be approved by the Minister for Climate, Energy and Utilities, and the Minister may lay down specific terms and conditions for such approval.

(5) The licensee shall make the procedure pursuant to subsection (3) known to the public.

(6) The Minister for Climate, Energy and Utilities may lay down rules and regulations regarding insurance on and security for the activities comprised by the licence, regarding procedures and their publication, and regarding the submission of information about existing insurance cover for the purpose of the Minister's supervision of the activities.

24f. Licences covered by this Act may lay down detailed provisions regarding a licensee's provision of security for the fulfilment of all its obligations under the licence. An order requiring changes or supplements to such security may be issued subject to a period of notice. The Minister for Climate, Energy and Utilities shall approve such security and may lay down specific terms and conditions for its approval.

24g.-(1) The Minister for Climate, Energy and Utilities may grant an application from a licensee to the effect that a licence for exploration and extraction of raw materials, including hydrocarbons, or a licence to explore and use the subsoil for storage or other purposes than extraction shall be divided into two or more licences comprising areas within the original licence area. The terms and conditions of the licence will be applicable to the individual areas following division of the licence.

(2) The division of an area comprised by a licence granted, see subsection 1, may not lead to the division of an accumulation or a geological structure that can be or is used for storage or purposes other than the production of raw materials in the event that the division would impede appropriate exploitation of the relevant accumulation or appropriate use of the relevant geological structure.

Part 8

Supervision, etc.

25.-(1) The Minister for Climate, Energy and Utilities shall supervise compliance with the provisions of this present Act and with the rules and regulations, terms and conditions drawn up in pursuance of this Act. The Minister for Climate, Energy and Utilities may issue enforcement notices ordering compliance with this Act and with regulations issued in pursuance hereof. The Minister for Climate, Energy and Utilities monitors activities covered by this Act for the purpose of identifying potential for third-party access.

(2) The Minister for Climate, Energy and Utilities may lay down more detailed rules and regulations regarding performance of the supervision.

(3) The Minister for Climate, Energy and Utilities may order licensees to pay the expenses associated with public authority case handling pursuant to this Act, including for a public consultation procedure as referred to in section 28a(1) below, and the Minister may lay down more detailed rules and regulations in this respect.

26.-(1) The Minister for Climate, Energy and Utilities can, in connection with the processing of cases, exercise of supervision or monitoring of activities covered by this Act, obtain information necessary to the management of these assignments, with the licensees covered by the Act. The Minister may further order such licensee to submit samples, raw data, processing results, interpretations and assessments as well as technical and financial information in connection therewith and determine time limits for the submission of such information.

(2) Licensees shall submit all information regarding protection of the environment and natural resources that is required for the Minister of Transport and Energy's supervision of the activities covered by this Act. In this connection, the Minister may order a licensee to submit information about or make investigations into specific matters regarding the protection of natural resources.

(3) The Minister for Climate, Energy and Utilities may not order a licensee to submit information on its actual or intended suppliers, except where this is done with a view to meeting the objectives set out in Article 30 of the EU Treaty.

(4) Any information received by the Minister for Climate, Energy and Utilities in connection with supervision and processing of cases or by supervision of activities covered by this Act above shall be subject to confidentiality; see sections 152, section 152a, the first sentence, and section 152c of the Danish Criminal Code.

(5) The Minister for Climate, Energy and Utilities may lay down rules on obtaining and submitting information.

27.-(1) Where an imminent risk of inappropriate use or exploitation of the subsoil is deemed to exist, the staff of the supervisory authority shall have access, without a prior court order, to all parts of the licensee's business against duly showing proof of their identity.

(2) Licences granted in pursuance of this Act may provide that representatives of the supervisory authority shall be entitled to attend meetings held by the licensees' decision-making bodies and other joint committees established in connection with activities comprised by the licence. The supervisory authority shall receive the same notice and be given the same material, including minutes of meetings, as the remaining participants.

Part 9

Other Provisions

28. -(1) Any works to be carried out in connection with activities covered by this Act, including drilling wells, sinking shafts, and driving adits and drifts, may not be initiated until the approval of the Minister for Climate, Energy and Utilities has been obtained for equipment, working programme

and working methods in each individual case, but see subsections (2) and (3).

(2) Works in connection with drilling or modifying wells in the offshore area covered by licences for exploration and production of raw materials, including hydrocarbons, are not comprised by subsection (1), but see subsection (3).

(3) Works in connection with drilling or modifying wells in the offshore area covered by licences for exploration and production of raw materials, including hydrocarbons, may not be initiated until the approval of the Minister for Climate, Energy and Utilities has been obtained for resource-related issues concerning equipment, working programme and working methods in each individual case.

(4) The Minister for Climate, Energy and Utilities may lay down terms and conditions for approvals granted pursuant to subsections (1) and (3).

28a.-(1) Licences and approvals for offshore projects under this Act which in itself or in connection with other projects or plans must be assumed to be able to impact materially appointed international nature protection areas, can only be granted based on an assessment of the project impacts on the location taking into consideration the objectives for the conservation thereof. If deemed necessary by the Minister for Climate, Energy and Utilities, an assessment of the impact on the site shall be included in the material that has been submitted to the general public, authorities and organizations for consultation.

(2) When submitting applications and assessments pursuant to subsection (1) above, the applicant shall include all information necessary for the consideration of the relevant application or assessment. For use in considering the application or assessment, the Minister for Climate, Energy and Utilities may order the applicant to submit information about or make investigations into specific matters.

(3) Licences or approvals may only be granted pursuant to this Act if

- (i) the project does not adversely affect the integrity of an international nature protection area; or
- (ii) weighty societal considerations, including of a social or economic nature, make it imperative to implement the project because no alternative solutions exist; but see subsection (4) below.

(4) In case of international nature protection areas with a priority natural habitat type or a priority species, a licence or approval for a project covered by subsection (3)(ii) may only be granted if

- (i) this is necessary in the interest of human health, public safety or significant beneficial effects on the environment; or
- (ii) other weighty societal considerations make it imperative to implement the project.

(5) A licence or approval pursuant to subsection (4)(ii) may be granted only upon submitting the matter for the opinion of the European Commission.

(6) When licences or approvals are granted pursuant to subsection (3)(ii) or subsection (4), the Minister for Climate, Energy and Utilities shall lay down terms and conditions regarding appropriate compensatory measures. The expenses for such compensatory measures shall be covered by the project applicant. The Minister shall notify the European Commission of the compensatory measures taken.

28b. In connection with offshore projects, the Minister for Climate, Energy and Utilities shall take appropriate measures, including by laying down terms and conditions, issuing enforcement notices or prohibition notices, to avoid deteriorating natural habitat types and the natural habitats of the species in international nature protection areas and disturbing the species for whose protection the areas have been designated if such disturbances have major consequences for the objectives set out in Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora (the Habitats Directive).

28c.-(1) The Minister for Climate, Energy and Utilities shall lay down detailed rules and regulations regarding, the content and scope of assessments pursuant to section 28a(1), applications

for and the granting of licences and approvals for the projects covered, the minimum information and investigations required for making an assessment of the impact on international nature protection areas, the notification and consultation of the members of the public, authorities and organizations affected in respect of assessments made pursuant to section 28a(1), and regarding terms and conditions, compensatory measures and enforcement notices.

(2) The Minister for Climate, Energy and Utilities may stipulate that decisions pursuant to section 26(2) and sections 28a and 28b shall be subject to an opinion being obtained from the Minister for the Environment, or from an agency duly authorized by the Minister, on issues relating to protection of the environment and natural resources.

28d.-(1) In an offshore area where the exploration target is hydrocarbons, the drilling of an exploration well from installations not used for production may only be initiated subject to early and efficient public participation with respect to any impact of the planned activities on the environment pursuant to provisions implementing EU legislation other than Directive 2013/30/EU of 12 June 2013 on safety of offshore oil and gas operations, including Directive 2001/42/EC of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment or Directive 2011/92/EU of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment.

(2) Where the initiatives referred to in subsection (1) above have not been taken, the Minister for Climate, Energy and Utilities shall ensure public participation. The Minister shall lay down rules and regulations on the notification and consultation of members of the public and the public authorities and organizations affected, including time limits for such notification and consultation.

29.-(1) Licences may not be assigned to any other party, neither directly nor indirectly, unless the Minister for Climate, Energy and Utilities allows such assignment and approves the pertinent terms and conditions.

(2) The Minister for Climate, Energy and Utilities may only approve an assignment as referred to in subsection (1) above if, following such assignment, the licensee is still considered to have the necessary technical and financial capacity and can be expected to carry on the activities in a manner so as to ensure that society gains maximum insight into and benefit from the activities. The Minister may lay down specific terms and conditions for the approval of any such assignment.

(3) A licence granted under the provisions of this Act shall not be available to the recourse of creditors.

29a.-(1) A party which wholly or partially, directly or indirectly assigns a licence for exploration for and production of raw materials, including hydrocarbons, a licence for establishment and operation of pipeline facilities or a licence for exploration and use of the subsoil for storage or other purposes than production has secondary financial liability towards the remaining licence holders as regards expenses for the decommissioning of any installations, including the decommissioning of installations on which work has begun, etc., see section 32a, that existed at the time of assignment. The assignor pursuant to the first sentence has secondary financial liability towards the Danish state if the expenses referred to in the first sentence hereof are not covered by another licence holder.

(2) The assignor also has secondary financial liability towards the Danish state for the expenses referred to in subsection (1) above if the state has been compelled to take over the decommissioning for the licensee's account.

(3) The financial liability referred to in subsections (1) and (2) above shall be calculated based on the amount of expenses for implementing the decommissioning that is attributable to the assigned licence share.

(4) The assignor's financial liability shall apply notwithstanding any subsequent assignment of the licence share, or parts thereof, but any claims shall first be advanced against the licence holder most recently assigning the licence share.

(5) As referred to in section 29, an approval of any whole or partial assignment of a licence for

exploration and production of raw materials, including hydrocarbons, a licence to establish and operate pipeline facilities or a licence to explore and use the subsoil for storage or other purposes than production is subject to the condition that the assignor has issued a declaration accepting secondary liability, see subsections (1)-(4) above, towards the parties from time to time jointly holding the licence (the licensee) and towards the Danish state.

(6) The Minister for Climate, Energy and Utilities shall approve declarations issued pursuant to subsection (5) above and may lay down terms and conditions for such approval.

(7) In connection with approval under section 29(1) of an assignment of a license, the Minister for Climate, Energy and Utilities may, in special circumstances, exempt from the requirement for secondary financial liability under subsections 1 and 2.

30.-(1) The Minister for Climate, Energy and Utilities may wholly or in part revoke any licence granted under this Act

- (i) in case of non-compliance with the provisions of this Act or with any provisions, terms and conditions or enforcement notices issued in pursuance of the Act;
- (ii) where an application for a licence contains incorrect or misleading information;
- (iii) where a licensee files a petition for suspension of payments or is declared bankrupt.

(2) Where the matter can be rectified by the licensee, a licence may not be revoked in accordance with subsection (1)(i) above until the Minister for Climate, Energy and Utilities has issued an enforcement notice specifying a time limit within which the matter shall be rectified, and the licensee fails to comply with such enforcement notice.

31. It may be stipulated in a licence that a dispute between the Minister for Climate, Energy and Utilities and the licensee as to whether the licensee has complied with the licence terms shall be brought before an arbitral tribunal, whose decision shall be final and conclusive.

32. A licence shall stipulate the extent to which the licensee's obligations shall continue to exist after the expiry, relinquishment, lapsing or revocation of the licence. Further, it may be stipulated that if a work obligation or other obligations are not fulfilled, the Minister for Climate, Energy and Utilities may demand that the licensee shall pay the amount, in whole or in part, that it would have cost to fulfil the relevant obligation.

32a.-(1) Applications for licences or approvals pursuant to sections 10, 17, 23 or 28 shall be accompanied by a plan for the decommissioning of all facilities and installations, etc. comprised by the application and any facilities and installations, etc. previously approved under the licence covered by this Act that the application concerns.

(2) The decommissioning plan shall include a calculation of the estimated expenses for implementing the decommissioning plan and a description of how security will be provided for availability of the funds necessary for implementing the decommissioning plan. The decommissioning plan shall be approved by the Minister for Climate, Energy and Utilities. The Minister may lay down terms and conditions for such approval.

(3) An approval pursuant to section 28(1) or (3) of a programme for the temporary abandonment of an exploration or appraisal well may only be granted if the licensee has provided security for the expenses connected with permanent abandonment.

(4) Licensees holding licences that comprise facilities and installations, etc. for the purpose of activities covered by the Act that were established prior to 19 July 2015 and facilities and installations, etc. approved pursuant to sections 10, 17 or 23, but not yet established by that date, shall submit decommissioning plans for such facilities and installations prior to 19 July 2018 for approval by the Minister for Climate, Energy and Utilities. But decommissioning plans shall be submitted no later than two years before the expiry of a licence or no later than two years before the date on which one or more facilities or installations are expected to be abandoned or disused. The Minister for Climate, Energy and Utilities shall approve such decommissioning plans and may lay down specific terms and conditions for their approval.

(5) Licensees and owners of facilities and installations, etc. established pursuant to the Act on the Establishment and Use of a Pipeline for Transport of Crude Oil and Condensate, see Consolidated Act No. 277 of 25 March 2014, shall also submit decommissioning plans for facilities from the North Sea until the first terminal on shore. The Minister for Climate, Energy and Utilities shall approve such decommissioning plans and may lay down specific terms and conditions for their approval.

(6) Decommissioning plans pursuant to subsections (1) and (3) above shall comprise the decommissioning of all facilities and installations, etc. and a calculation of the estimated expenses for implementing the plan. The decommissioning plan shall state how and at which times security will be provided for availability of the funds necessary for implementing the decommissioning plan.

(7) The Minister for Climate, Energy and Utilities may lay down more detailed rules and regulations regarding the content of a decommissioning plan, including the assumptions to be used for decommissioning facilities and installations, etc., the calculation of expenses, and the requirements regarding provision of security for the funds necessary for removal. Moreover, the Minister may lay down more specific rules and regulations regarding the calculation of expenses and requirements for the provision of security covering the funds necessary for the permanent abandonment of exploration and appraisal wells.

33. Licences granted in pursuance of this Act shall lay down detailed provisions on the action to be taken in respect of installations established by the licensee when the licence expires, is relinquished, lapses or is revoked, as well as the action to be taken in respect of installations that become obsolete prior to such time.

34.-(1) The Geological Survey of Denmark and Greenland and the Danish Energy Agency shall collect all information available about the Danish subsoil. With a view hereto, samples and other information about the subsoil obtained in connection with the performance of activities covered by this Act shall be submitted to them in accordance with rules and regulations laid down by the Minister for Climate, Energy and Utilities.

(2) Licences granted in pursuance of this Act may lay down provisions on confidentiality with regard to the samples and information submitted in pursuance of subsection (1) above.

34a.(1) The Minister for Climate, Energy and Utilities may lay down rules to the effect that specific international regulations and technical specifications containing requirements regarding companies, installations, facilities, formats, etc. that are referred to in rules issued under this Act shall not be recorded in the Official Gazette.

(2) The Minister for Climate, Energy and Utilities shall lay down rules describing how to obtain information about the international regulations and technical specifications that are not recorded in the Official Gazette; see subsection (1).

34b.-(1) The Minister for Climate, Energy and Utilities may lay down rules and regulations to the effect that written communication to and from the Minister about issues comprised by this Act or rules and regulations laid down in pursuance thereof shall be transmitted digitally.

(2) The Minister may lay down more specific rules and regulations regarding digital communication, including about the use of specific IT systems, special digital formats, digital signatures and the like.

(3) For the purposes of this Act, a digital message shall be considered to have reached the recipient when it is available to the addressee of the message.

35.-(1) A licensee shall be liable to pay damages for any loss, damage or injury caused by the activities carried on under the licence, even though such loss, damage or injury was caused accidentally.

(2) In the event that the injured party contributed to the loss, damage or injury, either intentionally or through gross negligence, the damages payable may be reduced or lapse.

36.-(1) To the extent necessary, the Minister for Climate, Energy and Utilities may permit the compulsory acquisition of real property for the purpose of activities covered by this Act.

(2) Compulsory acquisition in accordance with subsection (1) above shall take place subject to the provisions of the Act on the Procedure for the Compulsory Acquisition of Real Property.

(3) The Minister for Climate, Energy and Utilities may allow short-term surveys undertaken in order to carry out any of the activities covered by this Act to be made on third-party property, although this may result in damage or inconvenience, against payment of compensation in full for any such damage or inconvenience. In the absence of agreement on the amount of compensation payable, such compensation shall be fixed in accordance with the provisions referred to in subsection (2) above.

37. The Minister for Climate, Energy and Utilities may authorize the Danish Energy Agency and other governmental authorities to exercise the powers conferred on the Minister for Climate, Energy and Utilities under this Act.

37a.-(1) The Energy Board of Appeal shall consider complaints about decisions made by the Minister for Climate, Energy and Utilities pursuant to this Act or rules or regulations laid down pursuant to this Act.

(2) Any party having a substantial and individual interest in the decision may file an appeal against decisions made pursuant to this Act.

(3) Moreover, local and natural associations or organizations whose main objective is to protect nature and the environment, or whose objective is to safeguard substantial, recreational interests, where the decision affects these interests, have a right to appeal against the environmental issues relating to decisions made pursuant to sections 10, 17, 23d, 23u and 28, provided the decisions are also comprised by section 28 a, section 28b or the Danish Act on Environmental Assessment of Plans and Programmes and Actual Projects (EIA). No later than at the time of filing their appeal, the relevant local and national associations or organizations shall submit their byelaws to the Energy Board of Appeal to substantiate that they are locally based or have nationwide coverage and that their objectives meet the requirements stipulated.

(4) The complaint shall be lodged in writing to the Energy Board of Appeal within four weeks from the time when the decision has been announced. If the decision has been published, the time limit shall always be reckoned from the date of publication. If the time limit for lodging appeals expires on a Saturday or a holiday, the time limit shall be extended to the next following weekday.

(5) A licence pursuant to sections 10, 17, 23d, 23u and 28, where such licence is also comprised by section 28a, section 28b or the Danish Act on Environmental Assessment of Plans and Programmes and Actual Projects (EIA), may not be utilized until the time for lodging appeals has expired.

(6) Appeals against a licence granted for a project comprised by subsection (5) above shall not have a suspensive effect unless otherwise determined by the Energy Board of Appeal.

(7) Decisions made by the Danish Energy Agency or another state authority to which the Minister has transferred his powers cannot be brought before an administrative authority other than the Energy Board of Appeal.

37b.-(1) When considering the decisions referred to in section 37a above, the representatives appointed to the Energy Board of Appeal on the recommendation of the Confederation of Danish Industries and the Agricultural Council of Denmark shall be replaced by one expert in exploration and production of the relevant raw material or in the relevant form of storage or other use of the subsoil, and by one expert in marine environmental issues. These two members shall be appointed by the Minister for Climate, Energy and Utilities.

(2) The Minister for Climate, Energy and Utilities may lay down rules on the procedure to be adopted by the Energy Board of Appeal in hearing appeals lodged in accordance with section 37a and on the payment of fees for filing such appeals.

38.-(1) Any party

- (i) carrying on the activities referred to in section 1(2) or section 17 without a licence issued by the Minister for Climate, Energy and Utilities,
- (ii) transgressing the provisions of section 26(1) or failing to submit the samples or other information required according to section 34,
- (iii) disregarding enforcement notices issued in accordance with this Act or regulations laid down in pursuance of the Act or ,
- (iv) which does not, within the time for conclusion of agreements determined by the Minister or no later than simultaneously with the notice of not intending to enter into an agreement on using capacities of facilities and installations for third-party access deletes or returns confidential information which is disclosed under section 10 or section 17

shall be punishable by a fine or imprisonment for a term of up to four months.

(2) Any regulations issued in pursuance of this Act may include penalty provisions imposing a fine or imprisonment for a term of up to four months for any transgression of the provisions laid down in such regulations.

(3) Companies, etc. (legal persons) may be held criminally liable in accordance with the provisions laid down in Part 5 of the Danish Criminal Code.

39. In case of non-payment, the taxes and fees payable under this Act shall be recoverable through execution proceedings.

40.-(1) This Act shall come into force on 1 July 1981.

(2) Any concessions and licences granted under Act No. 181 of 8 May 1950 on the Exploration for and Production of Raw Materials in the Subsoil of the Kingdom of Denmark, with associated protocols, contracts and agreements, shall remain in force subject to the amendments following from this Act, but the provisions of sections 19 through 22 shall not apply to such concessions and licences. Section 13 of the Sole Concession of 8 July 1962 to Explore for and Recover Hydrocarbons from the Danish Subsoil shall not be changed as a result of section 29. The provisions laid down in the above-mentioned concessions and licences regarding confidentiality shall continue to apply to information submitted in pursuance of section 34(1) above. As concerns activities under- taken in pursuance of the Sole Concession of 8 July 1962 to Explore for and Recover Hydrocarbons from the Danish Subsoil, with appurtenant protocols and agreements, any decisions made by the Minister for Climate, Energy and Utilities that fix dates of production startup pursuant to section 14 above, see section 10, and change approved production plans and regulate production pursuant to section 15(2) may be referred by the Concessionaires to the Board of Arbitration mentioned in Section 14(2) of the Concession; see Executive Order No. 372 of 7 November 1963, as subsequently amended.

41. Act No. 181 of 8 May 1950 on the Exploration for and Production of Raw Materials in the Subsoil of the Kingdom of Denmark shall be repealed.

42. Any concessions and licences, etc. granted in pursuance of Act No. 181 of 8 May 1950 on the Exploration for and Production of Raw Materials in the Subsoil of the Kingdom of Denmark may be revoked in accordance with the provisions of section 30 above, in the event that the concessionaires or licensees fail to comply with the provisions of such concessions and licences, including the associated protocols, contracts and agreements, or with terms and conditions or enforcement notices issued in pursuance thereof.

43. This Act shall not extend to Greenland and the Faroe Islands.

Act no. 535 of 29 April 2015 (Implementing of the offshore, in the alternative responsibility for decommissioning of facilities, plans for the decommissioning of facilities, provision of security, extension of geothermal licences, emergency procedures for supply matters, insurance, digital communication etc.) that concerns the footnote to the title of the Act, section 1(2)(ii)-(iv), section 1(3), section 1a, section 5(3)-(5), section 12a(1), para a, section 17(2), section 17a, section 18b(1), para a, section 18c(1), section 18 c(3) and (4), section 23c(1), para a, part 7a, section 27(2), section 28, section 28d, section 29(2) and (3), section 29a, section 32a, section 34 b and section 37a(3) first sentence and (5) contains the following commencement and transitional provisions:

2.

The Act enters into force on 19 July 2015.

3.

(1) Section 28(2) and (3) in the Act on the Use of the Danish Subsoil as drafted by section 1(18) of this Act, applies to works in progress or started on 19 July 2016 or later.

(2) Section 28d(1) in the Act on the Use of the Danish Subsoil as drafted by section 1(19) of this Act, does not apply to drilling of exploration wells made on the basis of licences granted before 18 July 2013.

(3) Section 1(21) applies to transfers approved under section 29(1) in the Act on the Use of the Danish Subsoil if the approval is given after the entering into force of the Act.

Act no. 427 of 18 May 2016 (Consequential changes etc. as a result of the Act on Environmental Assessment of Plans and Programmes and Actual Projects (EIA) if section 5 concerns section 28a(1), first and second sentences, section 28c(1), and section 37a(3) and (5), contain the following commencement and transitional provision:

10.

(1) The Act enters into force on 16 July 2017, but see subsection 2.

(2)-(6) (Omitted)

(7) The Act does not extend to the Energy Board of Appeal's processing of complaints about decisions under the Act on the Use of the Danish Subsoil, the Act on the Continental Shelf and the Act on Promotion of Renewable Energy, or rules issued thereunder made before the commencement of the Act. For such complaints, the rules hitherto in force apply.

Subsection 8 (Omitted)

Subsection 9. The hitherto applicable rules in section 28a on the Act on the Use of the Danish Subsoil, section 4a in the Act on the Continental Shelf, and in consolidated act no. 1419 of 3 December 2015 on EIA, impact assessment concerning international nature protection areas and the protection of certain species in connection with offshore pre-investigations, exploration and production of hydrocarbons, storage in the subsoil, pipelines etc. still apply to actual projects covered by this Act if

1) The Danish Energy Agency has made a screening decision, see section 4(3) of the consolidated act before the commencement date,

2) The applicant has asked the Danish Energy Agency for an opinion as to which information must be presented in the environmental impact assessment, see section 5(4) of the consolidated act before the commencement date, or

3) The applicant has submitted the environmental impact assessment to the Danish Energy Agency, see section 5(1) of the consolidated act before the commencement date.

Act no. 1400 of 5 December 2017 (Improved third-party access in connection with the production of hydrocarbon, reservations of capacity and charging of contributions for decommissioning costs in the oil pipeline and new access to complaint in the Act on the Establishment and Use of a Pipeline for Transport of Crude Oil and Condensate etc.) if section 1 concerns section 10(3), second sentence, section 10(5) and (6), section 11(3), section 11a, section 13(1), first sentence, section 15a, section 16(3), section 16(5)-(9), section 16a, section 17(3)-(5), section 25(1), third sentence, section 26(1) and (4), section 30(1), section 38(1)(iii) and (iv), contains the following commencement and transitional provision:

3.

(1) The Act enters into force on 1 January 2018.

(2) (Omitted)

(3) Rules issued under section 16(5) of the Act on the Use of the Danish Subsoil, see Consolidated Act no. 960 of 13 September 2011, remain in force until repealed or replaced by new regulations issued under section 16(8) in the Act on the Use of the Danish Subsoil.

Act no.500 of 1 May 2019 to amend the Act on the Use of the Danish Subsoil (Stop permission for exploration for and production of hydrocarbons on land and in the inner Danish waters, alternatively financial liability, the rights holders submission of information, clarification of cover area etc)²⁾ contains the following section concerning the date on which the act enters into force

2.

The Act enters into force on 1 July 2019.

Energistyrelsen, den 16. december 2019

Danish Energy Agency, 16 December 2019

Martin Hansen

/ Carl-Christian Munk-Nielsen

Schedule 1

Delimitation of the geographic area for issuance of hydrocarbon licences, see section 3(2) and section 5(1), second sentence.

The geographical area for issuance of hydrocarbon licences, see section 3(2) and section 5(1), second sentence, is delimited by straight geodetic lines between the items 1-16 specified below. The coordinates of the items 1-16 are stated in European Datum 1950.

1.
57 degrees 41 minutes 48.0 seconds N 08 degrees 53 minutes 18.0 seconds E
2.
57 degrees 00 minutes 00.0 seconds N 07 degrees 50 minutes 00.0 seconds E
3.
55 degrees 30 minutes 00.0 seconds N 07 degrees 50 minutes 00.0 seconds E
4.
55 degrees 04 minutes 33.6 seconds N 08 degrees 13 minutes 00.0 seconds E
5.
55 degrees 10 minutes 03.4 seconds N 07 degrees 33 minutes 09.6 seconds E
6.
55 degrees 30 minutes 40.3 seconds N 05 degrees 45 minutes 00.0 seconds E
7.
55 degrees 15 minutes 00.0 seconds N 05 degrees 24 minutes 12.0 seconds E
8.
55 degrees 15 minutes 00.0 seconds N 05 degrees 09 minutes 00.0 seconds E
9.
55 degrees 24 minutes 15.0 seconds N 04 degrees 45 minutes 00.0 seconds E
10.
55 degrees 46 minutes 21.8 seconds N 04 degrees 15 minutes 00.0 seconds E
11.
55 degrees 55 minutes 09.4 seconds N 03 degrees 21 minutes 00.0 seconds E
12.
56 degrees 05 minutes 12.0 seconds N 03 degrees 15 minutes 00.0 seconds E
13.
56 degrees 35 minutes 30.0 seconds N 05 degrees 02 minutes 00.0 seconds E
14.
57 degrees 10 minutes 30.0 seconds N 06 degrees 56 minutes 12.0 seconds E
15.
57 degrees 29 minutes 54.0 seconds N 07 degrees 59 minutes 00.0 seconds E
16.
57 degrees 37 minutes 06.0 seconds N 08 degrees 27 minutes 30.0 seconds E

The latitude for clause 4 has been rounded.

The delimitation is rendered on the sketch map below.

