The oil and gas industry is the foundation upon which modern society has developed in the course of the past fifty years. Hydrocarbons underpin transportation, production and commerce throughout a global environment. Demand continues to remain high. Yet in the United Kingdom Continental Shelf (UKCS) the production profile has changed over the past decade, from that of buoyancy to maturity. It is within this context that difficulties arise – developments become uneconomic, infrastructure ages, decommissioning approaches and security of supply becomes a concern. The importance of a sound framework for legal regulation is all the more apparent in a mature province. It is fitting, therefore, to see a new edition of the bestselling text ‘Oil and Gas Law – Current Practice and Emerging Trends’ directly on this legal regime. In the four years following the first publication, much development has been seen in both law and industry. The second edition has been eagerly awaited by both students and practitioners alike.

The new text incorporates the substance of the previous edition, with the benefit of updated chapters and additional topics. The extent of this is apparent even at first glance, with some 150 pages having been added to this new book. It is helpfully divided into three main sections, providing a balance between the areas of contextual foundations (Chapters 1-3), substantive legal regulation (Chapters 4-11) and commercial concerns (Chapters 12-18). Written by a combination of academics and practising lawyers, the book combines issues of law and practice in a comprehensive manner. It provides the academic background necessary for any reader without knowledge of the industry, yet contributes well to the current debates for those involved in study or practice. The accessibility of the book has been fundamental to its success. In this regard, the editors note that their intentions were to provide ‘(...) a clear, reasonably concise and affordable account of contemporary oil and gas practice in the UKCS’. This they have undoubtedly achieved.

The new additions to this book include chapters on energy security (Chapter 3), the fiscal regime (Chapter 6), environmental regulation (Chapter 9) and technology in the oilfield (Chapter 15). Of these, the contribution on the taxation arrangement is extremely welcome. To date, there has been a lack of academic commentary on the legal aspects of the oil and gas taxation regime. It is an area that is generally excluded from most substantive revenue law related texts. Similarly, it is rarely dealt with in detailed contemporary energy law publications. This could be explained, perhaps, by the evolving nature of the area – the fiscal budget from the government each year often brings something of a change to the current outlook. Yet there are clearly principles in the regime which remain constant and which deserve a detailed review. Üşenmez does so in Chapter 6 by providing an overview of petroleum-specific taxation, focusing on Petroleum Revenue Tax, Ring Fence
Corporation Tax and Supplementary Charge. He allows the reader to gain an understanding of the practical application of these charges by providing example calculations, thereby removing the difficulty often found in considering fiscal laws in the abstract. The chapter is also extremely useful in charting the comprehensive and somewhat complex system of allowances and reliefs in relation to each charge. The interaction of a number of different pieces of legislation makes this an area which can be difficult to follow, but Üşenmez’s coherent and logical structure makes this simple for a reader to digest. Unfortunately, the date of publication meant that little consideration could be given to the controversial rise in the rate of Supplementary Charge from 20% to 32% in the 2011 Budget (mention given at footnote 83), which is, of course, inherent in the nature of any commentary on this ever-changing area. This does not, however, detract from the value of this chapter to any extent.

Chapter 6 sits well alongside the book’s earlier chapter on ‘Evolving Economic Issues’ by Kemp (Chapter 2), which benefits from a short postscript consideration of the effects of this budget change (p. 32). Kemp’s chapter considers the economics of the industry to a much wider degree and thus the two chapters complement one another. In this first edition, Kemp’s chapter sat somewhat isolated from much of the rest of the book, in that it was the only dedication to purely fiscal matters. Some of the terminology and technical language in this chapter may, therefore, have been difficult for a reader with no previous knowledge of the regime to grasp. This new edition, which allows for detailed consideration of the legal aspects of the fiscal regime alongside this contextual outlook from an economist’s perspective, results in a much improved text in this regard.

In the context of recent events in the industry, the importance of the new material on environmental regulation also becomes clear. Following the Gulf of Mexico disaster in 2010, the focus on the need for appropriate environmental safeguards became much more apparent. It is useful, therefore, that an overview of the current UK and European environmental regulation be included in this second edition. The chapter, written by Havermann, follows neatly on from Paterson’s chapter on health and safety (Chapters 8 and 9) – highlighting the combined importance of an operator’s overall responsibility in the safeguarding of life and of the marine environment throughout operations. Much of the concerns regarding occupational safety in the mature province – such as financial and time-based pressures, and the concern of ageing assets – equally result in environmental concerns and a proper assessment of this area of safety regulation would not be complete without a full acknowledgment of the environmental point. Chapter 9 is, therefore, another welcome addition to the text which contributes to the book’s relevance following the impact of the largest oil spill in recent years.

In addition to the new material in this volume, the remaining chapters have been substantively updated in light of legislative and contextual changes. In particular, these include updates following the Energy Act 2008 in relation to access to infrastructure (Chapter 7) and decommissioning (Chapter 10), and the new Model Clauses found in the Schedule to the 2008 Petroleum Licensing Regulations, as further amended in 2009 (Chapter 4). An interesting point of note from the new edition is the removal of some of the first edition material. Chapters on public procurement rules and on employment law issues in the oil and gas context do not
feature in the updated text. This is unfortunate, particularly given the nature and structure of employment within the industry, with much work being undertaken by agency or contractor personnel. Readers will, of course, still be able to benefit from the material written on these points, but simply must revert to the first edition to do so.

Overall, the value of this comprehensive and detailed overview of the current legal position in the oil and gas industry cannot be overstated. In the opening chapter of this book, the authors note that there are many lessons that arise from the accumulation of experience gained in a mature province such as the UKCS. This is undoubtedly true and it is clear from this book that there is much that can be learnt. It is a fantastic starting point for any student, academic or practitioner in this area and should be acquired without hesitation. I am sure that the second edition of this book will prove to be equally as successful as the first.

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