

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(80) 415 final

Brussels, 18th July 1980

Proposal for a
COUNCIL DECISION
on the grant of measures of support for Community projects in
the hydrocarbons sector
(1980)

(submitted to the Council by the Commission)

COM(80) 415 final

REASONS

1. The Council of the European Communities adopted Regulation (EEC) No. 3056/73¹ on the support of Community projects in the hydrocarbons sector on 9 November 1973. This support is intended to promote technological development directly related to those activities in prospection for, exploitation and storage or transport of hydrocarbons which are likely to increase the security of the Community's energy supplies.
2. In application of this Regulation, and following a proposal by the Commission, the Council authorised support measures involving a sum of the order of 183 million e.u.a. for the carrying out of 168 projects during the years 1974 to 1979².
3. For the current financial year the Commission, in the Official Journal - No. C 242 of 27 September 1979 - published an invitation to all parties concerned to submit, by 30 November 1979, applications for support that might qualify for consideration in the course of the 1980 budgetary year.
4. In reply to this invitation the Commission received applications from 39 Community undertakings involving 58 technological development projects and estimated costs of some 140 million e.u.a. during the period 1980 to 1982.
5. The Commission, charged with processing applications for support, gave the projects a preliminary examination to determine whether they were receivable under the terms of Regulation No. 3056. The purpose of this examination was to establish whether:

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¹ OJ No. L 312/1 of 13 November 1973.

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- Council Decision of 19 December 1974 on the grant of support for 21 technological development projects in the hydrocarbons sector (Doc. R/3600/74).
- Council Decision of 4 May 1976 on the grant of support for 36 technological development projects in the hydrocarbons sector (Doc. R/354/76).
- Council Decision of 25 October 1977 on the grant of support for 40 technological development projects in the hydrocarbons sector (Doc. R/2416/77).
- Council Decision of 30 October 1978 on the grant of support for 49 technological development projects in the hydrocarbons sector (Doc. R/2671/78).
- Council Decision of 29 October 1979 on the granting of support for Community projects in the hydrocarbons sector (OJ No. L 281 of 10 November 1979).

(i) the projects were relevant to technological development activities directly relating to the activities of prospection for, exploitation and storage or transport of hydrocarbons;

(ii) the natural or legal person in charge of the project was duly constituted under the current laws of the relevant Member States of the Community.

6. The Commission then sent the documentation on each project to the Member States for the purpose of consultation and considered any observations or comments received.

7. On the basis of these preliminaries, as well as information provided by the applicant companies, the Commission proceeded to assess each project and draft those measures which the Council would possibly be called upon to grant.

8. As each project has to meet one imperative condition, namely that carrying it out would result in greater security of Community supplies of hydrocarbons, the Commission, in application of the provisions of Regulation No. 3056/73, adopted the following assessment criteria:

- (a) degree of technical innovation in the project compared with the current state of the art;
- (b) technical feasibility of the project and probability of success;
- (c) the number or range of possible applications of the results of the project;
- (d) reliability of the project in relation to the health and environmental protection standards;
- (e) risk of duplicating other techniques already evolved or under development, and the possibility of co-operation between other similar projects;
- (f) the technical capacity and financial standing of the parties responsible for the project; the possibility of an association between the latter and the potential partners in the oil industry.

9. In making its assessment the Commission particularly took into account the question of certain objectives, which in the Commission's opinion have priority, being achieved by the project in question, e.g.:
- (a) improving exploration techniques;
 - (b) increase in the overall recovery rate from known deposits;
 - (c) increasing the recovery rate by eliminating technical obstacles;
 - (d) making better use of small deposits;
 - (e) improving the degree of technical reliability in relation to production from the fields;
 - (f) shortening the period required before a known deposit comes into production;
 - (g) the possibility of exploiting heavy and viscous crudes as well as reservoirs containing crude of low mobility.
10. The Commission has moreover decided that no supporting measures should be considered in the case of projects which:
- (a) are simply preliminary studies or involve no technical risks;
 - (b) relate to the perfecting of equipment which, although representing technological progress, offers very limited prospects of use in the hydrocarbons sector;
 - (c) represent a stage in developing an existing technique but do not provide the type of solution which takes future needs into account.
11. In some cases the Commission has also made large reductions in the investment sums proposed for Community support whenever the assessed cost appeared disproportionate to the stated aims or where part of the project did not appear to correspond with the intention of Regulation 3056/73.
12. Once the process was completed, 34 projects were regarded as qualifying for Community support, the corresponding investment amounting to 78,667,685 e.u.a. for the three-year period 1980/1982.
13. The Commission proposes intervention ranging from 30 to 40% of these investments.
14. In order to determine how much support to grant each project, the Commission, taking account of the provisions of Article 4 of Regulation 3056/73 referred to above, namely:
- (a) Community support may constitute only a minority share of the financing of the project;
 - (b) the sum which may be granted to a project shall depend on expected results and the relevance of such projects to the Community;

worked on the following principles:

- (a) maximum support will be given to projects, the exploitation of whose results would lead to an increase in the available quantities of, and/or speed up the process of making the best use of, the Community's hydrocarbon resources;
 - (b) an intermediate level of support will be given to projects dealing with geophysics;
 - (c) a minimum level of support will be given to projects concerning the hydrocarbons transport and storage sectors, in principle;
 - (d) projects aimed at perfecting service activities will receive the minimum rate of support. Should this type of project lead to the elimination of a major bottleneck it could be assigned a higher rate of support.
15. In application of these principles and taking into account the project assessment results, the total support that the Commission proposes should be granted during the period 1980-82 to the 34 projects adopted amounts to 28,100,164 e.u.a.
16. These support measures should be granted in the form of subsidies repayable in the event of the commercial exploitation of any results obtained.
17. The Commission will ensure that the advantages granted by the Community to the promoters of these projects do not alter the existing conditions of competition in the Community market in any way incompatible with the provisions of the Treaty as it applies to this field.
18. Where two or more undertakings which receive Community support are pursuing similar objectives, the Commission will organise special meetings with a view to achieving a reasonable degree of co-operation.

in the 1980-82 period...
amount 10... million e.u.a. made up as follows:

19. The allocations available in the 1980 budget for Community projects in the hydrocarbons sector will amount to 29.5 million e.u.a., made up as follows:

- 15 million e.u.a. from the 1980 budget¹
- 8.5 million e.u.a. as remaining allocations from 1979
- 3 million e.u.a. from readjustments²
- 3 million e.u.a. as a transfer from Article 3201 (Hydrocarbons Exploration)³

20. The Council is invited to pronounce upon the following proposals for support with the understanding that the Commission firmly commits itself not to sign support contracts beyond the level of budgetary availabilities, both in the framework of the provisional twelfths and the final 1980 budget, duly voted and accepted.

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X XX

The Council is asked to adopt the following decision:

¹ As the 1980 budget has not been approved, the system of the "provisional twelfths" is presently applicable: on the 1st of June the allocations thus available amount to 10 million e.u.a., to which will be added every month the sum of 1,250,000 e.u.a. until the amount of 15 million e.u.a. is reached.

² A request in this sense has been introduced for 1.6 million e.u.a. from Article 3240 and 1.4 million e.u.a. from Article 3241. This corresponds to recovery of allocations transferred during 1979 from Article 3200.

³ These allocations will not be transferable until the 1980 budget appropriations are approved.

6.

PROPOSAL FOR A COUNCIL DECISION

on the granting of support for
Community projects in the hydrocarbons sector

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Regulation (EEC) No. 3056/73 of 9 November 1973 on the support of Community projects in the hydrocarbons sector¹, and in particular Article 6 (2) thereof,

Having regard to the proposal from the Commission,

Whereas Regulation (EEC) No. 3056/73 provides for the granting of support for the carrying out of technological development projects which are of fundamental importance in ensuring the Community's supply of hydrocarbons;

Whereas it is essential to proceed with the carrying out of projects which are particularly likely to expedite the exploitation of resources and improve storage and transport conditions for hydrocarbons in the Community which could not be carried out or would have to be postponed without Community support,

¹ OJ No. L 312, 13.11.1973, p.1.

HAS DECIDED AS FOLLOWS:

Article 1

For the period 1980 to 1982, support shall be granted for the Community projects shown in the Annex, in the form of subsidies, repayable if the results are exploited commercially, up to a maximum amount of 28,100,164 e.u.a.

Article 2

The support referred to in Article 1 shall be granted for each of the projects on the basis of the percentages shown in the Annex of the actual cost as verified and accepted by the Commission up to the maximum amounts also specified in the Annex.

Article 3

The Commission shall negotiate and conclude with the persons concerned the contracts necessary for the implementation of this Decision.

The Commission shall administer such contracts.

Done at Brussels,

for the Council

The President

Proposed support of Community projects in the hydrocarbons sector (1980)

01 Geophysics and prospecting

Number	Project title	Promotor	Total investment (1980-1982) EUA	Appreciation and rate of support	Amount of support EUA
01/17/79	Development and improvement of a new technique for the exploration of hydrocarbons	Colin Phipps Ltd.	1,577,808	A hydrocarbon exploration technique based on the interpretation of infra-red emissions from the earth. Should be done in conjunction with an oil company. <u>Not to be supported</u>	-
01/21/80	VSP* techniques and surface seismic recording in compression and shear waves in the field	GERTH	1,547,822	Calibration by VSP technique of a method interpreting shear and compression waves using new tool. Will lead to improved knowledge of Lithology and of fluid content in reservoirs. <u>Support recommended: 35%</u>	541,737
01/22/80	Further development and test of a new measurement system for off-shore refraction seismics for exploration of hydrocarbons	University of Hamburg	563,935	Use of refraction seismics in complicated tectonics will open, if successful, new areas of exploration. <u>Support recommended : 35%</u>	197,377
01/23/80	High resolution seismic on oil fields	GERTH	773,911	Novem method of obtaining tectonic information in oil fields already developed. If successful project will lead to exact knowledge of tectonics of a field. <u>Support recommended : 35%</u>	270,869

*) vertical seismic profile

01 Geophysics and prospecting

Number	Project title	Promotor	Total investment (1980-1982) EUA	Appreciation and rate of support	Amount of support EUA
01/24/80	Development of seismic technology to be used for hydrocarbon exploration in pre-permian basins	GERTH	2,063,763	The implementation of this project will give improved data and interpretation for exploration in pre-permian basins. <u>Support recommended: 35%</u>	722,316
01/25/80	Development of a high performance automatic self correcting magnetotelluric apparatus for the exploration of hydrocarbons	Geotronics Ltd.	191,080	The technique proposed does not appear attractive because of the difficulty of developing suitable sensitive instruments. Should only be undertaken in partnership with a group experienced in geophysics. <u>Not to be supported</u>	

03 Production systems

Number	Project title	Promotor	Total investment (1980-1982) EUA	Appreciation and rate of support	Amount of support EUA
3/74/79	P300. Steel gravity production platform for 300 m. water depth	Tecnomare SpA	794,143	Extension of existing technology to 300 m. + of depth European deep water fixed structure. <u>Support recommended: 40%</u>	317,657
3/76/79	Industrial realisation of a very accurate counting system for liquid and gaseous hydrocarbons	Ultraflux	198,887	The implementation of this project will increase accuracy of gas measurement with great improvement in production economy. <u>Support recommended: 40%</u>	79,555
03/84/79	Single point moorings for offshore hydrocarbon loading in very deep waters	Tecnomare SpA	1,330,306	The project covers an important area for offshore deep water production systems. <u>Support recommended: 40%</u>	532,122
03/87/80	Development of a system for the production of methanol from associated gas offshore	Stone and Webster	2,994,276	Since the proposed system is compact and improves economic viability, it could be important in marginal fields development. <u>Support recommended: 40%</u>	1,197,710
03/88/80	Reliable operation of subsea production systems	Det Norske Veritas	2,815,794	Project withdrawn by the promotor.	-

03 Production systems

umber	Project title	Promotor	Total investment (1980-1982) EUA	Appreciation and rate of support	Amount of support, EUA
3/89/80	Full scale testing of risers for deep water production of hydrocarbons	Det Norske Veritas	4,111,060	Project <u>withdrawn</u> by the promotor.	-
3/90/80	Floating self set-up satellite	A.C.B.	481,544	Novel project which should improve field economics <u>Support recommended: 40%</u>	192,617
3/91/80	A monitoring system for remote subsea oil wellheads	B.P. Ltd.	1,044,668	This project, if successful, will have considerable application in the safe operation of subsea production systems. <u>Support recommended: 40%</u>	417,867
3/92/80	Acoustic monitoring of marine risers	Structural Dynamics Ltd.	777,860	Project financing should be examined with the possibility of resubmitting <u>Not to be supported</u>	-
3/93/80	Surface to seabed installation techniques	Atkins and Partners	1,920,347	Similar to project submitted in May 1979. Should be carried out with active participation of manufacturer. <u>Not to be supported</u>	-

03 Production systems

Number	Project title	Promotor	Total investment (1980-1982) EUA	Appreciation and rate of support	Amount of support EUA
03/94/80	Platform for the development and testing of heavy oil preliminary processing methods	GERTH	4,987,428 *	Important project in the field of processing very heavy crudes. <u>Support recommended: 40%</u>	1,994,971
03/95/80	Underwater system for control of blowouts	Mobell	4,608,832	Technically feasible but the company structure is not sufficiently definite. <u>Not to be supported</u>	-
03/96/80	Development of columns not sensitive to motions	Linde A.G.	268,639	Extension of existing EEC contract. <u>Support recommended: 40%</u>	107,455
03/97/80	A seabed supported facility for the recovery of natural gas liquids	Liquid Gas Equipment Ltd.	700,972	Project <u>withdrawn</u> by the promotor.	-
03/98/80	Cossmar II	Dyckerhoff and Widmann	1,010,999	Extension of existing EEC contract. <u>Support recommended: 40%</u>	404,399
03/99/80	A seabed located LPG/LNG production system for marginal offshore fields in deep water areas of the North Sea	Salzgitter A.G.	2,211,339	Development of seabed located facilities. Has applications in marginal field development. <u>Support recommended: 40%</u>	887,535
03/100/80	Continuous extraction of sludge in the oil water separation process	Bertin & Co.	384,279	Development covered in previous projects. <u>Not to be supported</u>	-

03 Production systems

Number	Project title	Promotor	Total investment (1980-1982) EUA	Appreciation and rate of support	Amount of support EUA
03/101/ 80	Single well production	B.P. Ltd.	3,687,066	Production system for deep water. Simplicity could lead to early production of deep water fields. <u>Support recommended: 40%</u>	1,474,826

05 Secondary and enhanced recovery

Number	Project title	Promotor	Total investment (1980-1982) EUA	Appreciation and rate of support	Amount of support EUA
05/15/80	Enhanced oil recovery from the Egmontan oil field by carbon dioxide miscible flooding	B.P. Ltd.	6,105,167	Pilot carbon dioxide flood test. Should serve as valuable model. <u>Support recommended: 40%</u>	2,442,066
05/16/80	Down hole steam generator for enhanced oil recovery	B.P. Ltd.	1,551,640	This project will improve efficiency of steam flooding. <u>Support recommended: 40%</u>	620,656
05/17/80	Oil recovery by CO ₂ injection in the Coulommès-Vaucourtois field	Petrorep	2,063,763	<u>Project postponed.</u>	-
05/18/80	Pilot steam injection into the field of St. Jean de Maruejols	GERTH	4,351,101	The crude oil to be recovered is of lighter quality than the one of project 05/19/80. Therefore test is not as interesting. <u>Not to be supported</u>	-
05/19/80	Pilot scheme for injecting steam into the Marienbronn heavy oil deposit	GERTH	6,696,860*	This test is interesting because of the heavy oil involved. <u>Support recommended: 40%</u>	2,678,744
05/20/80	Development of processes for the production of heavy oil in the FRG	Wintershall A.G.	6,696,861	Similar in objective to project 03/94/80 but the scope is different. Important in exploitation of heavy oil. <u>Support recommended: 40%</u>	2,678,744

05 Secondary and enhanced recovery

umber	Project title	Promotor	Total investment (1980-1982) EUA	Appreciation and rate of support	Amount of support EUA
5/21/80	Industrial scale pilot scheme for injecting micro emulsion and polymers into Neocomian deposits Chateaufrenard	GERTH	2,435,240*	Use of micro.emulsion and polymers in a large scale pilot test. <u>Support recommended: 40%</u>	974,096

06 Environmental influence on offshore equipment

Number	Project title	Promotor	Total investment (1980-1982) EUA	Appreciation and rate of support	Amount of support EUA
06/08/80	Underwater pile driving tests with hydraulically driven offshore pile drivers	Menck	841,960	The implementation of this project should produce interesting equipment for offshore pile driving. <u>Support recommended: 30%</u>	252,588
06/09/80	Development of mooring system for floating production platforms	SEP	832,384	Interesting development with immediate application in the area of TLP's. <u>Support recommended: 30%</u>	249,715
06/10/80	Adaptation of a gravity foundation system to removable production platforms	Sea Tank Co.	171,980	Development of facilities for removal of already developed STG-platform offshore. <u>Support recommended: 30%</u>	51,594
06/11/80	Anti oil spillage platform	Sea Tank Co.	239,052	This project is not eligible under provisions of Regulation 3056/73.	-
06/12/80	An investigation into the behaviour of piles under tensile loads	Taylor Woodrow	3,080,236	The project represents an important test programme with immediate application to TLP's. <u>Support recommended: 30%</u>	924,070

07 Auxiliary ships and submersibles

Number	Project title	Promotor	Total investment (1980-1982) EUA	Appreciation and rate of support	Amount of support EUA
07/34/80	Design, construction and experimentation of a self-contained manned submarine having wide range, long duration, great operation depth.	Subsea Oil	8,591,655	The main innovations in this project centre on the power system and the pressurised hull. Will increase the capability of submarines. <u>Support recommended: 30%</u>	2,577,496
07/35/80	Unmanned tethered system for construction and maintenance on underwater oil production installations	A.C.B./Intersub	3,430,530*	Development of novel equipment for subsea unmanned maintenance and repair vehicle. <u>Support recommended: 30%</u>	1,029,159
07/36/80	Personnel transfer system between platforms and supply ships	A.C.B.	343,960	Novel equipment for safe personnel transfer at sea. <u>Support recommended: 30%</u>	103,188
07/38/80	Development of an automatic rapid intervention sys	IRIS	828,539	The implementation of this project will extend the capability of existing equipment to deep sea. <u>Support recommended: 30%</u>	248,561
07/39/80	Recovery of oil spills at sea following an oil well tanker or pipeline accident	GERTH	1,238,258	This project is not eligible under provisions of Regulation 3056/73.	

07 Auxiliary ships and submersibles

Number	Project title	Promotor	Total investment (1980-1982) EUA	Appreciation and rate of support	Amount of support EUA
07/40/80	Remote controlled subsea vehicle for connection and disconnection of Coflexip flexible pipes	Coflexip	3,783,566	Because of its limited adaptability, this project is to be considered as a normal industrial development for the company in question. Not to be supported	-
07/41/80	Development of an underwater free swimming acoustically remote controlled vehicle	CNEXO	1,822,991	The development of this project is well advanced. A normal industrial development stage has already been reached. <u>Not to be supported</u>	-

09 Laying of pipelines

Number	Project title	Promotor	Total investment (1980-1982) EUA	Appreciation and rate of support	Amount of support EUA
09/18/80	Development of an ultrasonic riser pig	RTD	1,668,840	Development of an intelligent ultrasonic riser pig. <u>Support recommended: 30%</u>	500,544
09/19/80	J curve pipe Laying	GERTH	4,024,338	Extension of existing EEC contract. <u>Support recommended; 30%</u>	1,207,301
09/20/80	Design and safety assessment of deep water pipelines	TNO/IBBC	1,169,223	This project should be developed on a partnership basis involving as many oil companies and classification societies as possible. <u>Not to be supported.</u>	-

10 Pipeline transport

Number	Project title	Promotor	Total investment (1980-1982) EUA	Appreciation and rate of support	Amount of support EUA
10/21/ 80	An offshore pyrogenic transfer system	David Brown Vosper	752,365	Project financing situation is not satisfactory. <u>Not to be supported</u>	-
10/22/ 80	Homogenizer for hydrocarbon sampling	PLS Pipeline Service	137,584	Development of a novel device for correct measurement of pipeline crude quality. <u>Support recommended: 30%</u>	41,275
10/23/ 80	Transmitter for scraper location	PLS Pipeline Service	257,790	Normal industrial development. <u>Not to be supported</u>	-
10/24/ 80	Vacuumisation complete unit and procedure for the drying of gaslines	PLS Pipeline Services	429,950	Normal industrial development. <u>Not to be supported</u>	-

14 Storage

Number	Project title	Promotor	Total investment (1980-1982) EUA	Appreciation and rate of support	Amount of support EUA
14/09/80	Progetto Salmingas ; storage of GNL in Salt cavernes.	Istituto di Arte Mineraria	859,165	Due to results of Ruhrgas/KBB project, this proposal should be re-examined and resubmitted at a future date. <u>Not to be supported</u>	-
14/10/80	Underground cryogenic storage of LPG/LNG	Distrigas/Geostock	6,166,664	Application of work already carried out in previous contract. Important development for long-term EEC requirements of LNG storage facilities. <u>Support recommended: 30%</u>	1,849,999

15 Miscellaneous

22.

Number	Project title	Promotor	Total investment (1980-1982) EUA	Appreciation and rate of support	Amount of support EUA
15/11/80	Measurement of environmental factors and stresses on tanker loading facility safety control of mooring system type for Nilde field.	AGIP SpA	274,932	The monitoring of the SALS* of the NILDE field should supply interesting data for inspection of those installations. Support recommended : 30%	82,479
15/12/80	A new method of inspection of concrete structures	Southern Design	642,164	<u>Support recommended: 30%</u> Insufficient information and data supplied by the promotor. <u>Not to be supported</u>	-
15/13/80	Underwater system for non-destructive testing of platforms, risers and pipelines	Intersub	1,164,306	<u>Project postponed.</u>	-
15/14/80	Safety of offshore welded steel platforms	GERTH	1,719,802	Valuable project for the security of steel platforms. Does not fit, however, into programme 3056/73 and should be performed as an industry co-operative project. <u>Not to be supported</u>	-

* Single anchor lag storage system

15 Miscellaneous

Number	Project title	Promotor	Total investment (1980-1982) EUA	Appreciation and rate of support	Amount of support EUA
15/15/8	Development of the performance of concrete for hydrostatic conditions for offshore applications	Taylor Woodrow	3,232,328	Suitable for industry co-operative project. <u>Not to be supported</u>	-
15/16/8	Development of methods of rehabilitating damaged offshore concrete structures	Taylor Woodrow	829,529	The results of this project will be applicable to many structures in the North Sea. <u>Support recommended: 30%</u>	248,876
TOTAL			120,776,807		28,100,164
<p style="text-align: center;">* Reduced amount</p> <p style="text-align: center;"><u>Exchange rate:</u></p> <p style="text-align: center;">1 EUA = 5.814620 FF = 2.472800 DM = 0.650924 £ = 1,163.920000 £ft. = 2.757000 FL. = 0.669853 Ir.£ = 40.280300 FB</p>					

1. Relevant budget heading code : Article 320 - Item 3200

2. Title of budget heading : 'Community technological development projects in the hydrocarbons sector'.

3. Legal basis :

3.0. Regulation (EEC) N° 3056/73 of the Council of 9 November 1973 on the support of Community projects in the hydrocarbons sector (OJ N° 312 of 13 November 1973).

3.1. Council Decision of 19 December 1974 on the grant of measures of support for Community projects in the hydrocarbons sector (Doc. R/3600/74).

3.2. Council Decision of 4 May 1976, on the grant of measures of support for Community projects in the hydrocarbons sector (Doc. R/854/76).

3.3. Council Decision of 25 October 1977, on the grant of measures of support for Community projects in the hydrocarbons sector (Doc. R/2416/77).

3.4. Council Decision of 30 October 1978, on the grant of measures of support for Community projects in the hydrocarbons sector (Doc. R/2671/78).

3.5. Council Decision of 29 October 1979, on the grant of measures of support for Community projects in the hydrocarbons sector (OJ L 281 of 10 November 1979).

3.6. Commission proposal on the granting of measures of support for Community projects in the hydrocarbons sector in the period 1980 to 1982.

4. Description of the measure : Granting 23 Community undertakings financial aid for use on projects in the hydrocarbons sector.

5. Objective : To promote technological development directly related to the activities of prospection for, and exploitation, transport and storage of hydrocarbons likely to increase the security of the Community's supplies in hydrocarbons.

6. Justification of the Project : Because of the technical risks and the financial burden involved in carrying out the technical development projects, they would not be carried out or would have to be postponed (thus considerably prejudicing the security of hydrocarbons supplies) unless the Community provided financial support.

7. Appropriations : (See Table on next page).

8. Type of control to be applied :

8.1. There is to be no control by Member States. The authorising department and Financial Control will carry out regular on-the-spot checks on documents, and will follow the completion of the projects by means of the technical and financial reports which the undertakings are required to send in regularly.

8.2. The Commission is to present an annual report to the Council on the state of progress of each project and the sums committed in carrying it out; the Commission also has to submit an annual report to the Council and the European Parliament on the implementation of Regulation N° 3056/73.

7.1. MULTI-ANNUAL TIMETABLE FOR DIFFERENTIATED APPROPRIATIONS

EUA

COMMITMENTS	PAYMENTS					1984 and subs. years
	1980	1981	1982	1983	1984	
- Commitments entered into before 1980 to be covered by new appropriations for payment	39,450,000	16,000,000	2,000,000	6,450,000	15,000,000	
- Appropriation outstanding from 1979	9,500,000	3,000,000	2,000,000	2,000,000	2,500,000	
- Appropriation for 1980	15,000,000	5,000,000	3,500,000	3,500,000	3,000,000	
- Appropriation for 1981	25,000,000	5,000,000	7,500,000	7,500,000	5,000,000	
TOTAL	88,950,000	24,000,000	15,000,000	19,450,000	25,500,000	