

PETROLEUM.

No. 72 of 1967.

AN ACT relating to the Exploration for, and the Exploitation of, Petroleum Resources, and certain other Resources, within certain Lands of the State; to repeal the Petroleum Act, 1936, and for incidental and other purposes.

[Assented to 11th December, 1967.]

BE it enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and the Legislative Assembly of Western Australia, in this present Parliament assembled, and by the authority of the same, as follows:—

PART I.—PRELIMINARY.

1. This Act may be cited as the *Petroleum Act*, 1967.

Short title.

2. This Act or any provision thereof shall come into operation on such date or such dates as are respectively fixed by proclamation.

Commence-
ment.

Repeal.

3. The Petroleum Act, 1936 is repealed.

Arrangement.

4. This Act is divided into Parts, as follows—

PART I.—PRELIMINARY, Ss. 1-5.

PART II.—GENERAL, Ss. 6-25.

PART III.—MINING FOR PETROLEUM, Ss. 26-149.

Division 1.—Preliminary, Ss. 26-28.

*Division 2.—Exploration Permits for Petroleum,
Ss. 29-48.*

*Division 3.—Production Licences for Petroleum,
Ss. 49-69.*

*Division 4.—Registration of Instruments, Ss.
70-86.*

Division 5.—General, Ss. 87-127.

Division 6.—Transitional Provisions, Ss. 128-136.

Division 7.—Fees and Royalties, Ss. 137-149.

PART IV.—MISCELLANEOUS, Ss. 150-153.

Interpretation.

5. (1) In this Act, unless the contrary intention appears—

“access authority” means an access authority under Part III of this Act;

“application for a primary licence” means an application under subsection (1) or (2) of section 50 of this Act and “primary licence” means a licence granted on such an application;

“application for a secondary licence” means an application under subsection (3) of section 50 of this Act and “secondary licence” means a licence granted on such an application;

“approved” means approved by the Minister;

“block” means a block constituted as provided by section 27 or 135 of this Act;

“construct” includes “place” and “construction” has a corresponding meaning;

“Crown land” means all land which has not been dedicated to any public purpose, or reserved, or which has not been granted in fee or lawfully contracted to be so granted, or which is not held under lease for any purpose except pastoral or timber purposes; the term includes commons, State forests, timber reserves, and any reserve declared by the Governor to be Crown land for the purposes of this Act, and all land between high and low-water mark on the sea shore and on the margin of tidal rivers;

“document” includes any map, book, record or writing;

“good oil-field practice” means all those things that are generally accepted as good and safe in the carrying on of exploration for petroleum, or in the operations for the recovery of petroleum, as the case may be;

“graticular section” means a section referred to in section 27 of this Act;

“inspector” means a person appointed under section 118 of this Act;

“licence” means a production licence for petroleum under Part III of this Act;

“licence area” means the area constituted by the blocks that are the subject of a licence;

“licensee” means the registered holder of a licence;

“location” means a block or blocks in respect of which a declaration under section 47 of this Act is in force;

“partly cancelled” means—in relation to a permit or licence—cancelled as to one or more but not all of the blocks the subject of the permit or licence;

“partly determined”, in relation to a permit, means determined as to one or more but not all of the blocks the subject of the permit;

“permit” means an exploration permit for petroleum under Part III of this Act;

“permit area” means the area constituted by the blocks that are the subject of a permit;

“permittee” means the registered holder of a permit;

“petroleum” means—

(a) any naturally occurring hydrocarbon, whether in a gaseous, liquid or solid state;

(b) any naturally occurring mixture of hydrocarbons, whether in a gaseous, liquid or solid state; or

(c) any naturally occurring mixture of one or more hydrocarbons, whether in a gaseous, liquid or solid state, and one or more of the following, that is to say, hydrogen sulphide, nitrogen, helium and carbon dioxide,

and includes any petroleum as defined by paragraph (a), (b) or (c) of this definition that has been returned to a natural reservoir;

“petroleum pool” means a naturally occurring discrete accumulation of petroleum;

“primary entitlement”, in relation to a permittee, means the number of blocks forming part of a location in the permit area in respect of which that permittee may make an application under subsection (1) of section 50 of this Act;

“private land” means any land which has been or may hereafter be alienated from the Crown for any estate of freehold, or is or may hereafter be the subject of any

conditional purchase agreement, or of any lease or concession with or without the right of acquiring the fee simple thereof, other than for pastoral or timber purposes.

“Register” means the Register kept by the Minister in pursuance of Division 4 of Part III of this Act;

“registered holder”, in relation to a permit, licence or access authority, means the person whose name is for the time being shown in the Register as being the holder of the permit, licence or access authority;

“royalty period”, in relation to a permit or licence, means—

- (a) the period from and including the date from which the permit or licence has effect to the end of the month of the year during which that date occurs; and
- (b) each month thereafter;

“special prospecting authority” means a special prospecting authority under Part III of this Act;

“the relinquished area” means—

- (a) in relation to a permit or licence that has expired—the area constituted by the blocks in respect of which the permit or licence was in force but has not been renewed;
- (b) in relation to a permit that has been wholly determined or partly determined—the area constituted by the blocks as to which the permit was so determined;
- (c) in relation to a permit or licence that has been wholly cancelled or partly cancelled—the area constituted by the blocks as to which the permit or licence was so cancelled; and

(d) in relation to a special prospecting authority or access authority that has been surrendered or cancelled or has expired—the area constituted by the blocks in respect of which that authority was in force;

“well” means a hole in the Earth’s crust made by drilling, boring or any other means in connection with exploration for petroleum or operations for the recovery of petroleum, but does not include a seismic shot hole;

“wholly cancelled”, in relation to a permit, or licence, means cancelled as to all the blocks the subject of the permit, or licence;

“wholly determined”, in relation to a permit, means determined as to all the blocks the subject of the permit.

(2) In this Act, a reference to the term of a permit, licence, special prospecting authority or access authority is a reference to the period during which the permit, licence, special prospecting authority or access authority remains in force and a reference to the date of expiration of a permit, licence, special prospecting authority or access authority is a reference to the day on which the permit, licence, special prospecting authority or access authority ceases to have effect.

(3) In this Act, a reference to a year of the term of a permit or licence is a reference to a period of one year commencing on the date from and including which the permit or licence as the case may be, has effect or on any anniversary of that date.

(4) In this Act, a reference to the renewal, or to the grant of a renewal, of a permit is a reference to the grant of a permit in respect of all or some of the blocks specified in the firstmentioned permit to commence on the day after the date of expiration of the firstmentioned permit or on the day after the date of expiration of the permit granted upon a previous renewal of the firstmentioned permit.

(5) In this Act, a reference to the renewal, or to the grant of a renewal, of a licence in respect of the blocks specified in the licence is a reference to the grant of a licence in respect of those blocks to commence on the day after the date of expiration of the firstmentioned licence or on the day after the date of expiration of the licence granted upon a previous renewal of the firstmentioned licence.

(6) In this Act, a reference to a permit, licence or access authority is a reference to the permit, licence or access authority as varied for the time being under this Act.

PART II.—GENERAL.

6. This Act shall be read and construed subject to the limits of the legislative powers of the State and so as not to exceed those powers, to the intent that, where any enactment thereof, but for this section, would be construed as being in excess of those powers, it shall nevertheless be a valid enactment to the extent to which it is not in excess of those powers.

Act to be construed subject to legislative powers of the State.

7. This Act applies to all natural persons, whether Australian citizens or not, and whether resident in the State or not, and to all corporations, whether incorporated or carrying on business in the State or not.

Application of Act.

8. (1) Where, for the purposes of this Act or the regulations, or for the purposes of an instrument under this Act or the regulations, it is necessary to determine the position on the surface of the Earth of a point, line or area, that position shall be determined by reference to a spheroid having its centre at the centre of the Earth and a major (equatorial) radius of 6,378,160 metres and a

Points, etc. to be ascertained by reference to Australian Geodetic Datum.

100
flattening of ——— and by reference to the position
29825

of the Johnston Geodetic Station in the Northern Territory of Australia.

(2) That station shall be taken to be situated at 133 degrees, 12 minutes and 30.0771 seconds of East Longitude and at 25 degrees, 56 minutes and 54.5515 seconds of South Latitude and to have a ground level of 571.2 metres above the spheroid referred to in subsection (1) of this section.

Petroleum
declared to
be property
of the
Crown,
S. 9.

9. Notwithstanding anything to the contrary contained in any Act, or in any grant, lease, or other instrument of title, whether made or issued before or after the commencement of this Act, all petroleum on or below the surface of all land within this State, whether alienated in fee simple or not so alienated from the Crown is and shall be deemed always to have been the property of the Crown.

Reserva-
tions in
Crown
grants.
S. 10.

10. Every Crown grant and lease under any Act relating to Crown land—

- (a) issued before the coming into operation of this Act shall be deemed to have contained; and
- (b) issued on or after the coming into operation of this Act shall contain, or if those reservations are not contained therein, be deemed to contain,

a reservation of all petroleum on or below the surface of the land comprised therein, and also a reservation of the right of access, subject to and in accordance with the provisions hereinafter contained, for the purpose of searching for and for the operations of obtaining petroleum in any part of the land.

Power to
obtain
petroleum.
S. 11.

11. (1) The Minister may by his officers, agents, or workmen search for petroleum, and conduct all operations deemed necessary for or incidental to searching for, obtaining, refining, or disposing of petroleum produced in Western Australia; and, for such purposes, may enter upon and occupy, either temporarily or permanently—

- (a) any vacant Crown land; or
- (b) any other land.

(2) Where any of the powers conferred by subsection (1) of this section has been exercised in relation to land referred to in paragraph (b) of that subsection, compensation is payable to the occupier of the land and to any person having an estate or interest therein for any interference with the use of the land by the occupier, with operations carried on thereon or for any damage to or interference with any improvement on the land.

(3) Any claim for payment of compensation under this section, shall be made, dealt with, and determined under and in accordance with the provisions of the Public Works Act, 1902, as if it were a claim for compensation made originally under that Act.

12. (1) The Governor may from time to time, under and subject to the Public Works Act, 1902, resume on behalf of the Crown any land which in his opinion ought to be resumed for the purposes of this Act, and for the purpose of any such proposed resumption may cause the land to be inspected, surveyed, explored, and reported upon by such officers and workmen as he directs, all of whom may thereupon enter upon the land and carry out all necessary operations.

Land may
be resumed.
S. 12.

(2) The Governor may from time to time under and subject to the Public Works Act, 1902, and at the request of a person interested in land resumed or intended to be resumed under subsection (1) of this section, resume on behalf of the Crown any land which is being or is intended to be used in conjunction with the land so resumed or so intended to be resumed.

(3) Upon any such resumption the owner shall be entitled to compensation, and the amount of such compensation shall be determined in the manner prescribed by the Public Works Act, 1902.

(4) Whenever it is proved to the satisfaction of the Compensation Court that damage has been sustained by a claimant by reason of the severance of

the land resumed from other adjoining land of the claimant, the Court may order that such adjoining land or some portion thereof shall also be resumed.

Governor to have right of pre-emption of petroleum.
S. 13.

13. (1) Upon the Governor proclaiming a state of national or State emergency, the Governor shall have the right of pre-emption of all petroleum produced by a licensee and of all the products of such petroleum; and in the event of the Governor exercising such right, the licensee concerned shall take all reasonable steps to facilitate the delivery of the petroleum or products thereof, as the Governor may direct.

(2) No licensee shall sell or otherwise dispose of petroleum produced by him or the products thereof, without the written consent of the Minister.

Penalty: Two thousand dollars.

(3) Any sale or other disposition of petroleum or the products thereof made in contravention of subsection (2) of this section shall, as against the Governor when exercising the right conferred by subsection (1) of this section; be null and void.

(4) The price to be paid for petroleum or products thereof purchased by the Governor pursuant to the right of pre-emption conferred by subsection (1) of this section shall, failing mutual agreement between the Minister and the vendor, be determined by arbitration under the provisions of the Arbitration Act, 1895.

Land comprised in a permit or licence may be entered for certain purposes.
S. 20.

14. (1) Subject to the approval and consent in writing of the Minister, any person may enter upon any land comprised in any permit or licence and do any of the following things:—

- (a) erect poles and posts thereon, and carry overhead across or along such land electric lines, and from time to time repair, alter, or remove such poles, posts, or lines;

- (b) make or construct any tramways thereon, and from time to time repair, alter, or remove the same;
- (c) construct any road, race or drain, or lay waterpipes under, over, across, or through such land;
- (d) any act or thing for or relating to a public purpose or the exercise of any right granted pursuant to law; and
- (e) for carrying out any of the said purposes, break or otherwise disturb the surface and soil of such land.

(2) If the permittee or licensee suffers any estimable damage by reason of the exercise by any person of any of the powers mentioned in subsection (1) of this section, that person shall be liable to compensate the permittee or licensee, as the case requires, in respect of the damage so caused.

(3) In default of agreement between the parties concerned, the permittee or licensee may make application to the Local Court held nearest to the place at which the land is situated in the prescribed manner to fix the amount of compensation to be paid.

15. (1) Subject to this Act, but notwithstanding the provisions of any other Act or law, the authority conferred by section 38 or 62 of this Act upon a permittee or licensee is, by virtue of this Act, exercisable on any land within the permit area or licence area, as the case may be, whether Crown land or private land or partly Crown land and partly private.

Authority
conferred by
permit or
licence.

(2) Notwithstanding the Land Act, 1933 or any other Act the Governor, by proclamation, may declare that any land of the Crown or part thereof reserved for or dedicated to any public purpose under any Act and howsoever classified that—

s. 5A.

- (a) is not Crown land within the meaning of that expression in section 5 of this Act; and
- (b) is specified in the proclamation,

is Crown land for the purposes of this Act, and is land to which this Act applies, so long as the proclamation remains in force.

(3) Subject to this Act, a proclamation made under subsection (2) of this section—

- (a) does not otherwise affect the purpose for which any land specified therein was reserved or dedicated; and
- (b) may at any time by proclamation, be revoked or varied.

s. 5B.

(4) It is hereby declared that the land of the Crown comprising Barrow Island reserved for a public purpose under the Land Act, 1933, as reserve No. 11648 and classified as of Class "A" shall be deemed to be Crown land for the purposes of this Act.

Consent of owner required in certain cases for exploration, etc.
s. 28.

16. (1) A permittee or licensee shall not explore for, or carry out operations for the recovery of, petroleum or enter upon, for that purpose, any land that is comprised in the permit or licence of which he is the holder and that is—

- (a) private land not exceeding one half acre in extent;
- (b) used as a cemetery or burial place; or
- (c) at a less distance than one hundred and fifty yards laterally from any cemetery or burial place, reservoir or any substantial improvement,

unless the consent in writing of the owner or trustees, as the case may be, of the land has been first obtained.

(2) For the purposes of this section—

- (a) "reservoir" includes any natural or artificial storage or accumulation of water, spring, dam, bore, and artesian well; and
- (b) the Minister is the sole judge of whether any improvement is substantial.

17. (1) A permittee or licensee may agree with the owner and occupier respectively of any private land comprised in the permit or licence as to the amount of compensation to be paid for the right to occupy the land.

Compensation to owners and occupiers of private land. S. 21.

(2) Subject to subsections (3) and (5) of this section, the compensation to be made to the owner and occupier shall be compensation for being deprived of the possession of the surface or any part of the surface of the private land, and for damage to the surface of the whole or any part thereof, and to any improvements thereon, which may arise from the carrying on of operations thereon or thereunder, and for the severance of such land from other land of the owner or occupier, and for rights-of-way and for all consequential damages.

S. 22.

(3) In assessing the amount of compensation no allowance shall be made to the owner or occupier for any gold, minerals, or petroleum known or supposed to be on or under the land.

(4) If within such time as may be prescribed the parties are unable to agree upon the amount of compensation to be paid, either party may upon a plaint in that behalf have the amount determined by the Local Court held nearest to the place at which the land is situated.

S. 23.

(5) In determining the amount of compensation, the Court shall take into consideration the amount of any compensation which the owner and occupier or either of them have or has already received in respect of the damage for which compensation is being assessed, and shall deduct the amount already so received from the amount which they would otherwise be entitled to for such damage.

S. 24.

18. If any private land or improvement thereon adjoining or in the vicinity of the land comprised in any permit or licence is injured or depreciated in value by any operations carried on by or on behalf of the permittee or licensee or by reason of the occupation of any portion of the surface, or the enjoyment by the permittee or licensee of any right-of-way, the owner and occupier of the

owner of private land in vicinity of permit or licence entitled to compensation.

S. 25.

private land or improvements thereon shall severally be entitled to compensation for all loss and damage thereby sustained, and the amount of compensation shall be ascertained in the same manner as is provided in section 17 of this Act.

Compensation for further damage.
S. 26.

19. If while in occupation of any land comprised in a permit or licence the permittee or licensee, as the case requires, causes any damage to the surface of any private land comprised within the boundaries of the land the subject of the permit or licence belonging either to the same or any other owner, or to any improvement on any such private land, not being damage already assessed under the provisions of this Part, the owner and occupier of the private land or improvement shall severally be entitled to compensation for the damage sustained by each of them, and the amount of such compensation shall be ascertained in accordance with the provisions of section 17 of this Act.

Holder of permit, or licence not to commence operations on private land until compensation tendered or agreed upon.
S. 27.

20. (1) A permittee or licensee shall not commence any operations on private land unless or until he has paid or tendered to the owner and to the occupier of the land the amount of compensation, if any, which he is required to pay under and as ascertained in accordance with this Act or he has made an agreement in writing with the owner or occupier as to the amount, times and mode of payment of the compensation, if any.

(2) Where the owner is dead or cannot be found any payment of compensation may be made to the Minister in trust for the owner.

Compensation payable to lessee of pastoral lease for damage to improvements and consequential damage.
S. 28A.

21. (1) Where a permittee or licensee has by himself, his agent or employee in the exercise or purported exercise of any of the powers conferred by or under this Act or by reason of any operation conducted or other action taken by him or any of them caused damage to any improvements on land leased for pastoral purposes under the provisions of the Land Act, 1933, he is liable, subject to the

provisions of section 24 of this Act, to pay compensation to the lessee of the land so leased for the damage and for any damage which the lessee may in the opinion of the Local Court suffer as a consequence of the damage to the improvements.

(2) A person liable to pay compensation to a lessee under the provisions of this section may agree with the lessee as to the amount of compensation including compensation for consequential damage.

Compensation may be agreed.

(3) If an agreement is not made under subsection (2) of this section the lessee may commence an action for compensation before the Local Court held nearest to the place at which the land is situated, or the person liable to pay compensation may so commence an action claiming a declaration as to the amount of compensation payable.

In default of agreement action may be taken before a Local Court.

22. In an action under section 21 of this Act, if the Court considers it impracticable or inexpedient to assess the amount of compensation to be paid in full satisfaction for the damage sustained by the lessee to the improvements and consequential damage, the Court may on the application of a party or of its own motion give judgment or make a declaration as to the compensation payable in respect of any specified period and in respect of the whole or part of the total claim or compensation.

Determination of partial compensation. S. 22B.

23. The Court before whom proceedings in relation to compensation have been commenced may, at any stage of those proceedings make an order against the person concerned in them and from whom compensation is sought, from commencing or as the case may be, continuing any operations under this Act until he has given such security as the Court thinks fit for payment of any compensation for which he may be or become liable.

Security for compensation. S. 28C.

24. (1) Except where and then only to the extent agreed to by the parties or authorised by the Court compensation is not payable under the

Matters for which compensation not payable. S. 28D.

provisions of this Act to the lessee of land leased for pastoral purposes under the provisions of the Land Act, 1933—

- (a) for deprivation of the possession of the surface of the land or any part of the surface;
- (b) for damage to the surface of the land;
- (c) where the lessee is deprived of the possession of the surface of any land, for severance of the land from any other land of the lessee;
- (d) for surface rights of way and easements;
- (e) for any diminution of or interference with the right of the lessee to the reasonable comfort and enjoyment or the peaceful and quiet occupation of the homestead or any other structure on or in the land; or
- (f) for any disturbance of cattle, sheep or other stock whatsoever or any damage suffered by the lessee as a consequence of the disturbance.

(2) Compensation is not payable for any gold, minerals or petroleum known or supposed to be on or under the land.

Delegation.

25. (1) The Minister may—

- (a) delegate all or any of his powers and functions under this Act or the regulations (except this power of delegation); and
- (b) vary or revoke a delegation given by him.

(2) A power or function delegated by the Minister may be exercised or performed by the delegate—

- (a) in accordance with the instrument of delegation; and
- (b) if the exercise of the power or the performance of the function is dependent upon the opinion, belief or state of mind of the

Minister in relation to a matter—upon the opinion, belief or state of mind of the delegate in relation to that matter.

(3) A delegation under this section does not prevent the exercise of a power or the performance of the function by the Minister.

(4) A copy of each instrument, making, varying or revoking a delegation under this section, shall be published in the *Gazette*.

PART III.—MINING FOR PETROLEUM.

Division 1.—Preliminary.

26. In this Part “the State” means all that part of the State of Western Australia that is not comprised in the “adjacent area” as described in the Second Schedule to the Petroleum (Submerged Lands) Act, 1967.

Interpretation.

27. (1) For the purposes of this Act, the surface of the Earth shall be deemed to be divided—

Graticulation of Earth's surface and constitution of blocks.

- (a) by the meridian of Greenwich and by meridians that are at a distance from that meridian of five minutes, or a multiple of five minutes, of longitude; and
- (b) by the equator and by parallels of latitude that are at a distance from the equator of five minutes, or a multiple of five minutes, of latitude,

into sections, each of which is bounded—

- (c) by portions of two of those meridians that are at a distance from each other of five minutes of longitude; and
- (d) by portions of two of those parallels of latitude that are at a distance from each other of five minutes of latitude.

(2) For the purposes of this Act—

- (a) a graticular section that is wholly within the State constitutes a block; and

- (b) if a part only of a graticular section is, or parts only of a graticular section are, within the State, the area of that part, or of those parts, constitutes a block.
- (3) In this Act—
- (a) a reference to a block that is constituted by a graticular section includes a reference to a block that is constituted by the area of a part only, or by the areas of parts only, of a graticular section; and
- (b) a reference to a graticular section that constitutes a block includes a reference to a graticular section part only of which constitutes, or parts only of which constitute, a block.

Reservation
of blocks.

28. (1) The Minister may, by instrument published in the *Gazette*, declare that a block specified in the instrument (not being a block in respect of which a permit or licence is in force) shall not be the subject of a permit, licence, special prospecting authority or access authority.

(2) While a declaration under subsection (1) of this section remains in force in respect of a block, a permit, licence, special prospecting authority or access authority shall not be granted in respect of that block.

Division 2.—Exploration Permits for Petroleum.

Exploration
for
petroleum.

29. A person shall not explore for petroleum in the State—

- (a) except under and in pursuance of a permit;
or
- (b) except as otherwise provided by this Part.

Penalty: Two thousand dollars for each day on which the offence occurs.

30. (1) The Minister may, by instrument published in the *Gazette*—

Advertisement of blocks.

- (a) invite applications for the grant of a permit in respect of the block or blocks specified in the instrument; and
- (b) specify a period within which applications may be made.

(2) The Minister may, for reasons that he thinks sufficient, in an instrument under subsection (1) of this section, direct that subsection (2) or (3) of section 31 of this Act does not apply, or that both of those subsections do not apply, to or in relation to the applications.

(3) Where an instrument is published under subsection (1) of this section and—

- (a) no application is made within the period specified in the instrument; or
- (b) after consideration of the applications, a permit—
 - (i) is not granted on any of those applications; or
 - (ii) is granted in respect of some but not all of the blocks specified in the instrument,

the Minister may cause a notification accordingly to be published in the *Gazette* and may, at any subsequent time, receive an application for the grant of a permit in respect of some or all of the blocks specified in the instrument, not being blocks in respect of which a permit was granted.

(4) The Minister shall not receive an application under subsection (3) of this section during any period during which an application may be made in pursuance of an invitation under subsection (1) of this section.

(5) The Minister may, for reasons that he thinks sufficient, upon request in writing served on him, direct that subsection (2) or (3) of section 31 of this

Act does not apply, or that both of those subsections do not apply, to or in relation to an application made under subsection (3) of this section.

Application
for permit.

31. (1) An application under section 30 of this Act—

- (a) shall be in accordance with an approved form;
- (b) shall be made in an approved manner;
- (c) shall be in respect of not more than two hundred blocks;
- (d) shall be accompanied by particulars of—
 - (i) the proposals of the applicant for work and expenditure in respect of the blocks specified in the application;
 - (ii) the technical qualifications of the applicant and of his employees;
 - (iii) the technical advice available to the applicant; and
 - (iv) the financial resources available to the applicant;
- (e) may set out any other matters that the applicant wishes the Minister to consider; and
- (f) shall be accompanied by a fee of One thousand dollars.

(2) The number of blocks specified in the application—

- (a) if sixteen blocks or more are available—shall not be less than sixteen; or
- (b) if less than sixteen blocks are available—shall be the number available.

(3) The blocks specified in the application shall be blocks that are constituted by graticular sections that—

- (a) constitute a single area; and

- (b) are such that each graticular section in that area has a side in common with at least one other graticular section in that area.

(4) The Minister may, at any time, by instrument in writing served on the applicant, require him to furnish, within the time specified in the instrument, further information in writing in connection with his application.

(5) Where a permit is not granted, the sum of Nine hundred dollars shall be refunded to the applicant.

32. (1) Where an application has been made under section 30 of this Act, the Minister may—

Grant or refusal of permit in relation to application.

(a) by instrument in writing served on the applicant, inform the applicant—

- (i) that he is prepared to grant to the applicant a permit in respect of the block or blocks specified in the instrument; and
- (ii) that the applicant will be required to lodge a security for compliance with the conditions to which the permit, if granted, will from time to time be subject and with the provisions of this Part and of the regulations; or

(b) refuse to grant a permit to the applicant.

(2) An instrument under subsection (1) of this section shall contain—

- (a) a summary of the conditions to which the permit is to be granted; and
- (b) a statement to the effect that the application will lapse if the applicant does not make a request under subsection (3) of this section in respect of the grant of the permit and lodge with the Minister the security referred to in the instrument.

(3) An applicant on whom there has been served an instrument under subsection (1) of this section may, within a period of one month after the date of service of the instrument on him, or within such further period, not exceeding one month, as the Minister, on application in writing served on him before the expiration of the firstmentioned period of one month, allows—

(a) by instrument in writing served on the Minister, request the Minister to grant to him the permit; and

(b) lodge with the Minister the security, referred to in the firstmentioned instrument.

(4) Where an applicant on whom there has been served an instrument under subsection (1) of this section—

(a) has made a request under subsection (3) of this section; and

(b) has lodged with the Minister the security referred to in the instrument,

within the period applicable under subsection (3) of this section, the Minister shall grant to him an exploration permit for petroleum in respect of the block or blocks specified in the instrument.

(5) Where an applicant on whom there has been served an instrument under subsection (1) of this section—

(a) has not made a request under subsection (3) of this section; or

(b) has not lodged with the Minister the security referred to in the instrument,

within the period applicable under subsection (3) of this section, the application lapses upon the expiration of that period.

33. (1) Where—

(a) a licence is surrendered or cancelled as to a block or blocks; or

- (b) a permit is surrendered, cancelled or determined as to a block or blocks and, at the time of the surrender, cancellation or determination, the block was, or was included in, or the blocks were, or were included in, a location,

the Minister may, at any subsequent time, by instrument published in the *Gazette*, invite applications for the grant of a permit in respect of that block or such of those blocks as are specified in the instrument and specify a period within which applications may be made.

(2) Where an instrument is published under subsection (1) of this section and—

- (a) no application is made within the period specified in the instrument; or
- (b) after consideration of the applications, a permit is not granted,

in respect of the block or blocks specified in the instrument, the Minister may cause a notification accordingly to be published in the *Gazette* and may, at any subsequent time and without invitation under subsection (1) of section 30 of this Act or under subsection (1) of this section, receive an application for the grant of a permit in respect of the block specified in the instrument or, if more than one block was specified in the instrument, in respect of one or more of the blocks so specified.

(3) The Minister shall not receive an application under subsection (2) of this section during any period during which an application may be made in pursuance of an invitation under subsection (1) of section 30 of this Act or under subsection (1) of this section.

(4) An application under this section—

- (a) shall be in accordance with an approved form;
- (b) shall be made in an approved manner;

- (c) shall be accompanied by the particulars referred to in paragraph (d) of subsection (1) of section 31 of this Act;
- (d) shall specify an amount that the applicant is prepared to pay to the Minister, in addition to the fee referred to in paragraph (a) of subsection (1) of section 34 of this Act, in respect of the grant of a permit to him on the application; and
- (e) may set out any other matters that the applicant wishes the Minister to consider.

(5) The Minister may, at any time, by instrument in writing served on the applicant, require him to furnish, within the time specified in the instrument, further information in writing in connection with his application.

Application
fee, etc.

34. (1) An application under section 33 of this Act shall be accompanied by—

- (a) a fee of One thousand dollars; and
- (b) a deposit of ten per centum of the amount specified in the application under paragraph (d) of subsection (4) of that section.

(2) Where a permit is not granted on the application—

- (a) the sum of Nine hundred dollars; and
- (b) subject to subsection (3) of this section, the amount of the deposit,

shall be refunded to the applicant.

(3) Where an applicant on whom there has been served an instrument under section 35 of this Act does not request the Minister, in accordance with section 36 of this Act, to grant to him the permit referred to in the instrument, the deposit shall not, unless the Minister otherwise determines, be refunded to the applicant.

35. (1) Where, at the expiration of the period specified in an instrument under subsection (1) of section 33 of this Act, only one application has been made under that subsection in respect of the block or blocks specified in the instrument, the Minister may reject the application or may, by instrument in writing served on the applicant, inform the applicant that he is prepared to grant to him a permit in respect of that block or those blocks.

Consideration of application.

(2) Where, at the expiration of the period specified in an instrument under subsection (1) of section 33 of this Act, two or more applications have been made under that subsection in respect of the block or blocks specified in the instrument, the Minister may reject any or all of the applications and, if he does not reject all of the applications, may—

- (a) if only one application remains unrejected—by instrument in writing served on the applicant; or
- (b) if two or more applications remain unrejected—by instrument in writing served on the applicant, or on one of the applicants, whose application has not been rejected and who has specified as the amount that he is prepared to pay in respect of the grant of a permit to him an amount that is not less than the amount specified by any other applicant whose application has not been rejected,

inform him that he is prepared to grant to him a permit in respect of that block or those blocks.

(3) Where an application is made under subsection (2) of section 33 of this Act, the Minister may reject the application or may, by instrument in writing served on the applicant, inform the applicant that he is prepared to grant to him a licence in respect of the block or blocks specified in the application.

(4) Where the Minister serves, on an applicant an instrument under this section, he shall, by the instrument, inform the applicant that he will be

required to lodge a security for compliance with the conditions to which the permit, if granted, will from time to time be subject and with the provisions of this Part and of the regulations.

(5) An instrument under this section shall contain—

- (a) a summary of the conditions to which the permit is to be granted; and
- (b) a statement to the effect that the application will lapse if the applicant does not—
 - (i) make a request under subsection (1) of section 36 of this Act;
 - (ii) pay the balance of the amount to be paid in respect of the grant of the permit to him or enter into an agreement under section 103 of this Act in respect of that balance; and
 - (iii) lodge with the Minister the security referred to in the instrument.

Request by applicant for grant of permit in respect of advertised block.

36. (1) An applicant on whom there has been served an instrument under section 35 of this Act may, within a period of three months after the date of service of the instrument on him, or within such further period, not exceeding three months, as the Minister, on application in writing served on him before the expiration of the firstmentioned period of three months, allows—

- (a) by instrument in writing served on the Minister, request the Minister to grant to him the permit referred to in the first-mentioned instrument;
- (b) pay the balance of the amount to be paid in respect of the grant of the permit to him or enter into an agreement under section 103 of this Act in respect of that balance; and

- (c) lodge with the Minister the security referred to in the firstmentioned instrument.

(2) Where an applicant on whom there has been served an instrument under section 35 of this Act—

- (a) has not made a request under subsection (1) of this section;
- (b) has not paid the balance of the amount to be paid in respect of the grant of the permit to him or entered into an agreement under section 103 of this Act in respect of that balance; or
- (c) has not lodged with the Minister the security referred to in the instrument,

within the period applicable under subsection (1) of this section, the application lapses upon the expiration of that period.

(3) Where the application of an applicant on whom there has been served an instrument under subsection (2) of section 35 of this Act lapses as provided by subsection (2) of this section, subsection (2) of section 35 of this Act applies in respect of the application or applications, if any, then remaining unrejected.

37. Where a person on whom there has been served an instrument under section 35 of this Act— Grant of permit on request.

- (a) has made a request under subsection (1) of section 36 of this Act;
- (b) has paid the balance of the amount to be paid in respect of the grant of a permit to him or has entered into an agreement under section 103 of this Act in respect of that balance; and
- (c) has lodged with the Minister the security referred to in the instrument,

within the period applicable under that subsection, the Minister shall grant to that person an exploration permit for petroleum in respect of the block or blocks specified in the instrument.

Rights
conferred
by permit.

38. A permit, while it remains in force, authorises the permittee, subject to this Act and the regulations and in accordance with the conditions to which the permit is subject, to explore for petroleum, and to carry on such operations and execute such works as are necessary for that purpose, in the permit area.

Term of
permit.

39. Subject to this Part, a permit remains in force—

- (a) in the case of a permit granted otherwise than by way of the renewal of a permit—for a period of five years commencing on the day from which the permit has effect; and
- (b) in the case of a permit granted by way of the renewal of a permit—for a period of five years commencing on the day after the day on which the last previous permit in respect of blocks specified in the permit so granted ceases to have effect.

Application
for renewal
of permit.

40. (1) Subject to section 41 of this Act, a permittee may, from time to time, make an application to the Minister for the renewal of the permit in respect of such of the blocks the subject of the permit as are specified in the application.

(2) An application for the renewal of the permit—

- (a) shall be in accordance with an approved form;
- (b) subject to subsection (3) of this section, shall be made in an approved manner not less than three months before the date of expiration of the permit; and
- (c) shall be accompanied by a fee of One hundred dollars.

(3) The Minister may, for reasons that he thinks sufficient, receive an application for the renewal of the permit less than three months before, but not in any case after, the date of expiration of the permit.

41. (1) The number of blocks in respect of which an application for the first, second or third renewal of a permit may be made shall not exceed the number calculated as follows—

Application for renewal of permit to be in respect of reduced area.

- (a) in the case of an application for the renewal of a permit that has not previously been renewed—
 - (i) where the greatest number of blocks in respect of which the permit has at any time been in force is a number that is divisible by four without remainder—three-fourths of that number; or
 - (ii) where the greatest number of blocks in respect of which the permit has at any time been in force is a number that is one, two or three less than a number that is divisible by four without remainder—three-fourths of that lastmentioned number;
- (b) in the case of an application for the second renewal of a permit—
 - (i) where the greatest number of blocks in respect of which the permit was in force at any time before it was first renewed is a number that is divisible by two without remainder—one-half of that number; or
 - (ii) where the greatest number of blocks in respect of which the permit was in force at any time before it was first renewed is a number that is one less than a number divisible by two without remainder—one-half of that lastmentioned number;
- (c) in the case of an application for the third renewal of a permit—
 - (i) where the greatest number of blocks in respect of which the permit was in force at any time before it was first renewed is a number that is divisible by four without remainder—one-fourth of that number; or

- (ii) where the greatest number of blocks in respect of which the permit was in force at any time before it was first renewed is a number that is one, two or three less than a number that is divisible by four without remainder— one-fourth of that lastmentioned number,

and the number of blocks in respect of which an application for the fourth or subsequent renewal of a permit may be made is—

- (d) nine; or
- (e) the number of blocks in respect of which the permit is in force, if that number is less than nine.

(2) A block that is, or is included in, a location and in respect of which a permit is in force shall not be regarded as a block in respect of which the permit is in force for the purpose of making a calculation under paragraph (d) or (e) of subsection (1) of this section.

(3) The blocks specified in an application for the renewal of a permit shall be blocks that are constituted by or are within graticular sections that—

- (a) constitute a single area or a number of discrete areas; and
- (b) are such that each graticular section in the area, or in each area, has a side in common with at least one other graticular section in that area.

(4) Where the number of blocks in respect of which an application for the first, second or third renewal of a permit may be made is sixteen or more, each area constituted by blocks in respect of which the application is made shall be constituted by not less than sixteen blocks.

(5) Where, in relation to a proposed application for the first, second or third renewal of a permit, the number calculated in accordance with subsection (1) of this section is less than sixteen, the Minister

may, by instrument in writing served on the permittee—

- (a) inform the permittee that the number of blocks in respect of which the application may be made is such number, not exceeding sixteen, as is specified in the instrument; and
- (b) give such directions as he thinks fit concerning the blocks in respect of which the application may be made.

(6) The Minister may, for reasons that he thinks sufficient—

- (a) direct that subsections (3) and (4) of this section do not apply to or in relation to a proposed application for the renewal of a permit; and
- (b) give such directions as he thinks fit concerning the blocks in respect of which that application may be made.

42. (1) Where a permittee makes an application for the renewal of a permit, the Minister—

Grant or refusal of renewal of permit.

- (a) shall, if the permittee has complied with the conditions to which the permit is subject and with the provisions of this Part and of the regulations; or
- (b) may, if the permittee has not so complied and the Minister is satisfied that, although the permittee has not so complied, special circumstances exist that justify the granting of the renewal of the permit,

inform the permittee, by instrument in writing served on the permittee—

- (c) that he is prepared to grant to him the renewal of the permit; and
- (d) that he will be required to lodge a security for compliance with the conditions to which the permit, if the renewal is granted, will from time to time be subject and with the provisions of this Part and of the regulations.

(2) If the permittee has not complied with the conditions to which the permit is subject and with the provisions of this Part and of the regulations and if the Minister is not satisfied that special circumstances exist that justify the granting of the renewal of the permit, the Minister shall, subject to subsection (3) of this section, by instrument in writing served on the permittee, refuse to grant to him the renewal of the permit.

(3) The Minister shall not refuse to grant the renewal of the permit unless—

- (a) he has, by instrument in writing served on the permittee, given not less than one month's notice of his intention to refuse to grant the renewal of the permit;
- (b) he has served a copy of the instrument on such other persons, if any, as he thinks fit;
- (c) he has, in the instrument—
 - (i) given particulars of the reasons for the intention; and
 - (ii) specified a date on or before which the permittee or a person on whom a copy of the instrument is served may, by instrument in writing served on the Minister, submit any matters that he wishes the Minister to consider; and
- (d) he has taken into account any matters so submitted to him on or before the specified date by the permittee or by a person on whom a copy of the firstmentioned instrument has been served.

(4) An instrument referred to in subsection (1) of this section shall contain—

- (a) a summary of the conditions to which the permit, on the grant of the renewal, is to be subject; and

- (b) a statement to the effect that the application will lapse if the permittee does not make a request under subsection (5) of this section and lodge with the Minister the security referred to in the instrument.

(5) A permittee on whom there has been served an instrument under subsection (1) of this section may, within a period of one month after the date of service of the instrument on him—

- (a) by instrument in writing served on the Minister, request the Minister to grant to him the renewal of the permit; and
- (b) lodge with the Minister the security referred to in the firstmentioned instrument.

(6) Where a permittee on whom there has been served an instrument under subsection (1) of this section—

- (a) has made a request under subsection (5) of this section; and
- (b) has lodged with the Minister the security referred to in the instrument,

within the period referred to in subsection (5) of this section, the Minister shall grant to him the renewal of the permit.

(7) Where a permittee on whom there has been served an instrument under subsection (1) of this section—

- (a) has not made a request under subsection (5) of this section; or
- (b) has not lodged with the Minister the security referred to in the instrument,

within the period referred to in subsection (5) of this section, the application lapses upon the expiration of that period.

(8) Where—

- (a) an application for the renewal of a permit has been made; and

(b) the permit expires—

- (i) before the Minister grants, or refuses to grant, the renewal of the permit; or
- (ii) before the application lapses as provided by subsection (7) of this section,

the permit shall be deemed to continue in force in all respects—

- (c) until the Minister grants, or refuses to grant, the renewal of the permit; or
- (d) until the application so lapses,

whichever first happens.

Conditions of permit.

43. (1) A permit may be granted subject to such conditions as the Minister thinks fit and specifies in the permit.

(2) The conditions referred to in subsection (1) of this section may include a condition that, in relation to the permit area, the permittee will, during the term of the permit, carry out the work, and expend the amount or amounts, specified in the permit.

Discovery of petroleum to be notified, etc.

44. (1) Where petroleum is discovered in a permit area, the permittee—

- (a) shall forthwith inform the Minister of the discovery; and
- (b) shall, within a period of three days after the date of the discovery, furnish to the Minister, particulars in writing of the discovery.

(2) Where petroleum is discovered in a permit area, the Minister may, from time to time, by instrument in writing served on the permittee, direct the permittee to furnish to him, within the period specified in the instrument, particulars in writing of any one or more of the following—

- (a) the chemical composition and physical properties of the petroleum;

- (b) the nature of the strata in which the petroleum occurs; and
- (c) any other matters relating to the discovery that are specified by the Minister in the instrument.

(3) A person to whom a direction is given under subsection (2) of this section shall comply with the direction.

Penalty: Two thousand dollars.

45. (1) Where petroleum is discovered in a permit area, the Minister may, by instrument in writing served on the permittee, direct the permittee to do, within the period specified in the instrument, such things as the Minister thinks necessary and specifies in the instrument to determine the chemical composition and physical properties of that petroleum and to determine the quantity of petroleum in the petroleum pool to which the discovery relates or, if part only of that petroleum pool is within the permit area, in such part of that petroleum pool as is within the permit area.

Directions by Minister on discovery of petroleum.

(2) A person to whom a direction is given under subsection (1) of this section shall comply with the direction.

Penalty: Two thousand dollars.

46. (1) Where a permit is in force in respect of a discovery block (not being a block that is, or is included in, a location) the permittee—

Nomination of blocks for purposes of declaring location.

(a) may; or

(b) shall, if required to do so by the Minister by instrument in writing served on the permittee,

by instrument in writing served on the Minister, nominate a block in respect of which the permit is in force for the purpose of the making of a declaration under section 47 of this Act.

(2) Where a permittee who has been required, by instrument in writing served on him under subsection (1) of this section, to nominate a block does not, within a period of three months after the date of service of the instrument on him, or within such further period as the Minister, on application in writing served on him before the expiration of that period of three months, allows, nominate the block, the Minister may, by instrument in writing served on the permittee, nominate the block.

(3) Where a permittee or the Minister nominates a block under this section, he shall specify in the instrument of nomination a discovery block to form part of the location to be declared under section 47 of this Act but this subsection does not prevent other discovery blocks in the permit area from forming part of the location.

(4) A block shall not be nominated under subsection (1) or (2) of this section—

- (a) if it is, or is included in, a location; or
- (b) if it is such that, if the block were so nominated and the declaration under section 47 of this Act were made, the discovery block specified in the instrument of nomination would not form part of the location.

(5) Where a discovery block in a permit area immediately adjoins another discovery block and that other discovery block—

- (a) is a block—
 - (i) in respect of which the permit is in force;
 - (ii) that is, or is included in, a location; and
 - (iii) that was specified under subsection (3) of this section in relation to the declaration of that location; or
- (b) is a block—
 - (i) that was specified under subsection (3) of this section in relation to the declaration of a location; and

- (ii) in respect of which the permit has ceased to be in force by reason of the operation of subsection (5) of section 54 of this Act,

the permittee shall not, without the consent of the Minister, specify the firstmentioned discovery block under subsection (3) of this section.

(6) The Minister may, for reasons that he thinks sufficient, refuse to give his consent under subsection (5) of this section.

(7) In this section "discovery block" means a block in which petroleum has been discovered.

47. (1) Where a permittee or the Minister has nominated a block under section 46 of this Act, the Minister shall, by instrument published in the *Gazette*, declare—

Declaration
of location.

- (a) that block; and
- (b) such of the blocks that immediately adjoin that block as are blocks in respect of which the permit is in force and are not included in a location,

to be a location for the purposes of this Part.

(2) Where the registered holder of a permit that is in force in respect of a block or blocks declared under subsection (1) of this section to be a location, by instrument in writing, served on the Minister, requests that, for the reasons specified in the instrument, the declaration be revoked, the Minister may, if he is of the opinion that those reasons are sufficient to justify his doing so, by instrument published in the *Gazette*, revoke the declaration.

48. For the purposes of sections 46 and 47 of this Act, a block immediately adjoins another block if the graticular section that constitutes or includes that block and the graticular section that constitutes or includes that other block—

Immediately
adjoining
blocks.

- (a) have a side in common; or
- (b) are joined together at one point only.

Division 3.—Production Licences for Petroleum.

Recovery of
petroleum
in State.

49. A person shall not carry on operations for the recovery of petroleum in the State—

(a) except under and in pursuance of a licence;
or

(b) except as otherwise provided by this Part.

Penalty: Two thousand dollars for each day on which the offence occurs.

Application
by permittee
for licence.

50. (1) A permittee whose permit is in force in respect of a block that constitutes, or the blocks that constitute, a location may, within the application period make an application to the Minister for the grant of a licence—

(a) where nine blocks constitute the location concerned—in respect of five of those blocks;

(b) where eight or seven blocks constitute the location concerned—in respect of four of those blocks;

(c) where six or five blocks constitute the location concerned—in respect of three of those blocks;

(d) where four or three blocks constitute the location concerned—in respect of two of those blocks;

(e) where two blocks constitute the location concerned—in respect of one of those blocks; or

(f) where one block constitutes the location concerned—in respect of that block.

(2) A permittee whose permit is in force in respect of blocks that constitute a location—

(a) instead of making an application under subsection (1) of this section in respect of his primary entitlement, may, within the application period, make an application to the Minister for the grant of a licence in respect of a number of those blocks that is less than his primary entitlement; and

- (b) may, from time to time within that period, make an application to the Minister for the variation of that licence to include in the licence area a number of those blocks that does not exceed the number, if any, by which his primary entitlement exceeds the number of blocks in respect of which that licence was granted and the number of blocks, if any, included in that licence by reason of any previous variations of that licence.

(3) Where—

- (a) a permittee makes an application under subsection (1) of this section in respect of his primary entitlement; or
- (b) a permittee to whom a licence has been granted in respect of a number of blocks that is less than his primary entitlement makes an application under subsection (2) of this section for a variation of that licence, and the number of blocks in respect of which that licence was granted, together with the number of blocks included, and sought to be included, in the licence area by reason of applications under that subsection, is his primary entitlement,

the permittee may, within the application period, make an application to the Minister for the grant of a licence in respect of any of the other blocks forming part of the location concerned.

(4) The application period in respect of an application under this section by a permittee is—

- (a) the period of two years after the date on which the block that constitutes the location concerned was, or the blocks that constitute the location concerned were, declared to be a location; or
- (b) such other period, not less than two years or more than four years after that date, as the Minister, on application by the permittee, in writing, served on the Minister before the expiration of the firstmentioned period of two years, allows.

Application
for licence.

51. (1) An application under section 50 of this Act—

- (a) shall be in accordance with an approved form;
- (b) shall be made in an approved manner;
- (c) shall be accompanied by particulars of the proposals of the applicant for work and expenditure in respect of each block specified in the application;
- (d) may set out any other matters that the applicant wishes the Minister to consider; and
- (e) shall, in the case of an application for the grant of a licence, be accompanied by a fee of Two hundred dollars.

(2) The Minister may, at any time, by instrument in writing served on the applicant, require him to furnish, within the period specified in the instrument, further information in writing in connection with his application.

Determina-
tion of rate
of royalty.

52. (1) Where an application is made for a primary licence, the Minister shall determine a rate or rates at which royalty is to be payable in respect of petroleum recovered under the licence, being a rate that is, or rates each of which is, not less than five per centum nor more than ten per centum of the value at the well-head of that petroleum.

(2) Where the Minister determines, pursuant to subsection (1) of this section, more than one rate at which royalty is to be payable in respect of petroleum recovered under a licence, he shall also determine the period for which each rate so determined is to have effect.

(3) Where an application for a primary licence has been made and, before or after the grant of the primary licence, the applicant makes an application for a secondary licence, the Minister shall determine a rate at which royalty is to be payable in respect of petroleum recovered whether under the secondary licence, or, subject to subsection (6) of section 142 of this Act, under the primary licence, being a rate that is not less than ten per centum nor more than twelve and one-half per centum of the value at the well-head of that petroleum.

(4) The Minister shall not make a determination under this section unless he has given to the applicant an opportunity to confer with him concerning the matter or matters to be the subject of the determination.

53. (1) Where an application for the grant of a licence has been made under section 50 of this Act and the applicant has furnished any further information required by the Minister under subsection (2) of section 51 of this Act, the Minister, by instrument in writing served on the applicant—

Notification
as to grant
of licence.

- (a) shall inform the applicant that he is prepared to grant to him a licence in respect of the blocks specified in the application; and
- (b) may inform the applicant that he will be required to lodge a security for compliance with the conditions to which the licence, if granted, will from time to time be subject and with the provisions of this Part and of the regulations.

(2) An instrument under subsection (1) of this section shall—

- (a) contain a summary of the conditions subject to which the licence is to be granted;
- (b) specify the rate or rates, and the periods related thereto, if any, of royalty determined by the Minister in pursuance of subsection (1), (2) or (3) of section 52 of this Act; and
- (c) contain a statement to the effect that the application will lapse—
 - (i) if the applicant does not make a request under subsection (1) of section 54 of this Act in respect of the grant of the licence; or
 - (ii) in a case where the Minister informs the applicant that he will be required to lodge a security as mentioned in paragraph (b) of subsection (1) of this section—if the applicant does not lodge that security with the Minister.

Grant of
licence.

54. (1) An applicant on whom there has been served an instrument under subsection (1) of section 53 of this Act may, within a period of three months after the date of service of the instrument on him, or within such further period, not exceeding three months, as the Minister, on application in writing served on him before the expiration of the firstmentioned period of three months, allows—

- (a) by instrument in writing served on the Minister request the Minister to grant to him the licence referred to in the first-mentioned instrument; and
- (b) if the Minister has informed him that he will be required to lodge a security as mentioned in paragraph (b) of that subsection, lodge that security with the Minister.

(2) Where an applicant on whom there has been served an instrument under subsection (1) of section 53 of this Act—

- (a) has made a request under subsection (1) of this section; and
- (b) if the Minister has informed the applicant that he will be required to lodge a security as mentioned in paragraph (b) of subsection (1) of section 53 of this Act, has lodged that security with the Minister,

within the period applicable under subsection (1) of this section, the Minister shall grant to the applicant a production licence for petroleum in respect of the blocks specified in the application.

(3) A secondary licence shall not be granted to a permittee in respect of any one or more of the blocks that constitute a location unless—

- (a) a primary licence has been granted in respect of a block or blocks forming part of that location; and
- (b) the number of blocks in respect of which the primary licence was granted, together with the number of blocks included in that

licence by reason of variations of the licence under section 55 of this Act, is the permittee's primary entitlement.

(4) Where an applicant on whom there has been served an instrument under subsection (1) of section 53 of this Act—

- (a) has not made a request under subsection (1) of this section; or
- (b) if the Minister has informed the applicant that he will be required to lodge a security as mentioned in paragraph (b) of subsection (1) of section 53 of this Act, has not lodged that security with the Minister,

within the period applicable under subsection (1) of this section, the application lapses upon the expiration of that period.

(5) From and including the day on which a licence granted under this section has effect, the permit in respect of the blocks in respect of which the licence was granted ceases to be in force in respect of those blocks.

55. (1) Where an application is made under subsection (2) of section 50 of this Act for a variation of a licence, the Minister shall, by instrument in writing served on the licensee, vary the licence to include in the licence area the blocks specified in the application.

Variation of
licence area.

(2) From and including the day from and including which a variation of a licence under this section has effect—

- (a) the blocks included in the licence area by reason of the variation are, subject to this Part, for the remainder of the term of the licence, blocks in respect of which the licence is in force; and
- (b) the permit that is in force in respect of the blocks so included ceases to be in force in respect of those blocks.

Determina-
tion of
permit as to
blocks not
taken up by
licensee.

56. (1) Subject to subsection (2) of this section, where—

- (a) a permittee who may make an application under section 50 of this Act in respect of a block does not, within the application period make the application; or
- (b) all applications made by a permittee under that section in respect of a block have lapsed,

the permit is determined as to that block and the determination has effect—

- (c) in a case referred to in paragraph (a) of this subsection—upon the expiration of the application period; and
- (d) in a case referred to in paragraph (b) of this subsection—
 - (i) upon the expiration of the application period; or
 - (ii) upon the lapsing of the last of the applications referred to in that paragraph,

whichever is the later.

(2) Where a permittee makes an application for a secondary licence—

- (a) the permit is determined as to any blocks forming part of the location concerned that are not the subject of that application or of any application for a primary licence or for the variation of such a licence; and
- (b) the determination has effect upon the making of the application.

(3) Where the block or blocks constituting a location are no longer the subject of a permit the Minister shall, by instrument published in the *Gazette*, revoke the declaration made under subsection (1) of section 47 of this Act in respect of that location.

57. (1) Where—

- (a) a licence is surrendered or cancelled as to a block; or
- (b) a permit is surrendered, cancelled or determined as to a block—
 - (i) that, at the time of the surrender, cancellation or determination, was, or was included in, a location; and
 - (ii) in which, in the opinion of the Minister, there is petroleum,

the Minister may, at any subsequent time, by instrument published in the *Gazette*—

- (c) invite applications for the grant of a licence in respect of that block; and
- (d) specify a period within which applications may be made.

(2) The Minister shall, in an instrument under subsection (1) of this section, state—

- (a) that an applicant is required to specify an amount that he would be prepared to pay in respect of the grant of a licence to him on his application; or
- (b) that an applicant is required to specify a rate of royalty that he would be prepared to pay, if a licence were granted to him on his application, in respect of petroleum recovered under the licence, being a rate that exceeds ten per centum of the value at the well-head of that petroleum.

(3) Where the Minister, in an instrument under subsection (1) of this section, states that an applicant is required to specify a rate of royalty as mentioned in paragraph (b) of subsection (2) of this section, the Minister may, in that instrument, state that an applicant on whose application he is prepared to grant a licence will also be required to pay to him, in respect of the grant of the licence to the applicant, the amount specified in that behalf in that instrument.

Application
for licence
in respect of
surrendered,
etc., blocks.

(4) Where an instrument is published under subsection (1) of this section and—

- (a) no application is made within the period specified in the instrument; or
- (b) after consideration of the applications, a licence is not granted,

in respect of the block specified in the instrument, the Minister may cause a notification accordingly to be published in the *Gazette* and may, at any subsequent time and without invitation under subsection (1) of this section, receive an application for the grant of a licence in respect of that block.

(5) The Minister shall not receive an application under subsection (4) of this section during any period during which an application may be made in pursuance of an invitation under subsection (1) of this section.

(6) An application under this section—

- (a) shall be in accordance with an approved form;
- (b) shall be made in an approved manner;
- (c) shall be accompanied by the particulars referred to in paragraph (c) of subsection (1) of section 51 of this Act;
- (d) in the case of an application under subsection (1) of this section, shall specify, in accordance with the requirement in the instrument by which applications were invited, the amount, or the rate of royalty, that the applicant would be prepared to pay;
- (e) in the case of an application under subsection (4) of this section, shall specify—
 - (i) an amount that the applicant would be prepared to pay in respect of the grant of a licence to him on the application;

- (ii) a rate of royalty that the applicant would be prepared to pay in respect of petroleum recovered under the licence, being a rate that exceeds ten per centum of the value at the well-head of that petroleum; or
- (iii) such an amount and such a rate; and
- (f) may set out any other matters that the applicant wishes the Minister to consider.

(7) The Minister may, at any time, by instrument in writing served on the applicant, require him to furnish, within the period specified in the instrument, further information in connection with his application.

58. (1) An application under section 57 of this Act shall be accompanied by— Application
fes, etc.

- (a) a fee of One thousand dollars; and
- (b) a deposit—

- (i) if the application is made under subsection (1) or (4) of section 57 of this Act and the applicant has specified an amount that he would be prepared to pay in respect of the grant of a licence to him on the application—of ten per centum of that amount; or
- (ii) if the application is made under subsection (1) of section 57 of this Act and the Minister has, in the instrument by which applications were invited, stated an amount that the applicant will be required to pay in respect of the grant of a licence—of ten per centum of that amount.

(2) Where a licence is not granted on the application—

- (a) the sum of Nine hundred dollars; and
 - (b) subject to subsection (3) of this section, the amount of the deposit,
- shall be refunded to the applicant.

(3) Where an applicant on whom there has been served an instrument under subsection (1) or (3) of section 59 of this Act does not request the Minister, under subsection (6) of that section, to grant to him the licence referred to in the instrument, the deposit shall not, unless the Minister otherwise determines, be refunded to the applicant.

Request by
applicant
for grant
of licence.

59. (1) Where, at the expiration of the period specified in an instrument under subsection (1) of section 57 of this Act, only one application has been made under that subsection in respect of the block specified in the instrument, the Minister may reject the application or may, by instrument in writing served on the applicant, inform him that he is prepared to grant to him a licence in respect of that block.

(2) Where, at the expiration of the period specified in an instrument under subsection (1) of section 57 of this Act, two or more applications have been made under that subsection in respect of the block specified in the instrument, the Minister may reject any or all of the applications and, if he does not reject all of the applications, may—

- (a) if only one application remains unrejected—by instrument in writing served on the applicant; or
- (b) if two or more applications remain unrejected—by instrument in writing served on the applicant, or on one of the applicants, whose application has not been rejected and who has specified in his application an amount, or a rate of royalty that he would be prepared to pay that is not less than the amount, or the rate of royalty, specified in the application of any other applicant whose application has not been rejected,

inform him that he is prepared to grant to him a licence in respect of that block.

(3) Where an application is made under subsection (4) of section 57 of this Act, the Minister may reject the application or may, by instrument in writing served on the applicant, inform the applicant—

- (a) that he is prepared to grant to him a licence in respect of that block; and
- (b) that the applicant will be required to pay—
 - (i) the amount specified in the application;
 - (ii) royalty at the rate specified in the application; or
 - (iii) the amount, and royalty at the rate, specified in the application,

as the case may be.

(4) The Minister may, by an instrument served on an applicant under any of the preceding provisions of this section, inform the applicant that he will be required to lodge a security for compliance with the conditions to which the licence, if granted, will from time to time be subject and with the provisions of this Part and of the regulations.

(5) An instrument under any of the preceding provisions of this section shall contain—

- (a) a summary of the conditions subject to which the licence is to be granted;
- (b) a statement of the balance of the amount, if any, that the applicant will be required to pay in respect of the grant of the licence to him; and
- (c) a statement to the effect that the application will lapse—
 - (i) if the applicant does not make a request under subsection (6) of this section;
 - (ii) in a case where the instrument contains a statement referred to in paragraph (b) of this subsection—if

the applicant does not pay the balance of the amount referred to in that statement or enter into an agreement under section 103 of this Act in respect of that balance; or

- (iii) in a case where the Minister informs the applicant that he will be required to lodge a security as mentioned in subsection (4) of this section—if the applicant does not lodge that security with the Minister.

(6) An applicant on whom there has been served an instrument under any of the preceding provisions of this section may, within a period of three months after the date of service of the instrument on him, or within such further period, not exceeding three months, as the Minister, on application in writing served on him before the expiration of the firstmentioned period of three months, allows—

- (a) by instrument in writing served on the Minister, request the Minister to grant to him the licence;
- (b) if the firstmentioned instrument contains a statement of the balance of an amount that the applicant will be required to pay in respect of the grant of the licence to him—pay that balance or enter into an agreement under section 103 of this Act in respect of that balance; and
- (c) if the Minister has informed him that he will be required to lodge a security as mentioned in subsection (4) of this section, lodge that security with the Minister.

(7) Where an applicant on whom there has been served an instrument under subsection (1), (2) or (3) of this section—

- (a) has not made a request under subsection (6) of this section;
- (b) if the instrument contains a statement of the balance of an amount that the applicant will be required to pay in respect

of the grant of a licence to him—has not paid the balance or entered into an agreement under section 103 of this Act in respect of that balance; or

- (c) if the Minister has informed the applicant that he will be required to lodge a security as mentioned in subsection (4) of this section, has not lodged that security with the Minister,

within the period applicable under subsection (6) of this section, the application lapses upon the expiration of that period.

(8) Where the application of an applicant on whom there has been served an instrument under subsection (2) of this section lapses as provided by subsection (7) of this section, subsection (2) of this section applies in respect of the application or applications, if any, then remaining unrejected.

60. Where an applicant on whom there has been served an instrument under section 59 of this Act—

Grant of
licence on
request.

- (a) has made a request under subsection (6) of that section;
- (b) if the instrument contains a statement of the balance of an amount that the applicant will be required to pay in respect of the grant of a licence to him—has paid that balance or entered into an agreement under section 103 of this Act in respect of that balance; and
- (c) if the Minister has informed him that he will be required to lodge a security as mentioned in subsection (4) of section 59 of this Act, has lodged that security with the Minister,

within the period applicable under subsection (6) of section 59 of this Act, the Minister shall grant to him a production licence for petroleum in respect of the block specified in the instrument.

Grant of
licences in
respect of
individual
blocks.

61. (1) Where a licence (in this section called "the original licence") is in force in respect of two or more blocks (not being blocks that form or form part of a location), the licensee may make an application to the Minister for the grant to him of two or more licences in respect of the blocks the subject of the original licence in exchange for the original licence.

(2) An application under subsection (1) of this section—

- (a) shall be in accordance with an approved form;
- (b) shall be made in an approved manner;
- (c) shall specify the number of licences required;
- (d) shall specify the block or blocks the subject of the original licence in respect of which each licence is sought; and
- (e) shall be accompanied by a fee of One hundred dollars.

(3) The Minister may, by instrument in writing served on a licensee who has made an application under this section, require him to lodge in respect of a licence to be granted to him under this section, a security for compliance with the conditions to which the licence is from time to time subject and with the provisions of this Part and of the regulations.

(4) Where a licensee—

- (a) has made an application under this section; and
- (b) if the Minister has required the licensee to lodge a security as mentioned in subsection (3) of this section, has lodged that security with the Minister,

the Minister shall grant to the licensee production licences for petroleum in accordance with the application.

(5) A licence granted on an application under this section—

- (a) remains in force, subject to this Part, but notwithstanding section 63 of this Act, for the remainder of the term of the original licence; and
- (b) shall be granted subject to conditions corresponding as nearly as may be to the conditions to which the original licence was subject.

(6) Where licences are granted on an application under this section—

- (a) the original licence is, by force of this subsection, determined; and
- (b) the determination has effect from and including the day on which those licences have effect.

62. A licence, while it remains in force, authorises the licensee, subject to this Act and the regulations and in accordance with the conditions to which the licence is subject—

Rights
conferred by
licence.

- (a) to carry on operations for the recovery of petroleum in the licence area;
- (b) to explore for petroleum in the licence area; and
- (c) to carry on such operations and execute such works in the licence area as are necessary for those purposes.

63. Subject to this Part, a licence remains in force—

Term of
licence.

- (a) in the case of a licence granted otherwise than by way of the renewal of a licence— for a period of twenty-one years commencing on the day from which the licence has effect;

- (b) in the case of a licence granted by way of the first renewal of a licence—for a period of twenty-one years commencing on the day after the day on which the previous licence ceases to have effect; and
- (c) in the case of a licence granted by way of the renewal, other than the first renewal, of a licence—for such period, not exceeding twenty-one years, as the Minister determines and specifies in the licence, commencing on the day after the day on which the last previous licence in respect of the blocks specified in the licence so granted ceases to have effect.

Application
for renewal
of licence.

64. (1) A licensee may, from time to time, make an application to the Minister for the renewal of the licence.

(2) An application for the renewal of the licence—

- (a) shall be in accordance with an approved form;
- (b) subject to subsection (3) of this section, shall be made in an approved manner not less than six months before the day on which the licence ceases to have effect;
- (c) shall be accompanied by particulars of the proposals of the licensee for work and expenditure in respect of the licence area; and
- (d) shall be accompanied by a fee of Two hundred dollars.

(3) The Minister may, for reasons that he thinks sufficient, receive an application for the renewal of the licence less than six months before, but not in any case after, the day on which the licence ceases to have effect.

Grant or
refusal of
renewal of
licence.

65. (1) Where a licensee who has complied with the conditions to which the licence is subject and with the provisions of this Part and of the

regulations makes an application under section 64 of this Act for the renewal of the licence, the Minister—

- (a) shall, if the application is in respect of the first renewal of the licence; or
- (b) may, if the application is in respect of a renewal other than the first renewal of the licence,

inform the licensee, by instrument in writing served on the licensee, that he is prepared to grant to him the renewal of the licence.

(2) Where a licensee who has not complied with the conditions to which the licence is subject and with the provisions of this Part and of the regulations makes an application under section 64 of this Act for the renewal of the licence, the Minister, if he is satisfied that, although the licensee has not so complied, special circumstances exist that justify the granting of the renewal of the licence, may inform the licensee, by instrument in writing served on the licensee, that he is prepared to grant to him the renewal of the licence.

(3) If a licensee has not complied with the conditions to which the licence is subject and with the provisions of this Part and of the regulations, and if the Minister is not satisfied that special circumstances exist that justify the granting of the renewal of the licence, the Minister shall, subject to subsection (4) of this section, by instrument in writing served on the licensee, refuse to grant the renewal of the licence.

(4) The Minister shall not under subsection (3) of this section refuse to grant the renewal of a licence unless—

- (a) he has, by instrument in writing served on the licensee, given not less than one month's notice of his intention to refuse to grant the renewal of the licence;
- (b) he has served a copy of the instrument on such other persons, if any, as he thinks fit;

(c) he has, in the instrument—

- (i) given particulars of the reasons for the intention; and
- (ii) specified a date on or before which the licensee or a person on whom a copy of the instrument is served may, by instrument in writing served on the Minister, submit any matters that he wishes the Minister to consider; and

(d) he has taken into account any matters so submitted to him on or before the specified date by the licensee or by a person on whom a copy of the firstmentioned instrument has been served.

(5) Where a licensee makes an application under section 64 of this Act in respect of a renewal other than the first renewal of the licence, the Minister may, by instrument in writing served on the licensee, refuse to grant the renewal of the licence.

(6) The Minister may, by an instrument served on a licensee under subsection (1) or (2) of this section, inform the licensee that he will be required to lodge a security for compliance with the conditions to which the licence, if the renewal is granted, will from time to time be subject and with the provisions of this Part and of the regulations.

(7) An instrument under subsection (1) or (2) of this section shall contain—

- (a) a summary of the conditions to which the licence, on the grant of the renewal, is to be subject; and
- (b) a statement to the effect that the application will lapse—
 - (i) if the licensee does not make a request under subsection (8) of this section; or
 - (ii) in a case where the Minister informs the licensee that he will be required to lodge a security as mentioned in

subsection (6) of this section—if the licensee does not lodge that security with the Minister.

(8) A licensee on whom there has been served an instrument under subsection (1) or (2) of this section may, within a period of one month after the date of service of the instrument on him—

- (a) by instrument in writing served on the Minister, request the Minister to grant to him the renewal of the licence; and
- (b) if the Minister has informed him that he will be required to lodge a security as mentioned in subsection (6) of this section, lodge that security with the Minister.

(9) Where a licensee on whom there has been served an instrument under subsection (1) or (2) of this section—

- (a) has made a request under subsection (8) of this section; and
- (b) if the Minister has informed him that he will be required to lodge a security as mentioned in subsection (6) of this section, has lodged that security with the Minister,

within the period referred to in subsection (8) of this section, the Minister shall grant to him the renewal of the licence.

(10) Where a licensee on whom there has been served an instrument under subsection (1) or (2) of this section—

- (a) has not made a request under subsection (8) of this section; or
- (b) if the Minister has informed him that he will be required to lodge a security as mentioned in subsection (6) of this section, has not lodged that security with the Minister,

within the period referred to in subsection (8) of this section, the application lapses upon the expiration of that period.

(11) Where—

- (a) an application for the renewal of a licence is made under section 64 of this Act; and
- (b) the licence expires—
 - (i) before the Minister grants, or refuses to grant, the renewal of the licence; or
 - (ii) before the application lapses as provided by subsection (10) of this section,

the licence shall be deemed to continue in force in all respects—

- (c) until the Minister grants, or refuses to grant, the renewal of the licence; or
- (d) until the application so lapses,

whichever first happens.

Conditions
of licence.

66. A licence may be granted subject to such conditions as the Minister thinks fit and specifies in the licence.

Works to be
carried out.

67. (1) A licensee is required, during the first year of the term of the licence, to carry out in or in relation to the licence area, in connection with exploration for, or operations for the recovery of, petroleum in the licence area, approved works to the value of not less than the amount calculated by multiplying the sum of One hundred thousand dollars by the number of blocks in respect of which the licence is in force.

(2) A licensee is required, during each subsequent year of the term of the licence, to carry out in the licence area, in connection with exploration for, or operations for the recovery of, petroleum in the licence area, approved works—

- (a) if he did not recover petroleum in the licence area during the last preceding year of the term of the licence—to the value of

not less than the amount calculated by multiplying the sum of One hundred thousand dollars by the number of blocks in respect of which the licence is in force; or

- (b) if he did recover petroleum in the licence area during the last preceding year of the term of the licence and the amount referred to in paragraph (a) of this subsection exceeds the value of the petroleum so recovered—to the value of not less than the amount of the excess.

(3) Where, in respect of a year of the term of his licence, a licensee has not complied with subsection (1) or (2) of this section, the Crown is entitled to recover from the licensee, by action against the licensee in a court of competent jurisdiction, an amount equal to the value of the approved works that the licensee was required to carry out in the licence area during that year of the term of the licence less the value of any approved works carried out by the licensee in that area during that year.

(4) The Minister may, if he is satisfied that special circumstances exist that justify his doing so, by instrument in writing served on a licensee, exempt the licensee from compliance with the requirements of this section in respect of the year of the term of the licence specified in the instrument subject to such conditions, if any, as the Minister thinks fit and specifies in the instrument.

(5) For the purposes of this section the value of any petroleum is the value at the well-head of that petroleum ascertained in accordance with section 145 of this Act.

68. (1) Where petroleum is not being recovered in a licence area and the Minister is satisfied that there is recoverable petroleum in that area, he may, by instrument in writing served on the licensee, direct the licensee to take all necessary and practicable steps to recover that petroleum.

Directions
as to
recovery of
petroleum.

(2) Where the Minister is not satisfied with the steps taken or being taken by a licensee to whom a direction has been given under subsection (1) of this section, the Minister may, by instrument in writing served on the licensee, give to the licensee such directions as the Minister thinks necessary for or in relation to the recovery of petroleum in the licence area.

(3) Where petroleum is being recovered in a licence area, the Minister may, for reasons that he thinks sufficient, by instrument in writing served on the licensee, direct the licensee to take all necessary and practicable steps to increase or reduce the rate at which the petroleum is being recovered to such rate as the Minister specifies in the instrument.

(4) Where the Minister is not satisfied with the steps taken or being taken by a licensee to whom a direction has been given under subsection (3) of this section, the Minister may, by instrument in writing served on the licensee, give to the licensee such directions as the Minister thinks necessary for or in relation to the increase or reduction of the rate at which petroleum is being recovered in the licence area.

Unit
develop-
ment.

69. (1) In this section, "unit development", in relation to a petroleum pool, means the co-ordination of operations for the recovery of petroleum being carried on or to be carried on in a licence area in which there is part of that pool with other operations for the recovery of petroleum being carried on or to be carried on in any other area, whether within the State or not, in which there is part of that pool.

(2) A licensee may from time to time enter into an agreement in writing for or in relation to the unit development of a petroleum pool.

(3) The Minister, of his own motion or on application made to him in writing by—

(a) a licensee in whose licence area there is a part of a particular petroleum pool; or

- (b) a person who is lawfully entitled to carry on operations for the recovery of petroleum in an area outside the State that includes part of a particular petroleum pool that extends into the State,

may, for the purpose of securing the more effective recovery of petroleum from the petroleum pool, direct any licensee whose licence area includes part of the petroleum pool to enter into an agreement in writing, within the period specified in the instrument, for or in relation to the unit development of the petroleum pool and to lodge the agreement with him forthwith in accordance with section 75 of this Act.

(4) Where—

- (a) a licensee who is directed under subsection (3) of this section to enter into an agreement for or in relation to the unit development of a petroleum pool does not enter into such an agreement within the specified period; or
- (b) a licensee enters into such an agreement but the agreement is not lodged with the Minister in accordance with subsection (3) of this section or if so lodged is not approved under section 75 of this Act,

the Minister may by instrument in writing served on that licensee, direct the licensee to submit to him, within the period specified in the instrument, a scheme for or in relation to the unit development of the petroleum pool.

(5) At any time after the expiration of the period within which a scheme for or in relation to the unit development of a petroleum pool is to be submitted by a licensee under subsection (4) of this section, the Minister may, by instrument in writing served on the licensee, give to that licensee such directions as the Minister thinks necessary for the purpose of securing the more effective recovery of petroleum from the petroleum pool.

(6) Where a person is the licensee in respect of two or more licence areas in each of which there is part of a particular petroleum pool, the Minister may, by instrument in writing served on the licensee, give to the licensee such directions as the Minister thinks necessary for the purpose of securing the more effective recovery of petroleum from the petroleum pool.

(7) Where an agreement under this section is in force or the Minister has given directions under subsection (5) or (6) of this section, the Minister may, having regard to additional information that has become available, by instrument in writing served on the licensee or licensees concerned, give to the licensee or licensees such directions, or further directions, as the case may be, as he thinks necessary for the purpose of securing the more effective recovery of petroleum from the petroleum pool.

(8) The Minister shall not give a direction under either subsection (6) or (7) of this section unless he has given to the licensee or licensees concerned an opportunity to confer with him concerning the proposed direction.

(9) Directions under subsection (5), (6), or (7) of this section may include directions as to the rate at which petroleum is to be recovered.

(10) An agreement under this section is an instrument to which section 75 of this Act applies.

Division 4.—Registration of Instruments.

Register of
certain
instruments
to be kept.

70. (1) For the purposes of this Part, the Minister shall keep a Register of permits, licences and access authorities granted by him.

(2) The Minister shall enter in the Register a memorial in respect of each permit, licence or access authority—

(a) specifying the name of the holder of the permit, licence or access authority;

- (b) in the case of a permit or licence, setting out an accurate description (including, where convenient, a map) of the permit area or licence area;
- (c) in the case of an access authority, setting out an accurate description (including, where convenient, a map) of the area in respect of which the access authority is in force;
- (d) specifying the term of the permit, licence or access authority;
- (e) setting out such other matters and things as are required by this Part to be entered in the Register; and
- (f) setting out such further matters relating to the registered holder or to the terms and conditions of the permit, licence or access authority as the Minister deems proper and expedient in the public interest.

(3) The Minister shall enter in the Register a memorial of—

- (a) any instrument varying, cancelling, surrendering or otherwise affecting a permit, licence or access authority;
- (b) any instrument under subsection (5), (6) or (7) of section 69 of this Act;
- (c) any agreement under section 103 of this Act; and
- (d) any instrument varying or revoking an instrument referred to in either paragraph (a) or (b) of this subsection.

(4) It is sufficient compliance with the requirements of subsection (2) or (3) of this section if the Minister enters a copy of the permit, licence, access authority or instrument in the Register.

(5) A permit, licence, access authority or instrument—

- (a) shall be deemed to be registered as soon as a memorial complying with subsection (2) or (3), as the case may be, of this section, or a copy of the permit, licence, access authority or instrument, has been entered in the Register; and
- (b) is of no force until it has been so registered.

(6) The Minister shall endorse on the permit, licence, access authority or instrument a memorandum of the date upon which the memorial or copy was entered in the Register.

Memorials
to be
entered of
permits,
etc., deter-
mined, etc.

71. Where—

- (a) a permit ceases to be in force in respect of a block in respect of which a licence is granted;
- (b) a permit has been wholly determined or partly determined; or
- (c) a permit, licence or access authority has expired,

the Minister shall enter in the Register a memorial of the fact.

Approval
and regis-
tration of
transfers.

72. (1) A transfer of a permit, licence or access authority is of no force until it has been approved by the Minister and registered as provided by this section.

(2) A registered holder who desires to transfer a permit, licence or access authority to another person, or to himself and another person jointly, may lodge with the Minister an application for approval of the transfer of the permit, licence or access authority.

(3) The application shall be accompanied by an instrument of transfer of the permit, licence or access authority duly executed by the transferor and transferee, together with a copy of that instrument.

(4) On receipt of the application, the Minister shall enter a memorandum in the Register of the date on which the application was lodged with him and may make such other notation in the Register as he deems appropriate.

(5) The Minister shall not approve the transfer unless it is an absolute transfer of the whole of the transferor's interest in the permit, licence or access authority.

(6) Subject to subsection (5) of this section, the Minister may—

(a) in the case of the transfer of a permit or licence—by instrument in writing served on the transferor—

(i) inform the transferor that he is prepared to approve the application and that the transferee will be required to lodge a security for compliance with the conditions to which the permit or licence is from time to time subject and with the provisions of this Part and of the regulations; or

(ii) refuse the application;

and

(b) in the case of the transfer of an access authority—

(i) approve the application; or

(ii) by instrument in writing served on the transferor, refuse the application.

(7) Where—

(a) the Minister has, under subsection, (6) of this section informed the transferor that the transferee will be required to lodge a security; and

(b) the transferee has lodged that security with the Minister,

the Minister shall approve the application.

(8) Where, in the case of the transfer of a licence, the Minister is prepared to approve the application and is of the opinion that the transferee should not be required to lodge a security as mentioned in subsection (6) of this section, subsections (6) and (7) of this section do not apply to or in relation to the transfer and the Minister may, subject to subsection (5) of this section, approve the application.

(9) If the Minister approves the application, he shall forthwith endorse on the instrument of transfer and on the copy a memorandum of approval and, on payment of the fee provided by the Petroleum (Registration Fees) Act, 1967, enter in the Register a memorandum of the transfer and the name of the transferee.

(10) The transfer shall be deemed to be registered as soon as a memorandum of the transfer and the name of the transferee has, under subsection (9) of this section been entered in the Register and, upon that memorandum being so entered, the transferee becomes the registered holder of the permit, licence or access authority to which the instrument of transfer relates.

(11) The copy of the instrument of transfer endorsed with the memorandum of approval shall be retained by the Minister and is subject to inspection in accordance with this Division.

(12) The instrument of transfer endorsed with the memorandum of approval shall be returned to the person who lodged the application.

Entries in
Register on
devolution
of title.

73. (1) A person upon whom the rights of a registered holder of a permit, licence or access authority have devolved by operation of law may apply in writing to the Minister to have his name entered in the Register as the holder of the permit, licence or access authority.

(2) The Minister shall, if he is satisfied that the rights of the holder have devolved upon the applicant by operation of law and on payment of a fee

of Ten dollars, enter the name of the applicant in the Register as holder of the permit, licence or access authority and, upon that entry being so made, the applicant becomes the registered holder of the permit, licence or access authority.

74. A legal or equitable interest in or affecting an existing or future permit, licence or access authority is not capable of being created, assigned, affected or dealt with, whether directly or indirectly, except by an instrument in writing.

Interests not to be created, etc., except by instruments in writing.

75. (1) This section applies to an instrument by which legal or equitable interest in or affecting an existing or future permit, licence or access authority is or may be created, assigned, affected or dealt with, whether directly or indirectly, not being an instrument of transfer to which section 72 of this Act applies.

Approval and registration of instruments creating, etc., interests.

(2) An instrument to which this section applies is of no force until—

- (a) the instrument has been approved by the Minister; and
- (b) an entry has been made in the Register by the Minister in accordance with subsection (7) of this section.

(3) A party to an instrument to which this section applies, or a person having an interest in or in relation to a permit, licence or access authority by reason of such an instrument, may lodge with the Minister an application for approval of the instrument.

(4) The application shall be accompanied by the instrument and by a copy of the instrument.

(5) On receipt of the application, the Minister shall enter a memorandum in the Register of the date on which the application was lodged with him and may make such other notation in the Register as he deems appropriate.

(6) The Minister may approve or refuse the application.

(7) If the Minister approves the application, he shall forthwith endorse on the original instrument and on the copy a memorandum of approval and, on payment of the fee provided by the Petroleum (Registration Fees) Act, 1967, make an entry of the approval of the instrument in the Register on the memorial relating to, or on the copy of, the permit, licence or access authority to which the instrument relates.

(8) The copy of the instrument endorsed with the memorandum of approval shall be retained by the Minister and is subject to inspection in accordance with this Division.

(9) The original instrument endorsed with the memorandum of approval shall be returned to the person who lodged the application for approval.

(10) If the Minister refuses the application, he shall make a notation of the refusal in the Register.

True
considera-
tion to be
shown.

76. (1) A party to a transfer referred to in section 72 of this Act or to an instrument to which section 75 of this Act applies shall not, with intent to defraud, execute the transfer or instrument if the transfer or instrument does not fully and truly set forth the true consideration for the transfer or instrument and all other facts and circumstances, if any, affecting the amount of the fee payable in respect of the transfer or instrument under the Petroleum (Registration Fees) Act, 1967.

Penalty: Two thousand dollars.

(2) Where a person is convicted of an offence against subsection (1) of this section the Minister may make a fresh determination of the amount of the fee payable under the Petroleum (Registration Fees) Act, 1967, in respect of the memorandum relating to the transfer or instrument.

(3) Subsections (2) and (3) of section 85 of this Act apply in relation to a determination under subsection (2) of this section as they apply in relation to a determination under subsection (1) of that section.

77. Neither the Minister nor a person acting under his direction or authority is concerned with the effect in law of any instrument lodged with him in pursuance of this Division nor does the approval of such an instrument give to it any force, effect or validity that it would not have had if this Division had not been enacted.

Minister not concerned with certain matters.

78. (1) The Minister may require the person lodging an instrument for approval under this Division to furnish to him in writing such information concerning the instrument, or the transaction to which the instrument relates, as the Minister considers necessary or advisable.

Power of Minister to require information as to proposed dealings.

(2) A person who is so required to furnish information shall not furnish information that is false or misleading in a material particular.

Penalty: One thousand dollars.

79. (1) The Minister may require any person to produce to him or to make available for inspection by him any documents in the possession or under the control of that person and relating to an instrument lodged with the Minister for approval under this Division, or to the transaction to which such an instrument relates.

Production and inspection of books, records and documents.

(2) A person shall not fail or refuse to comply with a requirement given to him under subsection (1) of this section.

Penalty: One thousand dollars.

80. (1) Subject to subsection (2) of this section, the Register and all instruments registered or subject to inspection under this Division shall at all convenient times be open for inspection by any person upon payment of a fee of Two dollars.

Inspection of Register and documents.

(2) The Minister may refuse to allow a memorial or a copy of a permit, licence or access authority to be inspected without the written consent of the registered holder.

Evidentiary provisions.

81. (1) The Register shall be received by all courts as evidence of all matters required or authorised by this Division to be entered in the Register.

(2) The Minister may, on payment of a fee calculated at the rate of Fifty cents per page, supply copies of or extracts from the Register or of or from any instrument lodged with him under this Division, certified by writing under his hand, and such a copy or extract so certified is admissible in evidence in all courts and proceedings without further proof or production of the original.

(3) The Minister may, on payment of a fee of Five dollars, by instrument in writing under his hand, certify that an entry, matter or thing required or permitted by or under this Division to be made or done or not to be made or done has or has not, as the case may be, been made or done and such a certificate is evidence in all courts and proceedings of the statements contained in the certificate.

Appeals.

82. (1) The Supreme Court may, on the application of a person aggrieved by—

- (a) the omission of an entry from the Register;
- (b) an entry made in the Register without sufficient cause;
- (c) an entry wrongly existing in the Register;
or
- (d) an error or defect in an entry in the Register,

make such order as it thinks fit directing the rectification of the Register.

(2) The Supreme Court may, in proceedings under this section, decide any question that it is necessary or expedient to decide in connection with the rectification of the Register.

(3) Notice of an application under this section shall be given to the Minister, who may appear and be heard and shall appear if so directed by the Supreme Court.

(4) An office copy of an order made by the Supreme Court may be served on the Minister, and the Minister shall, upon receipt of the order, rectify the Register accordingly.

83. Subject to section 82 of this Act, neither the Minister nor a person acting under his direction or authority is liable to an action, suit or proceeding for or in respect of an act or matter in good faith done or omitted to be done in exercise or purported exercise of any power or authority conferred by this Division.

Minister
not liable to
certain
actions.

84. A person who wilfully—

Offences.

- (a) makes, causes to be made, or concurs in making a false entry in the Register; or
- (b) produces or tenders in evidence a document falsely purporting to be a copy of or extract from an entry in the Register or of or from an instrument lodged with the Minister under this Division,

is guilty of a misdemeanour and is liable on conviction on indictment to imprisonment for two years.

85. (1) The Minister may determine the amount of the fee payable under the Petroleum (Registration Fees) Act, 1967 in respect of any memorandum.

Assessment
of fee.

(2) A person dissatisfied with a determination of the Minister under subsection (1) of this section may appeal to the Supreme Court against the determination.

(3) Upon the hearing of the appeal, the Supreme Court may affirm, reverse or modify the determination of the Minister.

Exemption
from stamp
duty.

86. Duty under the Stamp Act, 1921 is not chargeable—

- (a) on a permit, licence or access authority;
- (b) on a transfer of a permit, licence or access authority to which section 72 of this Act applies; or
- (c) on any other instrument in so far as it relates to a legal or equitable interest in or affecting a permit, licence or access authority.

Division 5.—General.

Form of
permit, etc.

87. A permit, a licence, a special prospecting authority and an access authority shall be in accordance with such forms as the Minister determines.

Notice of
grants of
permits,
etc., to be
published.

88. The Minister shall cause such particulars as he thinks fit of—

- (a) the grant, and the grant of the renewal, of a permit or licence;
- (b) the variation of a licence;
- (c) the surrender or cancellation of a permit or licence as to all or some of the blocks in the permit area or licence area;
- (d) the determination of a permit as to a block or blocks; and
- (e) the expiry of a permit or licence,

under this Part to be published in the *Gazette*.

Date of
effect of
permits,
etc.

89. (1) A permit or licence has effect from and including the day specified for the purpose in the permit or licence.

(2) The surrender or cancellation of a permit or licence as to all or some of the blocks in the permit area or licence area has effect from and including the day on which notice of the surrender or cancellation is published in the *Gazette*.

(3) A variation of a licence has effect from and including the day on which notice of the variation is published in the *Gazette*.

90. (1) Where a permit or licence is granted subject to a condition that works or operations specified in the permit or licence are to be carried out, the permittee or licensee, as the case may be, shall commence to carry out those works or operations within a period of six months after the day on which the permit or licence, as the case may be, has effect. Commence-
ment of
works.

(2) The Minister may, for reasons that he thinks sufficient, by instrument in writing served on a permittee or licensee—

- (a) exempt him from compliance with the requirements of subsection (1) of this section; and
- (b) direct him to commence to carry out the works or operations specified in the permit or licence, as the case may be, within such period after the day on which the permit or licence, as the case may be, has effect as is specified in the instrument.

(3) A person to whom a direction is given under subsection (2) of this section shall comply with the direction.

Penalty: Two thousand dollars.

91. (1) A permittee or licensee shall carry out all petroleum exploration operations and operations for the recovery of petroleum in the permit area or licence area in a proper and workmanlike manner and in accordance with good oil-field practice and shall secure the safety, health and welfare of persons engaged in those operations in or about the permit area or licence area. Work
practices

(2) In particular, and without limiting the generality of subsection (1) of this section, a permittee or licensee shall—

- (a) control the flow and prevent the waste or escape in the permit area or licence area of petroleum or water;
- (b) prevent the escape in the permit area or licence area of any mixture of water or drilling fluid with petroleum or any other matter;
- (c) prevent damage to petroleum-bearing strata in an area, whether in the State or not, in respect of which the permit or licence is not in force;
- (d) keep separate—
 - (i) each petroleum pool discovered in the permit area or licence area; and
 - (ii) such of the sources of water, if any, discovered in that area as the Minister, by instrument in writing served on that person, directs; and
- (e) prevent water or any other matter entering any petroleum pool through wells in the permit area or licence area except when required by, and in accordance with, good oil-field practice.

(3) A person who is the holder of a special prospecting authority or an access authority shall carry out all petroleum exploration operations in the area in respect of which the special prospecting authority or access authority is in force in a proper and workmanlike manner and in accordance with good oil-field practice and shall secure the safety, health and welfare of persons engaged in those operations in or about that area.

(4) It is a defence if a person charged with failing to comply with a provision of this section, or a defendant in an action arising out of a failure by the defendant to comply with a provision of this section, proves that he took all reasonable steps to comply with that provision.

Penalty: Two thousand dollars.

92. (1) In this section—

Mainten-
ance, etc., of
property.

“operator” means a permittee, licensee or holder of a special prospecting authority or access authority;

“the operations area”—

- (a) in relation to an operator who is a permittee or licensee—means the permit area or licence area as the case may be; and
- (b) in relation to an operator who is the holder of a special prospecting authority or access authority—means the area in respect of which that authority is in force.

(2) An operator shall maintain in good condition and repair all structures, equipment and other property in the operations area and used in connection with the operations in which he is engaged.

(3) An operator shall remove from the operations area all structures, equipment and other property that are not either used or to be used in connection with the operations in which he is engaged.

(4) Subsections (2) and (3) of this section do not apply in relation to any structure, equipment or other property that was not brought into the operations area by or with the authority of the operator.

Penalty: Two thousand dollars.

93. Sections 91 and 92 of this Act have effect subject to—

Sections 91
and 92 to
have effect
subject to
this Act.

- (a) any other provision of this Act;
- (b) the regulations;
- (c) a direction under section 95 of this Act; and
- (d) any other law.

Drilling
near
boundaries.

94. (1) A permittee or licensee shall not drill a well any part of which is less than one thousand feet from a boundary of the permit area or licence area, as the case may be, except with the consent in writing of the Minister and in accordance with such conditions, if any, as are specified in the instrument of consent.

(2) Where a permittee or licensee does not comply with subsection (1) of this section, the Minister may, by instrument in writing served on the permittee or licensee, as the case may be, direct him to do one or more of the following, within the period specified in the instrument—

- (a) to plug the well;
- (b) to close off the well; and
- (c) to comply with such directions relating to the drilling or maintenance of the well as are specified in the instrument.

(3) A person to whom a direction is given under subsection (2) of this section shall comply with the direction.

Penalty: Two thousand dollars for each day on which the offence occurs.

Directions.

95. (1) The Minister may, by instrument in writing served on a person, being a permittee, licensee, or the holder of a special prospecting authority or access authority, give to that person a direction as to any matter with respect to which regulations may be made under section 153 of this Act.

(2) A direction under subsection (1) of this section has effect and shall be complied with notwithstanding anything in the regulations and, to the extent to which the regulations are inconsistent with the direction, the person to whom the direction is given is not obliged to comply with the regulations.

(3) Nothing in subsection (1) or (2) of this section authorises the making of an instrument giving a direction inconsistent with the applied provisions.

(4) A person to whom a direction is given under subsection (1) of this section shall comply with the direction.

Penalty: Two thousand dollars.

96. (1) Where a person does not comply with a direction given to him under this Part or under the regulations, the Minister may do all or any of the things required by the direction to be done.

Compliance
with
directions.

(2) Costs and expenses incurred by the Minister under subsection (1) of this section in relation to a direction are a debt due by the person to whom the direction was given to the Crown and are recoverable in a court of competent jurisdiction.

(3) It is a defence if a person charged with failing to comply with a direction given to him under this Part or under the regulations or a defendant in an action under subsection (2) of this section proves that he took all reasonable steps to comply with the direction.

97. (1) Where—

Exemption.

- (a) a permit or licence is, under this Part, to be deemed to continue in force until the Minister grants, or refuses to grant, the renewal of the permit or licence;
- (b) a licence is varied under section 55 of this Act;
- (c) a licensee enters into an agreement under section 69 of this Act, or a direction is given to a licensee under that section;
- (d) a permit or licence is partly cancelled, partly determined or surrendered as to one or more but not all of the blocks in respect of which it is in force;

- (e) a permittee or licensee consents to the making of a determination under section 135 of this Act;
- (f) an access authority is granted in respect of a block the subject of a permit or licence, or an access authority as in force in respect of such a block is varied;
- (g) a permittee, licensee or the holder of a special prospecting authority or access authority applies, by instrument in writing served on the Minister—
 - (i) for a variation or suspension of; or
 - (ii) for exemption from compliance with, any of the conditions to which the permit, licence, special prospecting authority or access authority is subject; or
- (h) the Minister under this Part or the regulations gives a direction or consent to a permittee, licensee or the holder of a special prospecting authority or access authority,

the Minister may, at any time, by instrument in writing served on the permittee, licensee or the holder of the special prospecting authority or access authority—

- (i) vary or suspend; or
- (j) exempt the permittee, licensee or the holder of the special prospecting authority or access authority from compliance with, any of the conditions to which the permit, licence, special prospecting authority or access authority is subject, upon such conditions if any, as the Minister determines and specifies in the instrument.

(2) Subsection (1) of this section does not authorise the making of an instrument to the extent—

- (a) that it would affect—
 - (i) a condition of a permit or licence included in the permit or licence in compliance with Division 7 of this Part of this Act; or

- (ii) the term of a permit or licence; or
- (b) that it would be inconsistent with the applied provisions.

98. (1) The registered holder of an instrument, being a permit or licence, may, at any time, by application in writing served on the Minister, apply for consent to surrender the instrument as to all or some of the blocks in respect of which it is in force.

Surrender of permits, etc.

(2) Subject to subsection (3) of this section, the Minister shall not give his consent to a surrender of an instrument under subsection (1) of this section, unless the registered holder—

- (a) has paid all fees and amounts payable by him under this Act, or has made arrangements that are satisfactory to the Minister for the payment of those fees and amounts;
- (b) has complied with the conditions to which the instrument is subject and with the provisions of this Part and of the regulations;
- (c) has, to the satisfaction of the Minister, removed or caused to be removed from the area to which the surrender relates all property brought into that area by any person engaged or concerned in the operations authorised by the instrument, or has made arrangements that are satisfactory to the Minister with respect to that property;
- (d) has, to the satisfaction of the Minister, plugged or closed off all wells made in that area by any person engaged or concerned in the operations authorised by the instrument;
- (e) subject to this Part and to the regulations, has made provision, to the satisfaction of the Minister, for the conservation and protection of the natural resources in that area; and

- (f) has, to the satisfaction of the Minister, made good any damage to the Earth's crust in that area caused by any person engaged or concerned in the operations authorised by the instrument.

(3) Where the registered holder of an instrument, being a permit or licence, has not complied with the conditions to which the instrument is subject and with the provisions of this Part and of the regulations, the Minister may give his consent to a surrender of the instrument under subsection (1) of this section if he is satisfied that, although the registered holder has not so complied, special circumstances exist that justify the giving of consent to the surrender.

(4) Where the Minister consents to an application under subsection (1) of this section, the applicant may, by instrument in writing served on the Minister, surrender the instrument accordingly.

(5) In this section, "the area to which the surrender relates" means, in relation to a surrender of a permit or licence, the area constituted by the blocks as to which the permit or licence is proposed to be surrendered.

Cancellation
of permits,
etc.

99. (1) Where a permittee or licensee—

- (a) has not complied with a condition to which the permit or licence is subject;
- (b) has not complied with a direction given to him under this Part by the Minister;
- (c) has not complied with a provision of this Part or of the regulations; or
- (d) has not paid any amount payable by him under this Act, within a period of three months after the day on which the amount became payable,

the Minister may, on that ground, by instrument in writing served on the permittee or licensee, as the case may be, cancel the permit or licence, as the case requires as to all or some of the blocks in respect of which it is in force.

(2) The Minister shall not, under subsection (1) of this section, cancel a permit or licence as to all or some of the blocks in respect of which it is in force on a ground referred to in that subsection unless—

- (a) he has, by instrument in writing served on the permittee or licensee as the case may be, given not less than one month's notice of his intention so to cancel the permit or licence on that ground;
- (b) he has served a copy of the instrument on such other persons, if any, as he thinks fit;
- (c) he has, in the instrument, specified a date on or before which the permittee or licensee or a person on whom a copy of the instrument is served may, by instrument in writing served on the Minister, submit any matters that he wishes the Minister to consider; and
- (d) he has taken into account—
 - (i) any action taken by the permittee or licensee, as the case may be, to remove that ground or to prevent the recurrence of similar grounds; and
 - (ii) any matters so submitted to him on or before the specified date by the permittee or licensee or by a person on whom a copy of the first-mentioned instrument has been served.

100. (1) A permit or licence may be wholly cancelled or partly cancelled on the ground that the registered holder of the permit or licence has not complied with a provision of this Part or of the regulations notwithstanding that he has been convicted of an offence by reason of his failure to comply with the provision.

Cancellation of permit, etc., not affected by other provisions.

(2) A person who was the registered holder of a permit or licence that has been wholly cancelled, or is the registered holder of a permit or licence that has been partly cancelled, on the ground that he has not complied with a provision of this Part or

of the regulations may be convicted of an offence by reason of his failure to comply with the provision; notwithstanding that the permit or licence has been so cancelled.

(3) A permit or licence may be wholly cancelled or partly cancelled on the ground that the registered holder of the permit or licence has not paid an amount payable by him under this Act, within a period of three months after the day on which the amount became payable; notwithstanding that judgment for the amount has been obtained or that the amount, or any part of the amount, has been paid or recovered.

(4) A person who was the registered holder of a permit or licence that has been wholly cancelled or is the registered holder of a permit or licence that has been partly cancelled, on the ground that he has not paid an amount payable by him under this Act, within a period of three months after the day on which the amount became payable continues to be liable to pay that amount, together with any additional amount payable by reason of late payment of that amount; notwithstanding that the permit or licence has been so cancelled.

Removal of
property,
etc., by
permittee,
etc.

101. (1) Where a permit or licence has been wholly determined, partly determined, wholly cancelled or partly cancelled, or has expired the Minister may, by instrument in writing served on the person who was, or is, as the case may be, the permittee or licensee, direct that person to do any one or more of the following things—

- (a) to remove or cause to be removed from the relinquished area all property brought into that area by any person engaged or concerned in the operations authorised by the permit or licence or to make arrangements that are satisfactory to the Minister with respect to that property;
- (b) to plug or close off, to the satisfaction of the Minister, all wells made in that area by any person engaged or concerned in those operations;

- (c) subject to this Part and to the regulations, to make provision, to the satisfaction of the Minister, for the conservation and protection of the natural resources in that area; and
- (d) to make good to the satisfaction of the Minister any damage to the Earth's crust in that area caused by any person engaged or concerned in those operations.

(2) The Minister may, by instrument in writing served on a permittee or licensee, direct him to do any one or more of the following things—

- (a) to remove or cause to be removed from the permit area or licence area, as the case may be, all property brought into that area or part by any person engaged or concerned in the operations authorised by the permit or licence or to make arrangements that are satisfactory to the Minister with respect to that property;
- (b) to plug or close off, to the satisfaction of the Minister, all wells made in that area or part by any person engaged or concerned in those operations;
- (c) subject to this Part and to the regulations, to make provision, to the satisfaction of the Minister for the conservation and protection of the natural resources in that area or part; and
- (d) to make good to the satisfaction of the Minister any damage to the Earth's crust in that area or part caused by any person engaged or concerned in those operations.

(3) A person to whom a direction is given under either subsection (1) or (2) of this section shall comply with the direction—

- (a) in the case of a direction given under subsection (1) of this section—within the period specified in the instrument by which the direction was given; or

- (b) in the case of a direction given under subsection (2) of this section— on or before the date of expiration of the permit or licence concerned.

Penalty: Two thousand dollars.

Removal of
property,
etc., by
Minister.

102. Where a permit or licence has been wholly determined, partly determined, wholly cancelled or partly cancelled, or has expired, and a direction under section 101 of this Act has not been complied with, or an arrangement under that section has not been carried out, in relation to the relinquished area—

- (a) the Minister may do all or any of the things required by the direction or arrangement to be done; and
- (b) if any property brought into that area by any person engaged or concerned in the operations authorised by the permit or licence has not been removed in accordance with the direction or arrangement, the Minister may, by instrument published in the *Gazette*, direct that the owner or owners of that property shall remove it from that area, or dispose of it to the satisfaction of the Minister, within the period specified in the instrument and shall serve a copy of the instrument on each person whom he believes to be an owner of that property or any part of that property.

Payment by
instalments.

103. (1) The Minister and a person who may request, or has requested, that a permit under section 37 of this Act, or a licence under section 60 of this Act, be granted to him may enter into an agreement in writing for or in relation to the payment, by instalments, of the amount to be paid in respect of the grant of the permit or licence, together with interest at the specified rate on so much of that amount as from time to time remains unpaid.

(2) For the purposes of subsection (1) of this section, the specified rate is six per centum per annum or, if a lower rate is prescribed, that lower rate.

(3) The period specified in an agreement under this section as the period within which an amount payable by instalments is to be paid shall not be greater than twenty-one years.

(4) Where a person enters into an agreement under this section for or in relation to the payment of an amount in respect of the grant of a permit or licence, any instalment or interest that is due under the agreement and has not been paid is payable by the registered holder of the permit or licence, as the case may be.

104. (1) Where the liability of a person under an agreement under section 103 of this Act to pay an amount, being an instalment or any interest, is not discharged at or before the time when the amount is payable, there is payable by that person an additional amount calculated at the rate of one-third of one per centum per day upon so much of the firstmentioned amount as from time to time remains unpaid, to be computed from the time when the firstmentioned amount became payable until it is paid.

Penalty for late payments of instalments, etc.

(2) The Minister may, in a particular case, for reasons that he thinks sufficient, remit the whole or part of an amount payable under this section.

105. (1) Where—

- (a) applications have been invited under section 33 of this Act for the grant of a permit in respect of a block or blocks; or
- (b) applications have been invited under section 57 of this Act for the grant of a licence in respect of a block or blocks,

Special prospecting authorities.

a person may make an application to the Minister for the grant of a special prospecting authority in respect of that block or any of those blocks.

(2) An application under this section—

- (a) shall be in accordance with an approved form;
- (b) shall be made in an approved manner; and
- (c) shall specify the operations that the applicant proposes to carry on and the block or blocks in respect of which the applicant proposes to carry on those operations.

(3) The Minister—

- (a) may grant to the applicant a special prospecting authority subject to such conditions as the Minister thinks fit and specifies in the authority; or
- (b) may refuse to grant the application.

(4) A special prospecting authority, while it remains in force, authorises the holder, subject to this Act and the regulations and in accordance with the conditions to which the special prospecting authority is subject, to carry on in the blocks specified in the special prospecting authority the petroleum exploration operations so specified.

(5) Nothing in a special prospecting authority authorises the holder to make a well.

(6) A special prospecting authority has effect from and including the day specified for the purpose in the authority and, unless surrendered or cancelled, remains in force for such period, not exceeding six months, as is so specified.

(7) A special prospecting authority—

- (a) may be surrendered by the holder at any time by instrument in writing served on the Minister; and
- (b) may, if the holder has not complied with a condition to which the authority is subject, be cancelled by the Minister by instrument in writing served on the holder.

(8) Where a special prospecting authority has been surrendered or cancelled, or has expired, the Minister may, by instrument in writing served on the person who was the holder of the special prospecting authority, direct that person to do any one or more of the following things—

- (a) to remove or cause to be removed from the relinquished area all property brought into that area by any person engaged or concerned in the operations authorised by the special prospecting authority or to make arrangements that are satisfactory to the Minister with respect to that property;
- (b) subject to this Part and to the regulations, to make provision, to the satisfaction of the Minister, for the conservation or protection of the natural resources in that area; and
- (c) to make good, to the satisfaction of the Minister, any damage to the Earth's crust in that area caused by any person engaged or concerned in those operations.

(9) A person to whom a direction is given under subsection (8) of this section shall comply with the direction.

(10) Section 102 of this Act applies to and in relation to a special prospecting authority as if—

- (a) a reference in that section to a permit were a reference to a special prospecting authority; and
- (b) a reference in that section to an arrangement under section 101 of this Act were a reference to an arrangement under subsection (8) of this section.

Penalty: Two thousand dollars.

106. (1) A permittee or licensee may make an application to the Minister for the grant of an access authority to enable him to carry on petroleum exploration operations in an area, being part of the State, that is not part of the permit area or licence area.

Access
authorities.

(2) An application under this section—

- (a) shall be in accordance with an approved form;
- (b) shall be made in an approved manner;
- (c) shall specify the petroleum exploration operations that the applicant proposes to carry on and the area in which the applicant proposes to carry on those operations; and
- (d) may set out any other matters that the applicant wishes the Minister to consider.

(3) The Minister may—

- (a) if he is satisfied that it is necessary or desirable to do so for the more effective exercise of the rights, or for the proper performance of the duties, of a permittee or licensee who has made an application under this section, grant to him an access authority subject to such conditions as the Minister thinks fit and specifies in the access authority; and
- (b) at any time, by instrument in writing served on the registered holder of an access authority so granted, vary the access authority.

(4) The Minister shall not grant an access authority on an application under this section in respect of a block that is the subject of a permit or licence of which the registered holder is a person other than the applicant, or vary an access authority as in force in respect of a block that is the subject of a permit or licence of which the registered holder is a person other than the registered holder of the access authority, unless—

- (a) he has, by instrument in writing served on that person, given not less than one month's notice of his intention to grant, or vary, as the case may be, the access authority;

- (b) he has served a copy of the instrument—
 - (i) on such other persons, if any, as he thinks fit; and
 - (ii) in a case where he intends to vary an access authority—on the registered holder of the access authority;
- (c) he has, in the instrument—
 - (i) given particulars of the access authority proposed to be granted, or of the variation proposed to be made, as the case may be; and
 - (ii) specified a date on or before which a person on whom the instrument, or a copy of the instrument, is served may, by instrument in writing served on the Minister, submit any matters that he wishes the Minister to consider; and
- (d) he has taken into account any matters so submitted to him on or before the specified date by a person on whom the first-mentioned instrument, or a copy of that instrument, has been served.

(5) An access authority, while it remains in force, authorises the holder, subject to this Act and the regulations and in accordance with the conditions to which the access authority is subject, to carry on, in the area specified in the access authority, the petroleum exploration operations so specified.

(6) Nothing in an access authority authorises the holder to make a well.

(7) An access authority has effect from and including the day specified for the purpose in the access authority and, unless surrendered or cancelled, remains in force for such period as is so specified.

(8) An access authority—

- (a) may be surrendered by the holder at any time by instrument in writing served on the Minister; and
- (b) may be cancelled by the Minister at any time by instrument in writing served on the holder and on any person in whose permit area or licence area petroleum exploration operations may be carried on in pursuance of the access authority.

(9) Where an access authority has been surrendered or cancelled or has expired, the Minister may, by instrument in writing served on the person who was the holder of the access authority, direct that person to do any one or more of the following things—

- (a) to remove or cause to be removed from the relinquished area all property brought into that area by any person engaged or concerned in the operations authorised by the access authority or to make arrangements that are satisfactory to the Minister with respect to that property;
- (b) subject to this Part and to the regulations, to make provision, to the satisfaction of the Minister, for the conservation and protection of the natural resources in that area; and
- (c) to make good, to the satisfaction of the Minister, any damage to the Earth's crust in that area caused by any person engaged or concerned in those operations.

(10) A person to whom a direction is given under subsection (9) of this section shall comply with the direction.

(11) The holder of an access authority shall, if the access authority is in force in respect of an area that consists of, or includes, a block that is the subject of a permit or licence of which he is not the registered holder, furnish to the registered holder of that permit or licence, within twenty-eight days

after the end of each month during which the access authority is in force in respect of that block, a full report, in writing, of the petroleum exploration operations carried on in that block during that month and of the facts ascertained from those operations.

(12) Section 102 of this Act applies to and in relation to an access authority as if—

- (a) a reference in that section to a permit were a reference to an access authority; and
- (b) a reference in that section to an arrangement under section 101 of this Act were a reference to an arrangement under subsection (9) of this section.

Penalty: Two thousand dollars.

107. (1) Where a direction under section 102 of this Act has not been complied with in relation to any property, the Minister may do all or any of the following things—

Sale of property.

- (a) remove, in such manner as he thinks fit, all or any of that property from the relinquished area concerned;
- (b) dispose of, in such manner as he thinks fit, all or any of that property; and
- (c) if he has served a copy of the instrument by which the direction was given on a person whom he believed to be an owner of that property or part of that property, sell, by public auction or otherwise, as he thinks fit, all or any part of that property, that belongs, or that he believes to belong, to that person.

(2) The Minister may deduct from the proceeds of a sale under subsection (1) of this section of property that belongs, or that he believes to belong, to a particular person—

- (a) all or any part of any costs and expenses incurred by him under that subsection in relation to that property;

- (b) all or any part of any costs and expenses incurred by him in relation to the doing of any thing required by a direction under section 101, 105 or 106 of this Act, as the case may be, to be done by that person; and
- (c) all or any part of any fees or amounts due and payable under this Act by that person.

(3) Costs and expenses incurred by the Minister under subsection (1) of this section—

- (a) if incurred in relation to the removal, disposal or sale of property, are a debt due by the owner of the property to the Crown; or
- (b) if incurred in relation to the doing of any thing required by a direction under section 101, 105 or 106 of this Act, as the case may be, to be done by a person who is or was a permittee, licensee or holder of a special prospecting authority or access authority, are a debt due by that person to the Crown,

and, to the extent to which they are not recovered under subsection (2) of this section, are recoverable in a court of competent jurisdiction.

(4) Subject to subsection (3) of this section, no action lies in respect of the removal, disposal or sale of property under this section.

Securities.

108. (1) A security referred to in this Part—

- (a) shall be—
 - (i) in the case of a security referred to in Division 2 of this Part—in the sum of Five thousand dollars; and
 - (ii) in the case of a security referred to in Division 3 of this Part—in the sum of Fifty thousand dollars;
- (b) shall be given in such manner and form as are approved; and

- (c) may, subject to that approval, be by cash deposit or such other method as the Minister allows or partly by cash deposit and partly by such other method as the Minister allows.

(2) A security given in accordance with a form approved by the Minister although it is not sealed binds the person subscribing it as if it were sealed.

(3) Whenever a security under this Part is put in suit, the production of the security, without further proof, entitles the Minister to judgment against the person appearing to have executed the security, for the amount of his stated liability or for such lesser amount as is claimed, unless that person proves compliance with the conditions of the security or that the security was not executed by him or release or satisfaction.

(4) If it appears to the court that a non-compliance with a condition of a security under this Part has occurred, the security shall not be deemed to have been discharged or invalidated, and the subscriber shall not be deemed to have been released or discharged from liability, by reason of—

- (a) any extension of time or other concession;
- (b) any consent to, or acquiescence in, a previous non-compliance with a condition;
or
- (c) any failure to bring suit against the subscriber upon the occurrence of a previous non-compliance with the condition.

(5) If there are several subscribers to the security, they are bound, unless the security otherwise provides, jointly and severally and for the full amount.

109. (1) Where the Minister or an inspector has reason to believe that a person is capable of giving information or producing documents relating to

Minister,
etc., may
require
information
to be
furnished.
etc.

petroleum exploration operations or operations for the recovery of petroleum in the State, he may, by instrument in writing served on that person, require that person—

- (a) to furnish to him, in writing, within the period and in the manner specified in the instrument, any such information; or
- (b) to attend before him or a person specified in the instrument, at such time and place as is so specified and there to answer questions relating to those operations and to produce such documents relating to those operations as are so specified.

(2) A person is not excused from furnishing information, answering a question or producing a document when required to do so under this section on the ground that the information so furnished, the answer to the question or the production of the document might tend to incriminate him or make him liable to a penalty, but the information so furnished or his answer to the question is not admissible in evidence against him in proceedings other than proceedings for an offence against section 111 of this Act.

Power to
examine
on oath.

110. (1) The Minister or an inspector may administer an oath to a person required to attend before him in pursuance of section 109 of this Act and may examine that person on oath.

(2) Where a person attending before the Minister or an inspector in pursuance of section 109 of this Act conscientiously objects to take an oath, he may make an affirmation that he conscientiously objects to take an oath and that he will state the truth, the whole truth and nothing but the truth to all questions asked him.

(3) An affirmation made under subsection (2) of this section is of the same force and effect, and entails the same penalties, as an oath.

111. A person shall not—

- (a) refuse or fail to comply with a requirement in an instrument under section 109 of this Act to the extent to which he is capable of complying with it;
- (b) in purported compliance with such a requirement, knowingly furnish information that is false or misleading in a material particular; or
- (c) when attending before the Minister or an inspector in pursuance of such a requirement knowingly make a statement or produce a document that is false or misleading in a material particular.

Failing to
furnish
information,
etc.

Penalty: Two thousand dollars.

112. (1) The Minister may, at any time, make available to another Minister of the Crown—

Release of
information.

- (a) any information contained in a report, return or other document relating to a block that has been furnished to the Minister; and
- (b) any cores or cuttings from, or samples of, the Earth's crust in a block, or samples of petroleum recovered in a block, that have been furnished to the Minister.

(2) The Minister or another Minister of the Crown may, at any time after the relevant day—

- (a) make publicly known; or
- (b) on request by a person and, if the Minister or that other Minister so requires, on payment of a fee of Five dollars per day, make available to that person,

any information that has been furnished to the Minister or has been made available to that other Minister under subsection (1) of this section, being information that relates to the Earth's crust, or to petroleum, in a block, but not including any matter contained in a report, return or

document that in the opinion of the Minister or that other Minister, is a conclusion drawn, in whole or in part, from, or an opinion based, in whole or in part, on any such information.

(3) The Minister or another Minister of the Crown may, at any time after the relevant day—

- (a) make publicly known any particulars of; or
- (b) on request by a person and, if the Minister or that other Minister so requires, on payment of a fee of Five dollars per day, permit that person to inspect,

any cores or cuttings from, or samples of, the Earth's crust in a block, or samples of petroleum recovered in a block, that have been furnished to the Minister or have been made available to that other Minister under subsection (1) of this section.

(4) For the purposes of subsections (2) and (3) of this section—

(a) where—

- (i) a permit is in force in respect of the block; and
- (ii) the block is not a block that is, or is included in, a location,

the relevant day is the day on which the period of five years that commenced on the day on which the report, return, other document, core, cutting or sample was furnished to the Minister expires;

(b) where—

- (i) a licence is in force in respect of the block; and
- (ii) the block is not a block that is, or is included in, a location,

the relevant day is the day on which the period of twelve months that commenced on the day on which the report, return, other document, core, cutting or sample was furnished to the Minister expires;

- (c) where a permit or licence is not in force in respect of the block but—
- (i) a permit or licence has been surrendered or determined as to the block;
 - (ii) at the time of the surrender or determination, the block was, or was included in, a location; and
 - (iii) a notification in respect of the block has been published under subsection (2) of section 33, or under subsection (4) of section 57, of this Act,

the relevant day is the day on which the period of six months that commenced on the day on which the notification was published expires;

- (d) where the report, return, other document, core, cutting or sample was furnished to the Minister during the period during which a permit or licence was in force in respect of the block and—
- (i) the block is not a block that is, or is included in, a location and the permit or licence is surrendered or cancelled as to the block;
 - (ii) the block is, or is included in, a location and the permit or licence is cancelled as to the block; or
 - (iii) the permit or licence expires but is not renewed in respect of the block,

the relevant day is the day on which the permit or licence is so surrendered or cancelled or expires, as the case may be, whether another permit or licence is subsequently in force in respect of the block or not; and

- (e) where—
- (i) the report, return, other document, core, cutting or sample was furnished to the Minister during a period during which a permit or licence was not in force in respect of the block; and

- (ii) a permit or licence is not in force in respect of the block,

the relevant day is such day as the Minister determines.

(5) Where—

- (a) a report, return, other document, core, cutting or sample referred to in subsection (1) of this section was furnished to the Minister—

- (i) during or in respect of a period during which a permit or licence was in force in respect of the block; or

- (ii) during or in respect of a period during which a special prospecting authority or access authority was in force in respect of the block but during which a permit or licence was not in force in respect of the block; and

- (b) the permittee, licensee or holder of the special prospecting authority or access authority or, if the permit, licence, special prospecting authority or access authority has ceased to be in force, the person who was the holder of the permit, licence, special prospecting authority or access authority—

- (i) has made publicly known any information contained in the report, return or other document or has consented in writing to any of that information being made publicly known; or

- (ii) has made publicly known any particulars of that core, cutting or sample or has consented in writing to any particulars of that core, cutting or sample being made publicly known or to that core, cutting or sample being made available for inspection,

the Minister or another Minister to whom that information, core, cutting or sample has been made available under subsection (1) of this section may, at any time after that information has, or those particulars have, been made publicly known or after that consent has been given—

- (c) make publicly known that information or, on request by any other person and, if the Minister or that other Minister so requires, on payment of a fee of Five dollars per day, make that information available to that other person; or
- (d) make publicly known those particulars or, on request by any other person and, if the Minister or that other Minister so requires, on payment of a fee of Five dollars per day, permit that other person to inspect that core, cutting or sample,

as the case may be.

(6) Except as provided by the preceding provisions of this section or for the purposes of the administration of this Act and the regulations, the Minister or another Minister to whom any information, core, cutting or sample has been made available under subsection (1) of this section shall not—

- (a) make publicly known, or make available to any person (not being a Minister of the Crown), any information contained in a report, return or other document referred to in any of those provisions; or
- (b) make publicly known any particulars of, or permit any person (not being a Minister of the Crown) to inspect any core, cutting or sample so referred to.

(7) In this section, a reference to a core, cutting or sample includes a reference to a portion of a core, cutting or sample.

Discovery
and use of
water.

113. Where water is discovered in a permit area or in a licence area, the permittee or licensee, as the case may be, shall, within a period of one month after the date of the discovery, furnish to the Minister, in writing, particulars of the discovery.

Penalty: Two thousand dollars.

Survey of
wells, etc.

114. (1) The Minister may, at any time, by instrument in writing served on a permittee or licensee, direct the permittee or licensee—

- (a) to carry out a survey of the position of the well, structure or equipment specified in the instrument; and
- (b) to furnish to him a report in writing of the survey.

(2) Where the Minister is not satisfied with a report of a survey furnished to him under subsection (1) of this section by a permittee or licensee, he may, by instrument in writing served on the permittee or licensee, direct the permittee or licensee to furnish further information in writing in connection with the survey.

(3) A person to whom a direction is given under either subsection (1) or (2) of this section shall comply with the direction.

Penalty: Two thousand dollars.

Records,
etc., to be
kept.

115. (1) The Minister may, by instrument in writing served on a person carrying on operations in the State under a permit, licence, special prospecting authority, access authority or instrument of consent under section 116 of this Act, direct that person to do any one or more of the following things—

- (a) to keep such accounts, records and other documents in connection with those operations as are specified in the instrument;

- (b) to collect and retain such cores, cuttings and samples in connection with those operations as are so specified;
- (c) to furnish to the Minister, or to such person as is so specified, in the manner so specified, such reports, returns, other documents, cores, cuttings and samples in connection with those operations as are so specified.

(2) A person to whom a direction is given under subsection (1) of this section shall comply with the direction.

Penalty: Two thousand dollars.

116. (1) The Minister may, by instrument in writing, consent to the carrying on in the State by any person of petroleum exploration operations in the course of a scientific investigation. Scientific investigations.

(2) An instrument of consent under subsection (1) of this section may be made subject to such conditions, if any, as are specified in the instrument.

(3) An instrument of consent in force under subsection (1) of this section authorises the person specified in the instrument, subject to section 117 of this Act and in accordance with the conditions, if any, to which the instrument is subject, to carry on, in the State petroleum exploration operations so specified in the course of the scientific investigation so specified.

117. A person carrying on operations in the State under a permit, licence, special prospecting authority, access authority or instrument of consent under section 116 of this Act shall carry on those operations in a manner that does not interfere with— Interference with other rights.

- (a) the surface of any land or any improvements thereon;

- (b) the conservation of the resources of the soil or the Earth's crust; or
- (c) any operations of another person being lawfully carried on by way of exploration for, recovery of or conveyance of a mineral, whether petroleum or not, or by way of construction or operation of a pipeline,

to a greater extent than is necessary for the reasonable exercise of the rights and performance of the duties of that firstmentioned person.

Penalty: Two thousand dollars.

Inspectors.

118. (1) The Minister may, by instrument in writing, appoint a person to be an inspector for the purposes of this Act and the regulations.

(2) The Minister may furnish to an inspector a certificate stating that he is such an inspector for the purposes of this Act and the regulations.

(3) Where the appointment of a person under this section expires or is revoked, that person shall forthwith surrender the certificate furnished to him under this section to the Minister or, if the Minister, by instrument in writing served on that person, specifies another person to whom the certificate is to be surrendered, to that other person.

Penalty: Five hundred dollars.

Powers of inspectors.

119. (1) For the purposes of this Act and the regulations, an inspector, at all reasonable times and on production of the certificate furnished to him under section 118 of this Act—

- (a) shall have access to any part of the State and to any structure, vehicle, aircraft or building in the State that, in his opinion, has been, is being or is to be used in connection with petroleum exploration operations or operations for the recovery of petroleum;

- (b) may inspect and test any equipment that, in his opinion, has been, is being or is to be used in that area in connection with any of those operations; and
- (c) may enter any structure, vehicle, aircraft, building or place in the State, in which, in his opinion, there are any documents relating to any of those operations and may inspect, take extracts from and make copies of any of those documents.

(2) A person who is the occupier or person in charge of any building, structure or place, or is the person in charge of any vehicle, aircraft or equipment referred to in subsection (1) of this section shall provide an inspector with all reasonable facilities and assistance for the effective exercise of his powers under this section.

(3) A person shall not, without reasonable excuse, obstruct or hinder an inspector in the exercise of his powers under this section.

Penalty: Two thousand dollars.

120. Subject to this Act and to any rights of other persons, upon recovery of any petroleum by a permittee or licensee in the permit area or licence area, the petroleum becomes the property of the permittee or licensee.

Property in petroleum.

121. (1) Where an offence is committed by a person by reason of his failure to comply, within the period specified in a direction given to him under this Act or the regulations, with the requirements specified in the direction, the offence, for purposes of subsection (3) of this section, shall be deemed to continue so long as any requirement specified in the direction remains undone, notwithstanding that the period has elapsed.

Continuing offences.

(2) Where an offence is committed by a person by reason of his failure to comply with a requirement made by this Act or the regulations, the offence,

for the purposes of subsection (3) of this section, shall be deemed to continue so long as that failure continues, notwithstanding that any period within which the requirement was to be complied with has elapsed.

(3) Where, under either subsection (1) or (2) of this section, an offence is to be deemed to continue, the person who committed the offence commits an additional offence against this Act on each day during which the offence is to be deemed to continue and is liable, upon conviction for such an additional offence, to a fine not exceeding Two thousand dollars.

**Prosecution
of offences.**

122. (1) The offences to which this section applies are offences against this Act (being offences arising under this Part) or the regulations that are punishable by a fine.

(2) If proceedings in respect of an offence to which this section applies are brought in a court of summary jurisdiction, the maximum fine that the court may impose in respect of the offence is One thousand dollars or the maximum fine provided by this Act or the regulations in respect of the offence, whichever is the less.

(3) The Attorney General or a person acting with his authority or consent may bring proceedings in the Supreme Court in respect of an offence to which this section applies.

(4) The Supreme Court shall try the offence summarily and, if the defendant is convicted, may impose a fine not exceeding the maximum fine provided by this Act or the regulations in respect of the offence.

(5) The Supreme Court may make such other orders in relation to the conviction as might be made by a court of summary jurisdiction.

(6) The procedure of the Supreme Court in relation to proceedings brought in the Supreme Court under subsection (3) of this section and in relation to convictions and other orders under this section shall be as prescribed by rules of Court or, in the absence of those rules, as the Supreme Court determines.

123. (1) Where a person is convicted by the Supreme Court of an offence against section 29 or 49 of this Act, the court may, in addition to imposing a fine, make one or more of the following orders—

Orders for forfeiture in respect of certain offences.

- (a) an order for the forfeiture of a specified aircraft or vehicle used in the commission of the offence;
- (b) an order for the forfeiture of specified equipment used in the commission of the offence; and
- (c) an order—
 - (i) for the forfeiture of specified petroleum recovered in the course of the commission of the offence;
 - (ii) for the payment by that person to the Crown of an amount equal to the proceeds of the sale of specified petroleum so recovered; or
 - (iii) for the payment by that person to the Crown of an amount equal to the value at the well-head, assessed by the court, of the quantity, so assessed, of petroleum so recovered or for the payment of such part of that amount as the court, having regard to all the circumstances thinks fit.

(2) Where the court is satisfied that an order made under subparagraph (i) of paragraph (c) of subsection (1) of this section cannot, for any reason, be enforced, the court may, upon the application of the person by whom the proceedings were brought, set aside the order and make either of the orders referred to in subparagraphs (ii) and (iii) of that paragraph.

(3) The court may, before making an order under this section, require notice to be given to, and hear, such persons as the court thinks fit.

Power of Attorney General to direct disposal of goods.

124. Goods in respect of which an order is made under section 123 of this Act shall be dealt with as the Attorney General directs and, pending his direction, may be detained in such custody as the court directs.

Time for bringing proceedings for offences.

125. Notwithstanding the provisions of any other Act, proceedings in respect of an offence against this Act (being an offence arising under this Part) or the regulations may be brought at any time.

Judicial notice.

126. (1) All courts shall take judicial notice of the signature of a person who is, or has been, the Minister or a delegate of the Minister and of the fact that that person is, or has been, the Minister or a delegate of the Minister.

(2) In this section, "court" includes all persons authorised by the law of the State or by consent of parties to receive evidence.

Service.

127. (1) A document required by this Act to be served on a person other than the Minister or a corporation shall be served—

- (a) by delivering the document to that person personally;
- (b) by prepaying and posting the document as a letter addressed to that person at his last known place of abode or business or, if he is carrying on business at two or more places, at one of those places;
- (c) by leaving the document at the last known place of abode of that person with some person apparently an inmate of that place and apparently not less than sixteen years of age; or

- (d) by leaving the document at the last known place of business of that person or, if he is carrying on business at two or more places, at one of those places with some person apparently in the service of that person and apparently not less than sixteen years of age.

(2) A document required by this Act to be served on the Minister shall be served by prepaying and posting the document as a letter addressed to such officer or person as the Minister, by instrument published in the *Gazette*, specifies at such place as the Minister so specifies.

(3) A document required by this Act to be served on a person, being a corporation, shall be served—

- (a) by prepaying and posting the document as a letter addressed to the corporation at its last known place of business or, if it is carrying on business at two or more places, at one of those places; or
- (b) by leaving it at that place, or at one of those places, with some person apparently in the service of the corporation and apparently not less than sixteen years of age.

(4) Where a document required by this Act to be served is posted as a letter in accordance with this section, service shall, unless the contrary is proved, be deemed to have been effected at the time at which the letter would have been delivered in the ordinary course of post.

Vide s. 31 (3),
Act No. 30 of
1918.

Division 6.—Transitional Provisions.

128. In this Division, unless the contrary intention appears—

Interpreta-
tion.

“Barrow Island lease” means the petroleum lease dated the twenty-seventh day of February, nineteen hundred and sixty-seven granted under the former provisions and registered as Number 1H and named “Barrow Island” pursuant to those provisions;

“commencing day” means the day on which this Division commences;

“former provisions” means the provisions of the Petroleum Act, 1936;

“lessee” means the lessee for the time being under the Barrow Island lease;

“operations to which this Division applies” means any works or operations authorised or required to be done within the State under or pursuant to a prescribed instrument or under the former provisions;

“prescribed instrument” means a permit to explore or licence to prospect issued under the former provisions, authorising the holder thereof to prospect for, or explore for petroleum in an area which is within the State.

This Division prevails over other provisions.

129. Except in so far as a provision contained in this Division is inconsistent with another provision contained in this Part, this Part applies—

- (a) to and in relation to an application for a permit made under this Division as if it were an application made under section 30 of this Act; and
- (b) to and in relation to an application for a licence made under this Division as if it were an application made under section 50 of this Act,

and to and in relation to a permit or licence granted on such an application.

Cessation of operation of former provisions.

130. (1) Subject to this Division, on the commencing day the former provisions shall cease to apply to or in relation to the carrying on within the State of any operations to which this Division applies.

(2) Section sixteen of the Interpretation Act, 1918, has effect, subject to this Division, for the purposes of subsection (1) of this section as if the former provisions were repealed on the commencing day, so far as those provisions relate to the carrying on of operations to which this Division applies.

131. The Minister or the Governor shall not, on or after the commencing day, grant to a person who makes application therefor, whether the application is received before, on or after that day, a permit to explore, licence to prospect or petroleum lease under the former provisions in respect of an area within the State; or renew any such permit, licence or lease, other than the Barrow Island lease, in accordance with those provisions.

Prohibition on granting of instruments under former provisions after commencing day.

132. (1) A prescribed instrument that is in force immediately prior to the commencing day continues, subject to subsection (2) of this section, to have the same force and effect on and after that day as it had immediately prior to that day, and subject to that subsection, the former provisions remain in full force and effect and apply to and in relation to such an instrument and to and in relation to anything done or authorised or required to be done by, under, or in connection with such an instrument.

Rights of holders of existing prescribed instruments.

(2) Notwithstanding subsection (1) of this section, the holder of a prescribed instrument that is continued in force by that subsection is not entitled to be granted a petroleum lease under or pursuant to the former provisions but if that holder would have been entitled to apply for and to be granted a petroleum lease if this Act had not commenced, he may nominate a block under section 46 of this Act and may make an application or applications to the Minister for the grant of a licence and, for those purposes, this Act applies to and in relation to that person, as if he were the holder of a permit under this Act in respect of the area comprised in the prescribed instrument and had become entitled under the provisions of this Act, to apply for and to be granted a licence under this Act.

Holders of existing instruments may be granted permits under this Part.

133. (1) A person who—

- (a) is the holder of a prescribed instrument on the commencing day; or
- (b) was the holder of such an instrument that expired at any time within one month before that day,

may make one or more applications for the grant of a permit.

(2) An application under subsection (1) of this section may be made only in respect of a single area that is constituted by—

- (a) the whole or any part of the area (in this subsection referred to as “the former area”) to which the prescribed instrument relates or related; or
- (b) the whole or any part of the former area and, in addition so much of the area of any block, being a block that is constituted as provided by section 27 of this Act and is partly included in the former area, as is not included in the former area,

but excluding any area in which a person other than the applicant is entitled by reason of an instrument granted or issued under this Act or under the former provisions to prospect for or explore for petroleum as defined by this Act, or by the former provisions, as the case may be, or to carry on operations for the recovery of petroleum as so defined.

(3) The application—

- (a) shall be made within six months after the commencing day, or within three months after the date of the expiration of the prescribed instrument, whichever is the earlier; and
- (b) shall be accompanied by a fee of One hundred dollars.

(4) The Minister may grant to a person by whom an application under this section is made, an exploration permit for petroleum in respect of a

single area constituted by the whole or any part of the area in respect of which the application is made.

(5) Where a permit is not granted on an application under this section, the applicant is not entitled to the refund of the fee, or any part of the fee, accompanying the application.

(6) A permit shall not be granted under this section if the applicant does not, where so required by the Minister, lodge with the Minister a security for compliance with the conditions to which the permit shall be from time to time subject and with the provisions of this Part and of the regulations.

(7) Upon the grant of a permit on an application made under this section, the prescribed instrument held by the applicant shall be deemed to have been surrendered by the holder of the prescribed instrument.

134. Notwithstanding the repeal effected by section 3 of this Act, the former provisions shall, by force of this section, be deemed to subsist and enure in their application to or in relation to the Barrow Island lease and to any renewal thereof.

Transitional provisions relating to Barrow Island lease.

135. (1) Where the area in respect of which a permit, licence or prescribed instrument is in force includes one or more portions of a block constituted as provided by section 27 of this Act, then, for the purposes of this Part—

Certain portions of blocks to be blocks.

- (a) the area of that portion or those portions constitutes a block; and
- (b) the area of the remaining portion or portions of the firstmentioned block (but not including any part of that area in respect of which a permit, licence or prescribed instrument is in force) constitutes a block.

(2) Where a permit, licence or prescribed instrument ceases to be in force in respect of an area that constitutes a block as provided by paragraph (a) of subsection (1) of this section, the Minister may, by instrument in writing, if he considers it desirable to do so, determine that that block shall be amalgamated with another block or blocks, being a block or blocks—

- (a) constituted as provided by this section;
- (b) forming part of the graticular section of which that firstmentioned block forms part; and
- (c) in respect of which a permit or licence is in force.

(3) Where such a determination is made, then, for the purposes of this Part—

- (a) the blocks the subject of the determination cease to constitute blocks and the areas of those blocks together constitute a block;
- (b) the block constituted by reason of the determination is, subject to this Part, for the remainder of the term of the permit or licence concerned, a block in respect of which the permit or licence is in force.

(4) The Minister shall not make a determination under subsection (2) of this section except with the consent of the permittee or licensee concerned.

Exploration
under
prescribed
instrument.

136. It is not an offence against—

- (a) section 29 of this Act, for the holder of a prescribed instrument to explore for petroleum in the State in accordance with the instrument and with the former provisions;
- (b) section 49 of this Act, for the lessee to carry on operations for the recovery of petroleum in the State in accordance with the Barrow Island lease and with the former provisions.

Division 7.—Fees and Royalties.

137. There is payable to the Minister by a permittee, in respect of each year of the term of the permit— Permit fees.

- (a) a fee of One hundred dollars; or
- (b) a fee calculated at the rate of Five dollars for each of the blocks to which the permit relates, at the commencement of that year,

whichever is the greater.

138. There is payable to the Minister by a licensee, in respect of each year of the term of the licence, a fee calculated at the rate of Three thousand dollars for each of the blocks to which the licence relates at the commencement of that year. Licence fees.

139. A fee referred to in section 137 or 138 of this Act is payable within one month after— Time of payment of fees.

- (a) in the case of the first year of the term of a permit or licence, the day on which that term commenced; and
- (b) in the case of a year of the term of a permit or licence other than the first, the anniversary of that day.

140. Where the liability of a permittee or licensee to pay a fee referred to in section 137 or 138 of this Act is not discharged at or before the time when the fee is payable, there is payable to the Minister by the permittee or licensee an additional amount calculated at the rate of one-third of one per centum per day upon the amount of the fee from time to time remaining unpaid, to be computed from the time when the fee became payable until it is paid. Penalty for late payment of fees.

141. A fee under section 137 or 138 of this Act, or an amount payable under section 140 of this Act is a debt due, by the permittee or licensee, as the case may be, to the Crown and is recoverable in a court of competent jurisdiction. Fees and penalties debts due to the Crown.

Royalty.

142. (1) The conditions subject to which a permit or licence is granted shall include a condition that the permittee or licensee shall, subject to this section, pay to the Minister a royalty at the prescribed rate in respect of all petroleum recovered by the permittee or licensee in the permit area or licence area.

(2) The prescribed rate in respect of petroleum recovered under a permit is ten per centum of the value at the well-head of the petroleum.

(3) Subject to the succeeding provisions of this section and to the provisions of section 143 of this Act, the prescribed rate in respect of petroleum recovered under a licence is the percentage determined by the Minister in pursuance of subsection (1) of section 52 of this Act or, where more than one percentage was so determined, the percentage so determined that is, in accordance with subsection (2) of that section, for the time being applicable, in respect of petroleum so recovered.

(4) Subject to section 143 of this Act, the prescribed rate in respect of petroleum recovered under a secondary licence is the percentage determined by the Minister in pursuance of subsection (3) of section 52 of this Act in respect of petroleum so recovered.

(5) Subject to subsection (6) of this section and to section 143 of this Act, where a secondary licence is granted to the holder of a primary licence, the prescribed rate in respect of petroleum recovered under the primary licence is, as from the commencement of the next royalty period after the day from which the secondary licence has effect, the same percentage as is applicable in respect of petroleum recovered under the secondary licence.

(6) Notwithstanding the provisions of subsection (3) of section 52 of this Act and subsection (5) of this

section, where a secondary licence is granted to the holder of a primary licence, the Minister may determine that the prescribed rate or rates in respect of petroleum recovered under the primary licence shall continue, as from the commencement of the next royalty period after the day from which the secondary licence has effect, to be the same rate or rates as was or were determined by the Minister under subsection (1) of section 52 of this Act in respect of the primary licence.

(7) Where—

- (a) a licence is granted on an application under section 57 of this Act; and
- (b) the instrument served on the applicant under section 59 of this Act contains a statement that the applicant will be required to pay, in respect of petroleum recovered under that licence, royalty at the rate specified in that statement,

the prescribed rate in respect of petroleum recovered under that licence is the percentage specified in that statement.

(8) Where a licence is granted on an application under subsection (1) of section 61 of this Act, the prescribed rate in respect of petroleum recovered under that licence is the same percentage as was applicable in respect of petroleum recovered under the original licence as defined by subsection (1) of that section.

(9) Subject to section 143 of this Act, the prescribed rate in respect of petroleum recovered under a licence granted by way of renewal of a licence is the percentage applicable under the licence before renewal (or, if another percentage is fixed by Parliament in respect of petroleum so recovered, that percentage) of the value at the well-head of the petroleum.

Reduction
of royalty
in certain
cases.

143. (1) Where the Minister is satisfied that the rate of recovery of petroleum from a well has become so reduced that, having regard to the rate of royalty fixed by section 142 of this Act, further recovery of petroleum from that well would be uneconomic, the Minister may, by instrument in writing, determine that the royalty in respect of petroleum recovered from that well shall be at such rate (being a rate lower than that fixed by that section) as the Minister specifies in respect of such period as the Minister specifies.

(2) The prescribed rate in respect of petroleum recovered, during the period specified in the determination, from the well to which such a determination relates, is the rate so specified.

Royalty not
payable in
certain cases.

144. (1) Royalty under this Act—

- (a) is not payable in respect of petroleum that the Minister is satisfied was unavoidably lost before the quantity of that petroleum was ascertained;
- (b) is not payable in respect of petroleum that is used by the permittee or licensee as approved by the Minister for the purposes of petroleum exploration operations or operations for the recovery of petroleum; and
- (c) is not payable in respect of petroleum that, with the approval of the Minister, is flared or vented in connection with operations for the recovery of petroleum.

(2) Where petroleum that has been recovered by a permittee or licensee is, with the approval of the Minister, returned to a natural reservoir, royalty under this Act is not payable in respect of that petroleum by reason of that recovery but this subsection does not affect the liability of that or any other permittee or licensee to pay royalty in respect of petroleum that is recovered from that natural reservoir.

145. For the purposes of this Act the value at the well-head of any petroleum is such amount as is agreed between the permittee or licensee and the Minister, or in default of agreement within such period as the Minister allows is such amount, as is determined by the Minister as being that value.

Ascertain-
ment of
value of
petroleum.

146. For the purposes of this Act, the well-head, in relation to any petroleum, is such valve station as is agreed between the permittee or licensee and the Minister, or, in default of agreement within such period as the Minister allows, is such valve station as is determined by the Minister as being that well-head.

Ascertain-
ment of
well-head.

147. For the purposes of this Act, the quantity of petroleum recovered by a permittee or licensee during a period shall be taken to be—

Ascertain-
ment of
quantity of
petroleum
recovered.

- (a) the quantity measured during that period by a measuring device approved by the Minister and installed at the well-head or at such other place as the Minister approves; or
- (b) where no such measuring device is so installed, or the Minister is not satisfied that the quantity of petroleum recovered by the permittee or licensee has been properly or accurately measured by such a measuring device, the quantity determined by the Minister as being the quantity recovered by the permittee or licensee during that period.

148. (1) Royalty under this Act in respect of petroleum recovered during a royalty period is payable not later than the last day of the next succeeding royalty period.

Payment of
royalty and
penalty for
late pay-
ment.

(2) Where the amount of royalty under this Act is not paid as provided by subsection (1) of this section, there is payable to the Minister by the permittee or the licensee an additional amount

calculated at the rate of one-third of one per centum per day upon the amount of royalty from time to time remaining unpaid, to be computed from the time when the royalty became payable until it is paid.

(3) An additional amount is not payable under subsection (2) of this section in respect of any period before the expiration of seven days after the value of the petroleum was agreed or determined under section 145 of this Act.

Amount of royalty and late payment thereof debt due to Crown.

149. Royalty payable under section 142 of this Act or an amount payable under subsection (2) of section 148 of this Act is a debt due by the permittee or licensee to the Crown and is recoverable in a court of competent jurisdiction.

PART IV.—MISCELLANEOUS.

Jurisdiction of Local Court.

150. (1) In any action brought before a Local Court under section 14, 17, 18, 19, 21 or 22 of this Act, the Court has jurisdiction irrespective of the amount claimed.

(2) The procedure of a Local Court in relation to proceedings brought before it under Part II of this Act shall be as prescribed by the rules of Court, or in the absence of those rules, as the Court determines.

Special case may be reserved for Supreme Court.
S. 104.

151. At any stage of any civil proceedings before it a Local Court may reserve any question of law for the opinion of the Supreme Court, and, with respect to every question so reserved, the following provisions shall apply:—

- (a) The Local Court shall prepare a special case, setting forth the question so reserved, and shall transmit such case to the Master of the Supreme Court;

- (b) The Master shall set a special case down for argument before a Judge of the Supreme Court, and the Judge's opinion on the special case shall, when given, be drawn up and transmitted by the Master to the Local Court;
- (c) The costs of the proceedings shall be in the discretion of the Judge;
- (d) Upon receipt of such opinion the Local Court shall act in accordance therewith, and in the meantime no judgment or order of the Local Court shall affect the question so reserved;
- (e) When reserving any such question, or at any time before acting on the Judge's opinion thereon, the Local Court, on the application of any party to the proceedings, and on such terms as it thinks fit, may make such order for an injunction or a receiver or for payment of money into court, or for giving security for damages and costs or otherwise, and on such terms as it may think fit.

152. (1) Where land is declared to be Crown land for the purposes of this Act pursuant to subsection (2) or (3) of section 15 thereof, no permit or licence shall be issued or granted under this Act in respect of that land unless the permit or licence complies with this section.

Power to include conditions in permit or licence to protect native fauna and flora.
S. 78c.

(2) A permit or licence referred to in subsection (1) of this section shall contain in addition to any other conditions that may be included therein under this Act, such conditions, if any, as the Governor may impose in accordance with subsection (3) of this section, on the joint recommendation of the Minister and the respective Ministers charged with the administration of the Native Flora Protection Act, 1935 and the Fauna Protection Act, 1950.

(3) Conditions may be imposed under this section for the purpose of ensuring so far as is practicable, that any operations carried out on the land under the authority of the permit or licence are carried out in such a manner as to minimise the risk of damage to any native fauna or flora on the land. .

Regulations.

153. (1) The Governor may make regulations, not inconsistent with this Act, prescribing all matters that by this Act are required or permitted to be prescribed or are necessary or convenient to be prescribed for carrying out or giving effect to this Act.

(2) In particular, but without limiting the generality of subsection (1) of this section, the regulations may make provision for securing, regulating, controlling or restricting all or any of the following matters—

- (a) the exploration for petroleum and the carrying on of operations, and the execution of works, for that purpose;
- (b) the recovery of petroleum and the carrying on of operations, and the execution of works, for that purpose;
- (c) conserving, and preventing the waste of, the natural resources, whether petroleum or otherwise;
- (d) the construction, erection, maintenance, operation or use of installations or equipment;
- (e) the control of the flow and the prevention of the escape of petroleum or water;

- (f) the prevention of the escape of water or drilling fluid or a mixture of water or drilling fluid with petroleum or any other matter;
 - (g) the prevention of damage to petroleum-bearing strata in an area, whether in the State or not, in respect of which a permit or licence is not in force;
 - (h) the keeping separate of—
 - (i) each petroleum pool discovered in a permit area or licence area; and
 - (ii) each source of water discovered in a permit area or licence area;
 - (i) the prevention of water or other matter from entering a petroleum pool through wells;
 - (j) the maintaining in good condition and repair of all structures, equipment and other property used or intended to be used for or in connection with exploration for, or the exploitation of, petroleum in the State; and
 - (k) the removal from the State of structures, equipment and other property brought into the State for or in connection with exploration for, or the exploitation of, petroleum that are not used or intended to be used in connection with exploration for, or the exploitation of, petroleum in the State.
- (3) The regulations may provide, in respect of an offence against the regulations, for the imposition of—
- (a) a fine not exceeding Two thousand dollars; or
 - (b) a fine not exceeding that amount for each day on which the offence occurs.