

PETROLEUM (DRILLING RESERVATIONS) AMENDMENT ACT

No. 78 of 1990

AN ACT to amend the *Petroleum Act 1967*.

[Assented to 22 December 1990.]

The Parliament of Western Australia enacts as follows:

Short title

1. This Act may be cited as the *Petroleum (Drilling Reservations) Amendment Act 1990*.

Commencement

2. This Act shall come into operation on such day as is, or days as are respectively, fixed by proclamation.

Principal Act

3. In this Act the *Petroleum Act 1967** is referred to as the principal Act.

[*Reprinted as approved 20 September 1982 and amended by Acts Nos. 107 of 1982, 113 of 1985, 90 of 1987 and 12 of 1990.]

Section 5 amended

4. Section 5 of the principal Act is amended—

(a) in subsection (1)—

(i) by inserting after the definition of “document” the following definition—

“ “drilling reservation” means a drilling reservation referred to in section 43D; ”;

(ii) in the definition of “partly cancelled” by deleting “permit or” and substituting the following—

“ permit, drilling reservation or ”;

(iii) in the definition of “partly determined” by deleting “permit or” and substituting the following—

“ permit, drilling reservation or ”;

(iv) in the definition of “permit” by deleting “under Part III of this Act” and substituting the following—

“ referred to in section 38 ”;

(v) in the definition of “registered holder” by inserting in each case after “permit,” where twice occurring the following—

“ drilling reservation, ”;

(vi) in the definition of "royalty period" by deleting "permit or" wherever occurring and substituting in each case the following—

“ permit, drilling reservation or ”;

(vii) in the definition of "the relinquished area"—

(A) in paragraphs (a) and (b), by inserting in each case after "permit" wherever occurring the following—

“ drilling reservation, ”;

(B) in paragraph (c) by deleting "permit or" wherever occurring and substituting in each case the following—

“ permit, drilling reservation or ”;

(viii) in the definition of "wholly cancelled" by inserting in each case after "permit," wherever occurring the following—

“ drilling reservation, ”;

(ix) in the definition of "wholly determined" by deleting "permit or" wherever occurring and substituting in each case the following—

“ permit, drilling reservation or ”;

(b) in subsections (2), (3) and (6) by inserting after "permit," wherever occurring in each case the following—

“ drilling reservation, ”;

(c) by inserting after subsection (5) the following subsection—

“ (5a) In this Act a reference to the extension of a drilling reservation in relation to the blocks specified in the drilling reservation is a reference to the grant of a drilling reservation in respect of those blocks to commence on the day after the date

of expiration of the firstmentioned drilling reservation or on the day after the date of expiration of the previous extension, if any, of the first mentioned drilling reservation. ”.

Heading to Part III Division 2 repealed

5. The heading to Part III Division 2 of the principal Act is repealed and the following heading is substituted—

“ *Division 2—Permits and drilling reservations* ”.

Sections 43A, 43B, 43C, 43D, 43E and 43F inserted

6. After section 43 of the principal Act the following sections are inserted—

Advertisement of blocks for drilling reservations

“ **43A.** (1) The Minister may, by instrument published in the *Gazette*—

(a) invite applications for the grant of a drilling reservation in respect of the block or blocks specified in the instrument; and

(b) specify the period within which applications may be made.

(2) Applications shall not be invited under subsection (1) over any area that is included in an existing permit or an application for a permit, drilling reservation, lease or licence.

Application for drilling reservation

43B. (1) An application under section 43A—

(a) shall be in accordance with an approved form;

(b) shall be made in an approved manner;

- (c) shall be in respect to a block or blocks containing potential sites of petroleum deposits;
 - (d) shall be accompanied by particulars of—
 - (i) the proposals of the applicant for the drilling of a well or wells and other work in respect of the block or blocks specified in the application;
 - (ii) the technical qualifications of the applicant and of the employees of the applicant;
 - (iii) the technical advice available to the applicant;
 - (iv) a statement as to the size and configuration of the potential petroleum deposit and a geological prognosis of the well;
 - (v) a statement of the approximate time of the completion of the well; and
 - (vi) 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 the prescribed fee.
- (2) The number of blocks specified in the application shall be not less than one.
- (3) If more than one block is available the blocks specified in the application shall be blocks that are constituted by graticular section 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.

Grant or refusal in relation to applications for drilling reservations

43C. (1) Where an application has been made under section 43B, the Minister may—

- (a) by instrument in writing served on the applicant, inform the applicant—
 - (i) that the Minister is prepared to grant to the applicant a drilling reservation 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 drilling reservation, 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 drilling reservation to the applicant.

(2) An instrument under subsection (1) shall contain—

- (a) a summary of the conditions to which the drilling reservation is granted; and
- (b) a statement to the effect that the application will lapse if the applicant does not make a request under subsection (3) in respect of the grant of the drilling reservation 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) may, within a period of one month after the date of the service of the instrument on the applicant, or within such further period, not exceeding one month, as the Minister, on application in writing served on the Minister 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 the applicant the drilling reservation; 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)—

(a) has made a request under subsection (3); and

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

within the period applicable under subsection (3), the Minister shall grant to the applicant a drilling reservation 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)—

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

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

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

Rights conferred by drilling reservation

43D. A drilling reservation, while it remains in force, authorizes the holder of the drilling reservation, subject to this Act and the regulations and in accordance with the conditions to which the drilling reservation is subject, to drill for petroleum, and to carry on such operations and execute such works as are necessary for that purpose, in the drilling reservation area.

Term of drilling reservation

43E. (1) A drilling reservation is effective from the day on which the drilling reservation is granted or such later date as is specified by the Minister.

(2) Subject to section 43F, a drilling reservation is effective for a period of 12 months commencing from the day from which it is effective under subsection (1).

Extension of term of drilling reservation

43F. (1) The holder of a drilling reservation may, before the expiry of the drilling reservation, apply to the Minister for the extension of the period for which the drilling reservation is effective.

(2) An extension of the period for which a drilling reservation is effective shall not be granted unless the holder of the drilling reservation has or is in the course of drilling a well to the depth specified in the instrument issued under section 43C in relation to the grant of the drilling reservation and has submitted a report that is satisfactory to the Minister in relation to the well.

(3) An application under subsection (1) shall be accompanied by—

(a) a summary of the extensions of the drilling reservation previously obtained;

- (b) a statement of each type of work carried out on the drilling reservation;
- (c) a statement of the reasons for the extension of the drilling reservation; and
- (d) the prescribed fee.

(4) For the purposes of this section no account shall be taken of any delay arising from any assignment of interests in the drilling reservation.

(5) The Minister may, from time to time but subject to such terms and conditions as are specified by the Minister, grant an extension of a drilling reservation for such period, not exceeding 12 months, as is specified by the Minister commencing from the expiration of the period for which the drilling reservation is effective.

(6) Where—

- (a) under subsection (1) an application for an extension of the period for which a drilling reservation is effective has been made; and
- (b) the period for which the drilling reservation is effective expires before the Minister grants, or refuses to grant the extension referred to in paragraph (a),

the drilling reservation shall be deemed to continue in force in all respects until the Minister grants, or refuses to grant the extension applied for. ”.

Miscellaneous amendments

7. A provision of the principal Act specified in column 1 of the Schedule is amended in the manner specified opposite and corresponding to that provision in column 2 of the Schedule.

SCHEDULE

Column 1 Provision	Column 2 Amendment
Section 7 (2)	Insert after "permit," the following— <p style="text-align: center;">" drilling reservation, "</p>
Section 14 (1)	Insert after "permit," the following— <p style="text-align: center;">" drilling reservation, "</p>
Section 14 (2), (3)	Insert in each case after "permittee," wherever occurring the following— <p style="text-align: center;">" holder of the drilling reservation, "</p>
Section 15 (1)	Insert after "section 38," the following— <p style="text-align: center;">" 43D, "</p> <p>Insert after "permittee," the following— <p style="text-align: center;">" holder of a drilling reservation, "</p> <p>Insert after "permit area," the following— <p style="text-align: center;">" drilling reservation, "</p> </p></p>
Section 16 (1)	Insert after "permittee," the following— <p style="text-align: center;">" holder of a drilling reservation, "</p> <p>Insert after "permit," the following— <p style="text-align: center;">" drilling reservation, "</p> </p>
Section 17 (1)	Insert after "permittee," the following— <p style="text-align: center;">" holder of a drilling reservation, "</p> <p>Insert after "permit," the following— <p style="text-align: center;">" drilling reservation, "</p> </p>
Section 18	Insert after "permit," the following— <p style="text-align: center;">" drilling reservation, "</p>

Insert in each case after "the permittee," where twice occurring the following—

" holder of the drilling reservation, ".

Section 19

Insert in each case after "permit," where twice occurring, the following—

" drilling reservation, ".

Insert after "permittee," the following—

" holder of the drilling reservation, ".

Section 20 (1)

Insert after "permittee," the following—

" holder of a drilling reservation, ".

Section 21 (1)

Insert after "permittee," the following—

" holder of a drilling reservation, ".

Section 28 (1)

Insert in each case after "permit," where twice occurring the following—

" drilling reservation, ".

Section 28 (2)

Insert after "permit," the following—

" drilling reservation, ".

Section 29 (a)

Insert after "permit" the following—

" or drilling reservation ".

Section 44 (1)

Insert after "permit area" the following—

" or drilling reservation, as the case may be, ".

Insert after "permittee" the following—

" or the holder of the drilling reservation, as the case requires ".

Section 44 (2)

Insert after "permit area" the following—

" or drilling reservation ".

Delete "permittee," substitute the following—

" permittee or holder of the drilling reservation, as the case requires ".

Delete "permittee to" substitute the following—

" permittee or holder of the drilling reservation, as the case may be, to ".

Section 45 (1)

Insert after "permit area" the following—

" or drilling reservation ".

Delete "permittee," substitute the following—

" permittee or holder of the drilling reservation, as the case requires, ".

Insert after "permittee" the following—

" or holder of the drilling reservation ".

Section 46 (1)

Insert in each case after "permit area" where twice occurring the following—

" or drilling reservation ".

Insert after "permittee" the following—

" or the holder of the drilling reservation, as the case requires, ".

Section 46 (2)

Insert after "permit area" the following—

" or drilling reservation ".

Insert after "permittee" the following—

" or holder of the drilling reservation, as the case requires, ".

Section 46 (4)

Insert after "permittee" the following—

" or holder of a drilling reservation ".

Section 46 (5)

Insert after "permittee" where first occurring the following—

" or holder of a drilling reservation ".

Insert after "permittee" where secondly occurring the following—

" or holder of the drilling reservation, as the case requires, ".

Insert after "permit area" the following—

" or drilling reservation ".

Section 46 (6) (a)

Insert after "permittee" the following—

" or a holder of a drilling reservation ".

Section 46 (6) (b)

Insert after "permittee" the following—

" or the holder of the drilling reservation, as the case requires, ".

Delete "permittee to exercise" substitute the following—

" permittee or the holder of the drilling reservation, as the case requires, to exercise ".

Delete "the permittee's" substitute the following—

" his or her ".

Section 46 (7)

Insert after "permittee" the following—

" or holder of the drilling reservation, as the case requires, ".

Section 46 (8)

Insert after "permittee" the following—

" or holder of a drilling reservation ".

Section 46 (9)

Insert after "permittee" where first occurring the following—

" or the holder of a drilling reservation, as the case requires, ".

Insert after "permittee" where secondly occurring the following—

" or the holder of the drilling reservation ".

- Section 47 (1) (a) Insert after "permittee" the following—
" or holder of a drilling reservation ".
- Section 47 (1) (b) Insert after "the permittee" the following—
" or the holder of the drilling reservation, as the case requires, ".
- Section 47 (3) Insert after "the permittee" the following—
" or the holder of the drilling reservation, as the case requires, ".
- Section 47 (4) (a) Insert after "permit area" the following—
" or drilling reservation, as the case requires, ".
- Section 47 (5) (a) Insert after "the permittee" the following—
" or the holder of the drilling reservation, as the case requires, ".
- Section 47 (5) (c) Insert after "the permittee" the following—
" or the holder of the drilling reservation, as the case requires, ".
- Section 47 (6) Insert after "the permittee" the following—
" or the holder of the drilling reservation, as the case requires, ".
- Section 48A (1) Insert after "force" the following—
" , or, the holder of a drilling reservation whose drilling reservation is in force ".
- Section 48A (4) Insert after "a permittee" the following—
" or the holder of a drilling reservation ".
- Section 48A (4) (b) Delete "the permittee," and substitute the following—
" the permittee or the holder of the drilling reservation, as the case requires, ".
- Section 48B (7) Insert after "permit" the following—
" or drilling reservation, as the case requires, ".

- Section 50 (1) Insert after "force" the following—
- “ , or, the holder of a drilling reservation whose drilling reservation is in force, ”.
- Section 50 (2) Insert after "force" the following—
- “ , or, the holder of a drilling reservation whose drilling reservation is in force, ”.
- Section 50 (3) (a), (b) Insert in each case after "permittee" the following—
- “ or the holder of a drilling reservation ”.
- Section 50 (3) Insert after "permittee" the following—
- “ or the holder of the drilling reservation, as the case requires, ”.
- Section 50 (4) Insert after "permittee" the following—
- “ or the holder of a drilling reservation ”.
- Section 50 (4) (b) Insert after "permittee" the following—
- “ or the holder of the drilling reservation, as the case requires ”.
- Section 50 (5) (a) Insert after "a permittee" the following—
- “ or the holder of a drilling reservation ”.
- Insert after "the permittee" the following—
- “ or the holder of the drilling reservation as the case requires ”.
- Section 50 (5) (b) Insert after "permittee" the following—
- “ or the holder of the drilling reservation, as the case requires, ”.
- Section 54 (3) Insert after "a permittee" the following—
- “ , the holder of the drilling reservation ”.

- Section 54 (3) (b) Delete "is the permittee's or lessee's primary entitlement" substitute the following—
 " is the primary entitlement of the permittee, holder of the drilling reservation or lessee, as the case requires ".
- Section 54 (5) Insert after "permit" the following—
 " , drilling reservation ".
- Section 56 (1) (a), (b) Insert in each case after "permittee" where twice occurring the following—
 " or the holder of a drilling reservation, as the case requires, ".
- Section 56 (1) Insert after "permit" the following—
 " or drilling reservation ".
- Section 56 (2) Insert after "permittee" the following—
 " , the holder of a drilling reservation ".
- Section 56 (2) (a) Insert after "permit" the following—
 " , drilling reservation ".
- Section 56 (3) Insert after "permit" the following—
 " , drilling reservation ".
- Section 57 (1) (b) Delete "permit or", substitute the following—
 " permit, drilling reservation or ".
- Section 69A Insert after "permit," the following—
 " drilling reservation, ".
- Section 70 (2) (b) Insert after "permit," the following—
 " drilling reservation, ".
- Insert after "permit area" the following—
 " , drilling reservation, ".

- Section 71 (a) Delete "permit or", substitute the following—
" permit, drilling reservation or ".
- Section 71 (b) Delete "permit or", substitute the following—
" permit, drilling reservation or ".
- Section 72 (8) (a) Insert after "permit," the following—
" drilling reservation, ".
- Section 75 (1) (d) (i) Insert after "permit," the following—
" drilling reservation, ".
- Section 75 (1) (d) (ii) Insert after "permit," the following—
" drilling reservation, ".
- Section 75A (4) (a) (i) Insert in each case after "permit," wherever occurring, the following—
" drilling reservation, ".
- Section 86 (a), (b), (c) Insert in each case after "permit," wherever occurring the following—
" drilling reservation, ".
- Section 88 Insert after paragraph (a) the following—
" (aa) the grant, and the extension of, a drilling reservation; ".
- Section 88 (c), (d), (e) Insert in each case after "permit," wherever occurring the following—
" drilling reservation, ".
- Section 89 (2) Insert after "permit," the following—
" drilling reservation, ".
- Insert after "permit area," the following—
" , drilling reservation ".
- Section 90 (1) Insert in each case after "permit," wherever occurring the following—
" drilling reservation, ".

Insert after "permittee," the following—

" holder of the drilling reservation ".

Section 90 (2)

Insert after "permittee," the following—

" holder of a drilling reservation, ".

Section 90 (2) (b)

Insert in each case after "permit," where twice occurring the following—

" drilling reservation ".

Section 91 (1)

Insert after "permittee," the following—

" holder of a drilling reservation ".

Insert in each case after "permit area" where twice occurring the following—

" , drilling reservation ".

Section 91 (2)

Insert after "permittee," the following—

" holder of a drilling reservation ".

Section 91 (2) (a), (b),
(d), (e)

Insert in each case after "permit area," wherever occurring the following—

" drilling reservation, ".

Section 91 (2) (c)

Insert after "permit," the following—

" drilling reservation, ".

Section 92 (1)

Insert in each case after "permittee," where twice occurring the following—

" holder of a drilling reservation, ".

Insert after "permit area," the following—

" drilling reservation, ".

Section 94 (1)

Insert after "permittee," the following—

" holder of a drilling reservation, ".

Insert after "permit area," the following—

" drilling reservation, ".

Section 94 (2)

Insert after "a permittee," the following—

" holder of a drilling reservation, ".

Insert after "the permittee," the following—

" holder of the drilling reservation, ".

Section 95 (1)

Insert after "permit," the following—

" drilling reservation, ".

Section 97 (1) (a), (d), (f)

Insert in each case after "permit," wherever occurring the following—

" drilling reservation, ".

Section 97 (1) (e), (g), (h)

Insert in each case after "a permittee," wherever occurring the following—

" holder of a drilling reservation, ".

Section 97 (1)

Delete "the permittee," and substitute the following—

" the permittee, holder of the drilling reservation, ".

Section 97 (1) (j)

Insert after "permittee," the following—

" holder of the drilling reservation, ".

Insert after "permit," the following—

" drilling reservation, ".

Section 97 (2) (a), (b)

Insert in each case after "permit," wherever occurring the following—

" drilling reservation, ".

Section 97 (3)

Insert after "the permittee" the following—

" , the holder of a drilling reservation or a lessee ".

Insert after "a permit" the following—

" , drilling reservation or lease ".

- Section 99 (2) (d) Insert in each case after "permittee," where twice occurring the following—
 " holder of the drilling reservation, ".
- Section 100 (1) Delete "permit or" substitute the following—
 " permit, drilling reservation or " .
 Insert after "permit," the following—
 " drilling reservation, " .
- Section 100 (2) Insert in each case after "permit," wherever occurring the following—
 " drilling reservation, " .
- Section 100 (3) Delete "permit or" substitute the following—
 " permit, drilling reservation or " .
 Insert after "permit," the following—
 " drilling reservation, " .
- Section 100 (4) Insert in each case after "permit," where twice occurring the following—
 " drilling reservation, " .
- Section 101 (1) Delete "permit or" substitute the following—
 " permit, drilling reservation or " .
 Insert after "permittee," the following—
 " holder of the drilling reservation, " .
- Section 101 (1) (a) Insert after "permit," the following—
 " drilling reservation, " .
- Section 101 (2) Insert after "permittee," the following—
 " holder of a drilling reservation, " .
- Section 101 (2) (a) Insert after "permit area," the following—
 " drilling reservation, " .

- Insert after "permit," the following—
" drilling reservation, ".
- Section 101 (3) (b) Insert after "permit," the following—
" drilling reservation, ".
- Section 102 Delete "permit or" substitute the following—
" permit, drilling reservation or ".
- Section 102 (b) Insert after "permit", the following—
" drilling reservation, ".
- Section 106 (1) Insert after "permittee," the following—
" holder of a drilling reservation, ".
Insert in each case after "permit area," where twice occurring the following—
" drilling reservation, ".
- Section 106 (3) (a) Insert after "permittee," the following—
" holder of a drilling reservation, ".
- Section 106 (4) Insert in each case after "permit," where twice occurring the following—
" drilling reservation, ".
- Section 106 (6) Insert after "permit area," the following—
" drilling reservation, ".
- Section 106 (8) (b) Insert after "permit area," the following—
" drilling reservation, ".
- Section 106 (11) Insert in each case after "permit," where twice occurring the following—
" drilling reservation, ".
- Section 107 (3) (b) Insert after "permittee," the following—
" holder of a drilling reservation, ".

- Section 112 (4) (c) Insert in each case after "permit," wherever occurring the following—
" drilling reservation, ".
- Section 112 (4) (d) Insert after "permit," the following—
" drilling reservation, ".
- Section 112 (5) (a) Insert in each case after "permit," where twice occurring the following—
" drilling reservation, ".
- Section 112 (5) (b) Insert after "permittee," the following—
" holder of the drilling reservation, ".
- Insert in each case after "permit," where twice occurring the following—
" drilling reservation, ".
- Section 113 Insert after "permit area," the following—
" drilling reservation, ".
- Insert after "permittee," the following—
" holder of the drilling reservation, ".
- Section 114 (1) Insert after "a permittee," the following—
" holder of a drilling reservation ".
- Section 114 (2) Insert after "a permittee," the following—
" holder of a drilling reservation, ".
- Insert in each case after "the permittee" where twice occurring the following—
" , holder of the drilling reservation ".
- Section 115 (1) Insert after "permit," the following—
" holder of a drilling reservation, ".
- Section 117 Insert after "permit," the following—
" drilling reservation, ".

Section 120

Insert after "a permittee," the following—

" holder of a drilling reservation, "

Insert after "permit area," the following—

" drilling reservation, "

Insert after "the permittee" the following—

" , holder of the drilling reservation "

Section 135 (1)

Insert in each case after "permit," where twice occurring the following—

" drilling reservation, "

Section 135 (2)

Insert in each case after "permit," where twice occurring the following—

" drilling reservation, "

Section 135 (3) (b)

Insert in each case after "permit," where twice occurring the following—

" drilling reservation, "

Section 135 (4)

Insert after "permittee," the following—

" holder of the drilling reservation, "

Section 137

Insert after "permittee" the following—

" or holder of a drilling reservation "

Insert after "the permit" the following—

" or drilling reservation, as the case requires "

Section 137 (b)

Insert after "the permit" the following—

" or the drilling reservation "

Section 141

Insert after "the permittee," the following—

" holder of a drilling reservation "

Section 142 (1)

Insert after "permit," the following—

" drilling reservation, "

Insert in each case after "permittee," where twice occurring the following—

" holder of the drilling reservation, ".

Insert after "permit area," the following—

" drilling reservation, ".

Section 142 (2)

Insert after "permit," the following—

" drilling reservation, ".

Section 144 (1) (b)

Insert after "permittee," the following—

" drilling reservation, ".

Section 144 (2)

Insert in each case after "permittee" where twice occurring the following—

" holder of a drilling reservation, ".

Section 145

Insert after "permittee," the following—

" holder of the drilling reservation, ".

Section 146

Insert after "permittee," the following—

" holder of the drilling reservation, ".

Section 147

Insert after "permittee," the following—

" holder of a drilling reservation, ".

Section 147 (b)

Insert in each case after "the permittee," where twice occurring the following—

" holder of the drilling reservation, ".

Section 148 (2)

Insert after "the permittee," the following—

" holder of the drilling reservation, ".

Section 149

Insert after "the permittee," the following—

" holder of the drilling reservation, ".

Section 152 (1)

Insert after "permit," the following—

" drilling reservation, ".

Section 152 (2) Insert after "permit," the following—

“ drilling reservation, ”.

Section 152 (3) Insert after "permit," the following—

“ drilling reservation, ”.

Section 153 (2) (g) Insert after "permit," the following—

“ drilling reservation, ”.

Section 153 (2) (h) Insert in each case after "permit," where twice occurring the following—

“ drilling reservation, ”.
