PETROLEUM (SUBMERGED LANDS) BILL, 1967

EXPLANATORY NOTE

THE object of this Bill is to make provisions regulating the exploration for, and exploitation of, petroleum within submerged lands (being the sea-bed and subsoil of the territorial sea and the continental shelf) adjacent to the coast of New South Wales.

The enactment of the Bill will give effect to an agreement between the Governments of the Commonwealth of Australia and of each of the States for the enactment of uniform legislation designed to avoid questions concerning the respective constitutional powers of those Governments in relation to the exploration for, and exploitation of, petroleum in those submerged lands.

The Bill—

(a) applies certain laws that are in force in New South Wales to the adjacent area, as defined in the Bill;

(b) empowers the Designated Authority, who will be the Minister administering the Act to give effect to the Bill, to grant—

(i) permits authorising the holders to explore for petroleum in the adjacent area;

(ii) licences authorising the holders to produce petroleum in the adjacent area;

(iii) pipeline licences authorising the holders to construct and operate pipelines in the adjacent area;

(iv) certain other authorities relating to the exploration for petroleum or the gaining of access to lands held under a permit or licence;

(c) makes provision for the payment of fees in respect of permits, licences and pipeline licences;

(d) makes provision for the payment of royalties on petroleum produced in the adjacent area and for the payment of a share of those royalties to the Commonwealth;

(e) makes other provisions consequential upon and ancillary to the foregoing.

No. , 1967.

A BILL

Relating to the exploration for, and the exploitation of, the petroleum resources, and certain other resources, of certain submerged lands adjacent to the coasts of the State; and for purposes connected therewith.

[MR FIFE—24 *October*, 1967.]

WHEREAS

WHEREAS in accordance with international law Australia as a coastal state has sovereign rights over the continental shelf beyond the limits of Australian territorial waters for the purpose of exploring it and exploiting its natural resources : Preamble.

AND WHEREAS Australia is a party to the Convention on the Continental Shelf signed at Geneva on the twenty-ninth day of April, one thousand nine hundred and fifty-eight, in which those rights are defined :

AND WHEREAS the exploration for and the exploitation of the petroleum resources of submerged lands adjacent to the Australian coast would be encouraged by the adoption of legislative measures applying uniformly to the continental shelf and to the sea-bed and subsoil beneath territorial waters :

AND WHEREAS the Governments of the Commonwealth and of the States have decided, in the national interest, that, without raising questions concerning, and without derogating from, their respective constitutional powers, they should co-operate for the purpose of ensuring the legal effectiveness of authorities to explore for or to exploit the petroleum resources of those submerged lands :

AND WHEREAS the Governments of the Commonwealth and of the States have accordingly agreed to submit to their respective Parliaments legislation relating both to the continental shelf and to the sea-bed and subsoil beneath territorial waters and have also agreed to co-operate in the administration of that legislation :

Be it therefore enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows :—

PART I.

PRELIMINARY.

1. This Act may be cited as the "Petroleum (Submerged Lands) Act, 1967". Short title.

2.

Commencement.

2. The several provisions of this Act shall commence upon such day or days as may be appointed by the Governor in respect thereof and notified by proclamation published in the Gazette.

Division of Act.

3. This Act is divided as follows :—

PART I.—PRELIMINARY—*ss.* 1–13.

PART II.—APPLICATION OF LAWS—*ss.* 14–15.

PART III.—MINING FOR PETROLEUM—*ss.* 16–151.

DIVISION 1.—*Preliminary*—*ss.* 16–18.

DIVISION 2.—*Exploration Permits for Petroleum*—*ss.* 19–38.

DIVISION 3.—*Production Licences for Petroleum*—*ss.* 39–59.

DIVISION 4.—*Pipeline Licences*—*ss.* 60–75.

DIVISION 5.—*Registration of Instruments*—*ss.* 76–92.

DIVISION 6.—*General*—*ss.* 93–137.

DIVISION 7.—*Fees and Royalties*—*ss.* 138–151.

PART IV.—MISCELLANEOUS—*s.* 152.

SCHEDULES.

Interpretation.

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

"access authority" means an access authority under Part III;

"application for a primary licence" means an application under subsection (1) or (2) of section 40 of this Act and "primary licence" means a licence granted on such an application;

"application

"application for a secondary licence" means an application under subsection (3) of section 40 of this Act and "secondary licence" means a licence granted on such an application;

"approved" means approved by the Designated Authority;

"block" means a block constituted as provided by section 17 of this Act;

"construct" includes "place" and "construction" has a corresponding meaning;

"corresponding law" means an Act of another State or a law in force in a Territory of the Commonwealth giving effect to the agreement between the Governments of the Commonwealth and of the States referred to in the preamble to this Act;

"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 operations for the recovery of petroleum, as the case may be;

"graticular section" means a section referred to in section 17 of this Act;

"inspector" means a person appointed under section 125 of this Act;

"licence" means a production licence for petroleum under Part III;

"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 37 of this Act is in force;

"natural

"natural resources" has the same meaning as in the Convention;

"partly cancelled" means—

(a) 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; and

(b) in relation to a pipeline licence—cancelled as to a part of the pipeline the subject of the 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;

"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 in the adjacent area;

"petroleum pool" means a naturally occurring discrete accumulation of petroleum;

"pipeline" means a pipe or system of pipes in the adjacent area for conveying petroleum but does not include a pipe or system of pipes—

(a) for returning petroleum to a natural reservoir;

(b) for conveying petroleum for use for the purposes of petroleum exploration operations or operations for the recovery of petroleum;

(c) for conveying petroleum that is to be flared or vented; or

(d) for conveying petroleum from a well to a terminal station without passing through another terminal station, whether the terminal station to which the petroleum is conveyed is in the adjacent area or not;

"pipeline licence" means a licence under Part III to construct and operate a pipeline;

"pipeline licensee" means the registered holder of a pipeline licence;

"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 40 of this Act;

"prescribed" means prescribed by the regulations;

"pumping station" means equipment for pumping petroleum or water and includes any structure associated with that equipment;

"Register" means the Register kept by the Designated Authority in pursuance of Division 5 of Part III;

"registered holder", in relation to a permit, licence, pipeline 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, pipeline licence or access authority;

"regulations" means regulations made under this Act;

"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;

"secondary line" means a pipe or system of pipes for any purpose referred to in paragraphs (a), (b), (c) and (d) of the definition of "pipeline";

"special prospecting authority" means a special prospecting authority under Part III;

"tank station" means a tank or system of tanks for holding or storing petroleum and includes any structure associated with that tank or system of tanks;

"terminal station" means a pumping station, a tank station or a valve station declared to be a terminal station under section 63 of this Act or under a corresponding law;

"the adjacent area" means the area specified in the Second Schedule to this Act as being adjacent to the State of New South Wales;

"the applied provisions" means the provisions applied in accordance with section 14 of this Act;

"the Commonwealth Act" means the Act or Acts of the Parliament of the Commonwealth passed to give effect to the agreement referred to in the preamble to this Act and includes that Act or those Acts as amended from time to time;

"the continental shelf" means the continental shelf, within the meaning of the Convention, adjacent to the coast of Australia;

"the

"the Convention" means the Convention entitled "Convention on the Continental Shelf" signed at Geneva on the twenty-ninth day of April, one thousand nine hundred and fifty-eight, being the Convention a copy of which in the English language is set out in the First Schedule to 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;

(d) in relation to a pipeline licence that is no longer in force—the part of the adjacent area in which the pipeline was constructed;

(e) in relation to a pipeline licence that has been wholly cancelled or partly cancelled —the part of the adjacent area in which the pipeline or the part of the pipeline, as the case may be, was constructed; and

(f) 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;

"valve station" means equipment for regulating the flow of petroleum and includes any structure associated with that equipment;

"vessel"

"vessel" means a vessel used in navigation, other than air navigation, and includes a barge, lighter or other floating vessel;

"water line" means a pipe or system of pipes for conveying water in connexion with petroleum exploration operations or operations for the recovery of petroleum;

"well" means a hole in the sea-bed or subsoil made by drilling, boring or any other means in connexion 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, licence or pipeline licence, means cancelled as to all the blocks, or as to the whole of the pipeline, the subject of the permit, licence or pipeline licence;

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

(2) In this Act, a reference to the term of a permit, licence, pipeline licence, special prospecting authority or access authority is a reference to the period during which the permit, licence, pipeline licence, special prospecting authority or access authority remains in force and a reference to the date of expiration of a permit, licence, pipeline licence, special prospecting authority or access authority is a reference to the day on which the permit, licence, pipeline 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, licence or pipeline licence is a reference to a period of one year commencing on the date from and including which the permit, licence or pipeline 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

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 the renewal, or to the grant of a renewal, of a pipeline licence in respect of a pipeline is a reference to the grant of a pipeline licence in respect of that pipeline to commence on the day after the date of expiration of the firstmentioned pipeline licence or on the day after the date of expiration of the pipeline licence granted upon a previous renewal of the firstmentioned pipeline licence.

(7) In this Act, a reference to a pipeline includes a reference to a part of a pipeline.

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

(9) The power conferred by this Act to make, grant or issue any instrument shall, unless the contrary intention appears, be construed as including a power exercisable in the like manner and subject to the like conditions, if any, to repeal, rescind, revoke, amend or vary any such instrument.

Construction of Act.

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

Spaces above and below adjacent areas.

6. For the purposes of this Act and the regulations—

(a) the space above or below the adjacent area shall be deemed to be in that area; and

(b)

(b) the space above or below an area that is part of the adjacent area shall be deemed to be in that part.

Points, &c., to be ascertained by reference to Australian Geodetic Datum.

7. (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 flattening of $\frac{100}{29825}$ and by reference to the position 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 one of this section.

Application of Act.

8. 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 New South Wales or not.

Obligations and liabilities.

9. Where an obligation or liability is imposed by or under the applied provisions or by or under Part III or the regulations and the like obligation or liability is imposed by or under the Commonwealth Act and the obligation or liability under the Commonwealth Act is discharged, the other obligation or liability is also discharged.

Rights, powers and privileges.

10. Where a right, privilege or power is conferred by or under the applied provisions or by or under Part III or the regulations and the like right, privilege or power is conferred by or under the Commonwealth Act and the right, privilege or power under the Commonwealth Act has been exercised, the other right, privilege or power is not capable of being exercised.

11.

11. Where an act or omission gives rise to a cause of action under the applied provisions or under Part III or the regulations and also to a cause of action under the Commonwealth Act and the cause of action under the Commonwealth Act is extinguished, the other cause of action is also extinguished. Causes of action.

12. Where an act or omission constitutes an offence under both the Commonwealth Act and the applied provisions, Part III or the regulations and the offender has been convicted for that offence under the Commonwealth Act, he shall not be liable to be convicted for the offence under the applied provisions, Part III or the regulations. Persons not liable to be convicted under two laws.

13. Where a person or a court has done an act in the purported exercise of a power or function under the Commonwealth Act and that act could have been done by that person or court in the exercise of a power or function under the applied provisions or under Part III or the regulations, that act shall be deemed to have been done by that person or court in the exercise of the power or function under those provisions, that Part or those regulations, as the case may be. Validation of certain acts.

PART II.

Application of Laws.

14. (1) Subject to this Act, the provisions of the laws in force in New South Wales, whether written or unwritten, and as in force from time to time, and the provisions of any instrument made under any of those laws, apply in the adjacent area. Application of laws in area adjacent to State.

(2) The provisions referred to in subsection (1) of this section apply to and in relation to all acts, matters, circumstances and things touching, concerning, arising out of

or

or connected with the exploration of the sea-bed or subsoil of the adjacent area for petroleum and the exploitation of the natural resources, being petroleum, of that sea-bed or subsoil, and not otherwise, and so apply as if the adjacent area were part of the State.

(3) This section does not—

(a) extend to the provisions of any law or instrument—

(i) in so far as they apply to or in relation to exploration for, or operations for the recovery of, petroleum;

(ii) in so far as they apply to or in relation to the construction or operation of pipelines;

(iii) in so far as they are incapable of application in the adjacent area; or

(iv) in so far as they are expressed not to extend to or apply in the adjacent area; or

(b) operate so as to apply the provisions of any law of the Commonwealth in any part of the adjacent area in which that law applies.

(4) The regulations may provide that any provisions referred to in subsection (1) of this section that are specified in the regulations do not apply by reason of this section or apply with prescribed modifications only.

(5) Regulations made for the purposes of subsection (4) of this section may provide that prescribed provisions be added to or substituted for any of the provisions referred to in subsection (1) of this section.

Jurisdiction of State courts.

15. (1) Subject to this section, the several courts of New South Wales are invested with jurisdiction in all matters arising under the applied provisions, this Act or the regulations.

(2) The jurisdiction with which the several courts are invested by subsection (1) of this section is invested within the limits (other than limits having effect by reference to localities) of their several jurisdictions.

(3) The jurisdiction invested in a court of summary jurisdiction by this section shall not be judicially exercised except by a stipendiary magistrate sitting alone.

(4) This section does not limit the jurisdiction that any court has apart from this section.

PART III.

MINING FOR PETROLEUM.

DIVISION 1.—*Preliminary.*

Designated Authority.

16. (1) The Minister is for the purposes of this Act the Designated Authority.

(2) The Governor may make an arrangement with the Governor-General with respect to any or all of the matters with respect to which the Governor-General is authorized to make arrangements under the Commonwealth Act.

(3) An arrangement made under this section may contain such incidental or supplementary provisions as the Governor and the Governor-General think necessary.

(4) The Governor may arrange with the Governor-General for the variation or revocation of an arrangement made under this section.

(5) The Designated Authority may—

(a) delegate all or any of his powers or functions under this Act or the regulations (except this power of delegation); and

(b) vary or revoke a delegation given by him.

(6)

(6) A power or function delegated by the Designated Authority 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 Designated Authority in relation to a matter—upon the opinion, belief or state of mind of the delegate in relation to that matter.

(7) A delegation under this section does not prevent the exercise of a power or the performance of a function by the **Designated Authority**.

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

Graticulation of Earth's surface and constitution of blocks.

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

(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 adjacent area constitutes a block; and

(b)

(b) if a part only of a graticular section is, or parts only of a graticular section are, within the adjacent area, 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.

18. (1) The Designated Authority 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 or over or in which there is a pipeline) shall not be the subject of a permit, licence, special prospecting authority or access authority and that a pipeline licence shall not be granted in respect of a pipeline over or in that block.

(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 and a pipeline licence shall not be granted in respect of a pipeline over or in that block.

DIVISION 2.—*Exploration Permits for Petroleum.*

Exploration for petroleum.

19. A person shall not explore for petroleum in the adjacent area—

(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.

20.

20. (1) The Designated Authority 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 Designated Authority may, for reasons that he thinks sufficient, in an instrument under subsection (1) of this section, direct that subsection (2) or (3) of section 21 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 Designated Authority 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 Designated Authority 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 Designated Authority may, for reasons that he thinks sufficient, upon request in writing served on him, direct that subsection (2) or (3) of section 21 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.

21. (1) An application under section 20 of this Act— Application for permit.

(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 four 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 Designated Authority 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)

(4) The Designated Authority 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 connexion with his application.

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

Grant or refusal of permit in relation to application.

22. (1) Where an application has been made under section 20 of this Act, the Designated Authority may—

(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 subject 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 Designated Authority 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

instrument on him, or within such further period, not exceeding one month, as the Designated Authority, on application in writing served on him before the expiration of the first-mentioned period of one month, allows—

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

(b) lodge with the Designated Authority 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 Designated Authority the security referred to in the instrument,

within the period applicable under subsection (3) of this section, the Designated Authority 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 Designated Authority 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.

Application for permit in respect of surrendered, &c., blocks.

23. (1) Where—

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

(b)

(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 Designated Authority 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 Designated Authority 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 20 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 Designated Authority 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 20 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 21 of this Act;

(d) shall specify an amount that the applicant is prepared to pay to the Designated Authority, in addition to the fee referred to in paragraph (a) of subsection (1) of section 24 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 Designated Authority to consider.

(5) The Designated Authority 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 connexion with his application.

Application fee, &c.

24. (1) An application under section 23 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 25 of this Act does not request the Designated Authority, in accordance with section

section 26 of this Act, to grant to him the permit referred to in the instrument, the deposit shall not, unless the Designated Authority otherwise determines, be refunded to the applicant.

Consideration of application.

25. (1) Where, at the expiration of the period specified in an instrument under subsection (1) of section 23 of this Act, only one application has been made under that subsection in respect of the block or blocks specified in the instrument, the Designated Authority 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.

(2) Where, at the expiration of the period specified in an instrument under subsection (1) of section 23 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 Designated Authority 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 23 of this Act, the Designated Authority 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 the block or blocks specified in the application.

(4)

(4) Where the Designated Authority 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 subject 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 26 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 109 of this Act in respect of that balance; and

(iii) lodge with the Designated Authority the security referred to in the instrument.

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

26. (1) An applicant on whom there has been served an instrument under section 25 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 Designated Authority, 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 Designated Authority, request the Designated Authority to grant to him the permit referred to in the first-mentioned instrument;

(b)

(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 109 of this Act in respect of that balance; and

(c) lodge with the Designated Authority the security referred to in the firstmentioned instrument.

(2) Where an applicant on whom there has been served an instrument under section 25 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 109 of this Act in respect of that balance; or

(c) has not lodged with the Designated Authority 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 25 of this Act lapses as provided by subsection (2) of this section, subsection (2) of that section applies in respect of the application or applications, if any, then remaining unrejected.

Grant of permit on request.

27. Where a person on whom there has been served an instrument under section 25 of this Act—

(a) has made a request under subsection (1) of section 26 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 109 of this Act in respect of that balance; and

(c)

(c) has lodged with the Designated Authority the security referred to in the instrument,

within the period applicable under that subsection, the Designated Authority 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.

28. A permit, while it remains in force, authorizes 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.

29. 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 six 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.

30. (1) Subject to section 31 of this Act, a permittee may, from time to time, make an application to the Designated Authority 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)

(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 Designated Authority 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.

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

31. (1) The number of blocks in respect of which an application for the renewal of a permit may be made shall not exceed the number calculated as follows :—

(a) where the number of blocks in respect of which the permit is in force is a number that is divisible by two without remainder—one-half of that number; or

(b) where the number of blocks in respect of which the permit is in force is a number that is one less or one more than a number that is divisible by four without remainder—one-half of that lastmentioned number.

(2) A block that is, or is included in, a location and in respect of which the 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 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)

(4) Where the number of blocks in respect of which an application for the 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 renewal of a permit, the number calculated in accordance with subsection (1) of this section is less than sixteen, the Designated Authority 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 Designated Authority 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.

Grant or refusal of renewal of permit.

32. (1) Where a permittee makes an application for the renewal of a permit, the Designated Authority—

(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 Designated Authority is satisfied that, although the permittee has not so complied, special circumstances exist that justify the granting of the renewal of the permit,

inform

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 Designated Authority is not satisfied that special circumstances exist that justify the granting of the renewal of the permit, the Designated Authority shall, subject to subsection (3) of this section, by instrument in writing served on the permittee, refuse to grant the renewal of the permit.

(3) The Designated Authority 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 Designated Authority, submit any matters that he wishes the Designated Authority 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 Designated Authority 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 Designated Authority, request the Designated Authority to grant to him the renewal of the permit; and

(b) lodge with the Designated Authority 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 Designated Authority the security referred to in the instrument,

within the period referred to in subsection (5) of this section, the Designated Authority 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 Designated Authority 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 Designated Authority 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 Designated Authority grants, or refuses to grant, the renewal of the permit; or

(d) until the application so lapses,

whichever first happens.

Conditions of permit.

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

(2) The conditions referred to in subsection (1) of this section may include a condition that, in or 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.

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

(a) shall forthwith inform the Designated Authority of the discovery; and

(b)

(b) shall, within a period of three days after the date of the discovery, furnish to the Designated Authority particulars in writing of the discovery.

(2) Where petroleum is discovered in a permit area, the Designated Authority 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 subsoil in which the petroleum occurs; and

(c) any other matters relating to the discovery that are specified by the Designated Authority 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.

Directions by Designated Authority on discovery of petroleum.

35. (1) Where petroleum is discovered in a permit area, the Designated Authority 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 Designated Authority 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.

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

Penalty : Two thousand dollars.

36.

Nomination of block for purposes of declaring location.

36. (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—

(a) may; or

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

by instrument in writing served on the Designated Authority, nominate a block in respect of which the permit is in force for the purpose of the making of a declaration under section 37 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 Designated Authority, on application in writing served on him before the expiration of that period of three months, allows, nominate the block, the Designated Authority may, by instrument in writing served on the permittee, nominate the block.

(3) Where a permittee or the Designated Authority 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 37 of this Act but this subsection does not prevent other discovery blocks in the permit area 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 37 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 44 of this Act,

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

(6) The Designated Authority 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.

37. (1) Where a permittee or the Designated Authority has nominated a block under section 36 of this Act, the Designated Authority shall, by instrument published in the Gazette, declare— Declaration of location.

(a) that block; and

(b)

(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 sub-section (1) of this section to be a location, by instrument in writing served on the Designated Authority, requests that, for the reasons specified in the instrument, the declaration be revoked, the Designated Authority 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.

Immediately adjoining blocks.

38. For the purposes of sections 36 and 37 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—

(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 adjacent area.

39. A person shall not carry on operations for the recovery of petroleum in the adjacent area—

(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.

40. (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 Designated Authority for the grant of a licence—

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

(b)

(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 Designated Authority 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 Designated Authority 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

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 Designated Authority 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 Designated Authority, on application by the permittee, in writing, served on the Designated Authority before the expiration of the firstmentioned period of two years, allows.

Application for licence.

41. (1) An application under section 40 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 Designated Authority 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)

(2) The Designated Authority 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 connexion with his application.

Determination of rate of royalty.

42. (1) 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 Designated Authority shall determine a rate at which royalty is to be payable in respect of petroleum recovered, whether under the primary licence or under the secondary licence, being a rate that is not less than eleven per centum nor more than twelve and one-half per centum of the value at the well-head of that petroleum.

(2) The Designated Authority shall not, under subsection (1) of this section, determine the rate at which royalty is to be payable unless he has given to the applicant an opportunity to confer with him concerning that rate.

Notification as to grant of licence.

43. (1) Where an application for the grant of a licence has been made under section 40 of this Act and the applicant has furnished any further information required by the Designated Authority under subsection (2) of section 41 of this Act, the Designated Authority, by instrument in writing served on the applicant—

(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 the applicant 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)

(b) if the instrument relates to an application for a secondary licence—specify the rate of royalty determined by the Designated Authority in pursuance of subsection (1) of section 42 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 44 of this Act in respect of the grant of the licence; or

(ii) in a case where the Designated Authority 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 Designated Authority.

Grant of licence.

44. (1) An applicant on whom there has been served an instrument under subsection (1) of section 43 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 Designated Authority, 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 Designated Authority request the Designated Authority to grant to him the licence referred to in the firstmentioned instrument; and

(b) if the Designated Authority 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 Designated Authority.

(2) Where an applicant on whom there has been served an instrument under subsection (1) of section 43 of this Act—

(a) has made a request under subsection (1) of this section; and

(b)

(b) if the Designated Authority has informed the applicant that he will be required to lodge a security as mentioned in paragraph (b) of subsection (1) of section 43 of this Act, has lodged that security with the Designated Authority,

within the period applicable under subsection (1) of this section, the Designated Authority 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 45 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 43 of this Act—

(a) has not made a request under subsection (1) of this section; or

(b) if the Designated Authority has informed the applicant that he will be required to lodge a security as mentioned in paragraph (b) of subsection (1) of section 43 of this Act, has not lodged that security with the Designated Authority,

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.

Variation of licence area.

45. (1) Where an application is made under subsection (2) of section 40 of this Act for a variation of a licence, the Designated Authority shall, by instrument in writing served on the licensee, vary the licence to include in the licence area the blocks specified in the application.

(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.

Determination of permit as to block not taken up by licensee.

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

(a) a permittee who may make an application under section 40 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)

(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 Designated Authority shall, by instrument published in the Gazette, revoke the declaration made under subsection (1) of section 37 of this Act in respect of that location.

Application for licence in respect of surrendered, &c., blocks.

47. (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 Designated Authority, there is petroleum,

the Designated Authority 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 Designated Authority 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 Designated Authority, 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 Designated Authority 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.

(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 Designated Authority 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 Designated Authority 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 41 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 Designated Authority to consider.

(7) The Designated Authority 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 connexion with his application.

48. (1) An application under section 47 of this Act shall be accompanied by— Application fee, &c.

(a) a fee of one thousand dollars; and

(b)

(b) a deposit—

(i) if the application is made under subsection (1) or (4) of section 47 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 47 of this Act and the Designated Authority 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 49 of this Act does not request the Designated Authority, under subsection (6) of that section, to grant to him the licence referred to in the instrument, the deposit shall not, unless the Designated Authority otherwise determines, be refunded to the applicant.

Request by applicant for grant of licence.

49. (1) Where, at the expiration of the period specified in an instrument under subsection (1) of section 47 of this Act, only one application has been made under that subsection in respect of the block specified in the instrument, the Designated Authority 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)

(2) Where, at the expiration of the period specified in an instrument under subsection (1) of section 47 of this Act, two or more applications have been made under that subsection in respect of the block specified in the instrument, the Designated Authority 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 47 of this Act, the Designated Authority 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 Designated Authority may, by an instrument served on an applicant under any of the preceding provisions of this section, inform the applicant that he will be

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 109 of this Act in respect of that balance; or

(iii) in a case where the Designated Authority 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 Designated Authority.

(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 Designated Authority, on application in writing served on him before the

the expiration of the firstmentioned period of three months, allows—

(a) by instrument in writing served on the Designated Authority, request the Designated Authority 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 109 of this Act in respect of that balance; and

(c) if the Designated Authority 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 Designated Authority.

(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 that balance or entered into an agreement under section 109 of this Act in respect of that balance; or

(c) if the Designated Authority 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 Designated Authority,

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,

petroleum in an area outside the adjacent area and who the Designated Authority is satisfied is or will be entitled to construct a pipeline from the firstmentioned area to the boundary of the adjacent area.

Grant or refusal of pipeline licence.

65. (1) Where a person makes an application in accordance with section 64 of this Act the Designated Authority—

(a) shall, if the application is—

(i) in respect of the construction in the adjacent area of a pipeline for the conveyance of petroleum recovered in a licence area in respect of which the applicant is the licensee and the licensee has complied with the conditions to which the licence is subject and with the provisions of this Part and of the regulations; or

(ii) by a pipeline operator under a corresponding law; or

(b) may, if the application is by any other person and has not been rejected under subsection (3) of that section,

inform the applicant, by instrument in writing served on him, that the Designated Authority is prepared to grant a pipeline licence to him.

(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 in accordance with section 64 of this Act for a pipeline licence in respect of the construction of a pipeline for the conveyance of petroleum recovered in the licence area, the Designated Authority, if he is satisfied that, although the licensee has not so complied, special circumstances exist that justify the granting of a pipeline licence, may inform the licensee, by instrument in writing served on the licensee, that he is prepared to grant a pipeline licence to him.

(3) If 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 in accordance with section 64 of this Act for a pipeline licence, and if the Designated Authority is not satisfied that special circumstances exist that justify the granting of a pipeline licence, the Designated Authority shall, subject to subsection (4) of this section, by instrument in writing served on the licensee, refuse to grant a pipeline licence.

(4) The Designated Authority shall not, under subsection (3) of this section, refuse to grant a pipeline licence to a licensee 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 pipeline 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 Designated Authority, submit any matters that he wishes the Designated Authority 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 person, other than the licensee or the pipeline operator under a corresponding law, makes an application in accordance with section 64 of this Act for a pipeline licence in respect of the construction of a pipeline for the conveyance of petroleum recovered in a licence area or a licence area under a corresponding law, as the case may be, the Designated Authority may, by instrument in writing served on the applicant, refuse to grant a pipeline licence.

(6)

(6) Where the Designated Authority is required, or proposes, to serve on a person an instrument under subsection (1) or (2) of this section, he shall, by the instrument, inform that person that he will be required to lodge a security for compliance with the conditions to which the pipeline licence, if 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—

(a) shall specify the route to be followed by the pipeline;

(b) shall contain a summary of the conditions subject to which the pipeline licence is to be granted; and

(c) shall contain a statement to the effect that the application will lapse if the applicant does not make a request under subsection (9) of this section and lodge with the Designated Authority the security referred to in the instrument.

(8) The route to be specified in an instrument under subsection (1) or (2) of this section shall be—

(a) the route shown in the plan accompanying the application; or

(b) if the Designated Authority is of the opinion that, for any reason, that route is not appropriate—a route that, in the opinion of the Designated Authority, is appropriate.

(9) A person on whom there has been served an instrument under subsection (1) or (2) 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 Designated Authority 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 Designated Authority, request the Designated Authority to grant to him the pipeline licence; and

(b) lodge with the Designated Authority the security referred to in the instrument so served on him.

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

(a) has made a request under subsection (9) of this section; and

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

within the period applicable under subsection (9) of this section, the Designated Authority shall grant to that person a licence to construct and operate a pipeline in respect of the pipeline specified in the instrument.

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

(a) has not made a request under subsection (9) of this section; or

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

within the period applicable under subsection (9) of this section, the application lapses upon the expiration of that period.

(12) Where a pipeline licence is not granted on an application, the sum of nine hundred dollars shall be refunded to the applicant.

(13) In this section, "pipeline operator under a corresponding law" has the same meaning as in section 64 of this Act.

Rights conferred by pipeline licence.

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

(a) to construct in the adjacent area—

(i) a pipeline of the design, construction, size and capacity specified in the pipeline licence along the route, and in the position in relation to the sea-bed in the adjacent area, so specified; and

(ii)

(ii) the pumping stations, tank stations and valve stations so specified in the positions so specified;

(b) to operate that pipeline and those pumping stations, tank stations and valve stations; and

(c) to carry on such operations, to execute such works and to do all such other things in the adjacent area as are necessary for or incidental to the construction and operation of that pipeline and of those pumping stations, tank stations and valve stations.

Term of pipeline licence.

67. (1) Subject to this Part, a pipeline licence remains in force—

(a) for a period of twenty-one years; or

(b) where the Designated Authority is of the opinion that, having regard to the dates of expiration of the licences that relate to the licence areas from which petroleum is, or is to be, conveyed by means of the pipeline, it is not necessary for the pipeline licence to remain in force for a period of twenty-one years —for such period less than twenty-one years as the Designated Authority determines and specifies in the pipeline licence.

(2) The period for which a pipeline licence remains in force commences—

(a) in the case of a pipeline licence granted otherwise than by way of renewal of a pipeline licence—on the day from and including which the pipeline licence has effect; and

(b) in the case of a pipeline licence granted by way of renewal of a pipeline licence—on the day after the day on which the last previous pipeline licence in respect of the same pipeline ceases to have effect.

Application for renewal of pipeline licence.

68. (1) A pipeline licensee may, from time to time, make an application to the Designated Authority for the renewal of the pipeline licence.

(2)

(2) An application for the renewal of the pipeline 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 pipeline licence ceases to have effect; and

(c) shall be accompanied by a fee of two hundred dollars.

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

Grant or refusal of renewal of pipeline licence.

69. (1) Where a pipeline licensee makes an application for the renewal of the pipeline licence under section 68 of this Act, the Designated Authority—

(a) shall, if the pipeline licensee has complied with the conditions to which the pipeline licence is subject and with the provisions of this Part and of the regulations; or

(b) may, if the pipeline licensee has not so complied and the Designated Authority is satisfied that, although the pipeline licensee has not so complied, special circumstances exist that justify the granting of the renewal of the pipeline licence,

inform the pipeline licensee, by instrument in writing served on the pipeline licensee—

(c) that he is prepared to grant to him the renewal of the pipeline licence; and

(d) that he will be required to lodge a security for compliance with the conditions to which the pipeline licence, if the renewal is granted, will from time to time be subject and with the provisions of this Part and of the regulations.

(2)

(2) If a pipeline licensee who has not complied with the conditions to which the pipeline licence is subject and with the provisions of this Part and of the regulations makes an application in accordance with section 68 of this Act in respect of the renewal of the pipeline licence, and if the Designated Authority is not satisfied that special circumstances exist that justify the granting of the renewal of the pipeline licence, the Designated Authority shall, subject to subsection (3) of this section, by instrument in writing served on the pipeline licensee, refuse to grant the renewal of the pipeline licence.

(3) The Designated Authority shall not refuse to grant the renewal of the pipeline licence unless—

(a) he has, by instrument in writing served on the pipeline licensee, given not less than one month's notice of his intention to refuse to grant the renewal of the pipeline 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 pipeline licensee or a person on whom a copy of the instrument is served may, by instrument in writing served on the Designated Authority, submit any matters that he wishes the Designated Authority to consider; and

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

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

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

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

(5) A pipeline licensee 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 Designated Authority, request the Designated Authority to grant to him the renewal of the pipeline licence; and

(b) lodge with the Designated Authority the security referred to in the firstmentioned instrument.

(6) Where a pipeline licensee 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 Designated Authority the security referred to in the instrument,

within the period referred to in subsection (5) of this section, the Designated Authority shall grant to him the renewal of the pipeline licence.

(7) Where a pipeline licensee 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 Designated Authority 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 pipeline licence is made under section 68 of this Act; and

(b) the pipeline licence expires—

(i) before the Designated Authority grants, or refuses to grant, the renewal of the pipeline licence; or

(ii) before the application lapses as provided by subsection (7) of this section,

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

(c) until the Designated Authority grants, or refuses to grant, the renewal of the pipeline licence; or

(d) until the application so lapses,

whichever first happens.

Conditions of pipeline licence.

70. (1) A pipeline licence may be granted subject to such conditions as the Designated Authority thinks fit and specifies in the pipeline licence.

(2) The conditions referred to in subsection (1) of this section may include a condition that the pipeline licensee shall complete the construction of the pipeline within the period specified in the pipeline licence.

Variation of pipeline licence on application by pipeline licensee.

71. (1) A pipeline licensee may, at any time, make an application to the Designated Authority for the variation of the pipeline licence.

(2) An application under this section—

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

(b)

(b) shall be made in an approved manner;

(c) shall be accompanied by particulars of the proposed variation;

(d) shall specify the reasons for the proposed variation; and

(e) shall be accompanied by a fee of one hundred dollars.

(3) The Designated Authority may, at any time, by instrument in writing served on a person who has made an application under this section, require him to furnish, within the period specified in the instrument, further information in writing in connexion with his application.

(4) The Designated Authority shall, in a notice published in the Gazette of an application under this section, specify a period within which a person may submit to the Designated Authority, in writing, any matters that he wishes the Designated Authority to consider in connexion with the application.

(5) After considering any matters submitted to him under subsection (4) of this section, the Designated Authority may vary the pipeline licence to such extent as he thinks necessary or may refuse to vary the pipeline licence.

Variation of pipeline licence by Designated Authority.

72. (1) The Designated Authority may—

(a) at the request of—

(i) a Minister or a Minister of State of the Commonwealth; or

(ii) a body established by a law of the Commonwealth or a Territory or of the State; and

(b) if, in his opinion, it is in the public interest so to do,

by instrument in writing served on a person who is a pipeline licensee or the holder of an instrument of consent under section 60 of this Act, direct that person to make such changes in the design, construction, route or position of the pipeline, or of a water line, pumping station, tank station, valve station or

or secondary line, to which the pipeline licence or instrument of consent relates as are specified in the firstmentioned instrument, within the period specified in the firstmentioned instrument, and, if the person so directed is a pipeline licensee, shall vary the pipeline licence accordingly.

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

Penalty : Two thousand dollars.

(3) Where the Designated Authority gives a direction under subsection (1) of this section and the person to whom the direction was given has complied with the direction, that person may bring an action in the Supreme Court against the Minister, Minister of State of the Commonwealth or body making the request.

(4) The Supreme Court shall hear the action, without a jury, and shall determine whether it is just that the whole or a portion of the reasonable cost of complying with the direction ought to be paid to the plaintiff by the defendant.

(5) If the Supreme Court determines that it is just that such a payment ought to be made, the Supreme Court shall determine the amount of the payment and give judgment accordingly.

(6) The jurisdiction of the Supreme Court under this section may be exercised by a Judge of that Court sitting alone.

Common carrier.

73. The Designated Authority may, by instrument in writing served on a pipeline licensee, direct the pipeline licensee to be a common carrier of petroleum in respect of the pipeline and thereupon the pipeline licensee is a common carrier of petroleum in respect of the pipeline.

Ceasing to operate pipeline.

74. (1) Except with the consent in writing of the Designated Authority and subject to compliance with such conditions, if any, as are specified in the instrument of consent, a pipeline licensee shall not cease to operate the pipeline.

Penalty : Two thousand dollars.

(2)

(2) It is not an offence against subsection (1) of this section if the failure of the pipeline licensee to operate the pipeline—

(a) was in the ordinary course of operating the pipeline;

(b) was for the purpose of repairing or maintaining the pipeline; or

(c) was in an emergency in which there was a likelihood of loss or injury.

Consent to commencement or resumption of pipeline operations.

75. (1) The Designated Authority may, on application in writing served on him—

(a) by a pipeline licensee whose pipeline has not previously been in operation; or

(b) by a pipeline licensee who has ceased to operate the pipeline,

if he is of the opinion that the pipeline may be operated with safety, by instrument in writing served on the pipeline licensee, consent to the commencement or resumption, as the case may be, of operations.

(2) A consent under subsection (1) of this section may be given subject to such conditions, if any, as the Designated Authority thinks fit and specifies in the instrument of consent.

DIVISION 5.—*Registration of Instruments.*

Register of certain instruments to be kept.

76. (1) For the purposes of this Part, the Designated Authority shall keep a Register of permits, licences, pipeline licences and access authorities granted by him.

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

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

(b)

(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) in the case of a pipeline licence, setting out a description of the route of the pipeline;

(e) specifying the term of the permit, licence, pipeline licence or access authority;

(f) setting out such other matters and things as are required by this Part to be entered in the Register; and

(g) setting out such further matters relating to the registered holder or to the terms and conditions of the permit, licence, pipeline licence or access authority as the Designated Authority deems proper and expedient in the public interest.

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

(a) any instrument varying, cancelling, surrendering or otherwise affecting a permit, licence, pipeline licence or access authority;

(b) any instrument under subsection (5), (6) or (7) of section 59 of this Act;

(c) any agreement under section 109 of this Act; and

(d) any instrument varying or revoking an instrument referred to in paragraph (a) or (b) of this subsection.

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

(5)

(5) A permit, licence, pipeline 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, pipeline 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 Designated Authority shall endorse on the memorial or copy of the permit, licence, pipeline 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, &c., determined, &c.

77. 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, pipeline licence or access authority has expired,

the Designated Authority shall enter in the Register a memorial of the fact.

Approval and registration of transfers.

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

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

(3)

(3) The application shall be accompanied by an instrument of transfer of the permit, licence, pipeline 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 Designated Authority 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 Designated Authority shall not approve the transfer unless it is an absolute transfer of the whole of the transferor's interest in the permit, licence, pipeline licence or access authority.

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

(a) in the case of the transfer of a permit, licence or pipeline 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, licence or pipeline 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)

(7) Where—

(a) the Designated Authority 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 Designated Authority,

the Designated Authority shall approve the application.

(8) Where, in the case of the transfer of a licence, the Designated Authority 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 Designated Authority may, subject to subsection (5) of this section, approve the application.

(9) If the Designated Authority 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 section 92 of this Act, 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, pipeline 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 Designated Authority 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.

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

(2) The Designated Authority 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 the holder of the permit, licence, pipeline licence or access authority and, upon that entry being so made, the applicant becomes the registered holder of the permit, licence, pipeline licence or access authority.

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

80. A legal or equitable interest in or affecting an existing or future permit, licence, pipeline 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.

Approval of instruments creating, &c., interests.

81. (1) This section applies to an instrument by which a legal or equitable interest in or affecting an existing or future permit, licence, pipeline 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 78 of this Act applies.

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

(a) the instrument has been approved by the Designated Authority; and

(b) an entry has been made in the Register by the Designated Authority 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, pipeline licence or access authority by reason

of such an instrument, may lodge with the Designated Authority 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 Designated Authority 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 Designated Authority may approve or refuse the application.

(7) If the Designated Authority 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 section 92 of this Act, 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, pipeline 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 Designated Authority 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 Designated Authority refuses the application, he shall make a notation of the refusal in the Register.

True consideration to be shown.

82. (1) A party to a transfer referred to in section 78 of this Act or to an instrument to which section 81 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 section 92 of this Act.

Penalty : Two thousand dollars.

(2)

(2) Where a person is convicted of an offence against subsection (1) of this section, the Designated Authority may make a fresh determination of the amount of the fee payable under section 92 of this Act in respect of the memorandum relating to the transfer or instrument.

(3) Subsections (2) and (3) of section 91 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.

Designated Authority not concerned with certain matters.

83. Neither the Designated Authority 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.

Power of Designated Authority to require information as to proposed dealings.

84. (1) The Designated Authority 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 Designated Authority considers necessary or advisable.

(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.

Production and inspection of documents.

85. (1) The Designated Authority 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 Designated Authority for approval under this Division or to the transaction to which such an instrument relates.

(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.

86.

Inspection of Register and documents.

86. (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.

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

Evidentiary provisions.

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

(2) The Designated Authority 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 Designated Authority 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.

88. (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)

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

(3) Notice of an application under this section shall be given to the Designated Authority, 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 Designated Authority, and the Designated Authority shall, upon receipt of the order, rectify the Register accordingly.

(5) The jurisdiction of the Supreme Court under this section may be exercised by a Judge of that Court sitting alone.

Designated Authority not liable to certain actions.

89. Subject to section 88 of this Act, neither the Designated Authority 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.

Offences.

90. A person who wilfully—

(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 Designated Authority under this Division,

is guilty of a misdemeanour and is liable on conviction on indictment to imprisonment for a period not exceeding two years.

Assessment of fee.

91. (1) The Designated Authority may determine the amount of the fee payable under section 92 of this Act in respect of any memorandum.

(2) A person dissatisfied with a determination of the Designated Authority 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 Designated Authority.

Imposition of registration fees.

92. There is payable to the Designated Authority, in respect of—

(a) a memorandum of transfer entered in the Register under section 78 of this Act; or

(b) a memorandum of approval of an instrument entered in the Register under section 81 of this Act,

a fee at the rate prescribed by the Petroleum (Submerged Lands) Taxation Act, 1967.

DIVISION 6.—*General.*

Form of permit, &c.

93. A permit, a licence, a pipeline licence, a special prospecting authority and an access authority shall be in accordance with such forms as the Designated Authority determines.

Notice of grants of permits, &c., to be published.

94. The Designated Authority shall cause such particulars as he thinks fit of—

(a) the grant, and the grant of the renewal, of a permit, licence or pipeline licence;

(b) the variation of a licence or pipeline 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;

(e) an application for a pipeline licence or for the renewal or variation of a pipeline licence;

(f) the surrender or cancellation of a pipeline licence as to the whole or a part of the pipeline; and

(g) the expiry of a permit, licence or pipeline licence,

under this Part to be published in the Gazette.

95.

Date of effect of permits, &c.

95. (1) A permit, licence or pipeline licence has effect from and including the day specified for the purpose in the permit, licence or pipeline 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) The surrender or cancellation of a pipeline licence as to the whole or a part of the pipeline has effect from and including the day on which notice of the surrender or cancellation is published in the Gazette.

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

Commencement of works.

96. (1) Where a permit, licence or pipeline licence is granted subject to a condition that works or operations specified in the permit, licence or pipeline licence are to be carried out, the permittee, licensee or pipeline 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, licence or pipeline licence, as the case may be, has effect.

(2) The Designated Authority may, for reasons that he thinks sufficient, by instrument in writing served on a permittee, licensee or pipeline 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, licence or pipeline licence, as the case may be, within such period after the day on which the permit, licence or pipeline licence, as the case may be, has effect as is specified in the instrument.

(3)

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

Penalty : Two thousand dollars.

Work practices.

97. (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.

(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 within the adjacent area 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 Designated Authority, 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)

(3) A pipeline licensee shall operate the pipeline in a proper and workmanlike manner and shall secure the safety, health and welfare of persons engaged in operations in connexion with the pipeline.

(4) In particular and without limiting the generality of subsection (3) of this section, a pipeline licensee shall prevent the waste or escape of petroleum or water from the pipeline or from any secondary line, pumping station, tank station, valve station or water line.

(5) 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.

(6) 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.

Maintenance, &c., of property.

98. (1) In this section—

"operator" means a permittee, licensee, pipeline 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;

(b) in relation to an operator who is a pipeline licensee—means the part of the adjacent area in which the pipeline is constructed; and

(c)

(c) 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 connexion 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 connexion 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.

Sections 97 and 98 to have effect subject to this Act, &c.

99. Sections 97 and 98 of this Act have effect subject to—

(a) any other provision of this Act;

(b) the regulations;

(c) a direction under section 101 of this Act; and

(d) any other law.

Drilling near boundaries.

100. (1) A permittee or licensee shall not make 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 Designated Authority and in accordance with such conditions, if any, as are specified in the instrument of consent.

(2)

(2) Where a permittee or licensee does not comply with subsection (1) of this section, the Designated Authority 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 making 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.

101. (1) The Designated Authority may, by instrument in writing served on a person, being a permittee, licensee, pipeline 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 152 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 subsections (1) and (2) of this section authorizes 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.

102.

Compliance with directions.

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

(2) Costs and expenses incurred by the Designated Authority 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.

Exemption.

103. (1) Where—

(a) a permit, licence or pipeline licence is, under this Part, to be deemed to continue in force until the Designated Authority grants, or refuses to grant, the renewal of the permit, licence or pipeline licence;

(b) a licence is varied under section 45 of this Act;

(c) a licensee enters into an agreement under section 59 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 pipeline licence is varied under section 71 or 72 of this Act;

(f) a direction is given to a pipeline licensee under section 73 of this Act;

(g) a pipeline licence is partly cancelled;

(h)

(h) an access authority is granted in respect of a block the subject of a permit or licence;

(i) an access authority as in force in respect of a block the subject of a permit or licence is varied;

(j) a permittee, licensee, pipeline licensee or the holder of a special prospecting authority or access authority applies, by instrument in writing served on the Designated Authority—

(i) for a variation or suspension of; or

(ii) for exemption from compliance with,

any of the conditions to which the permit, licence, pipeline licence, special prospecting authority or access authority is subject; or

(k) the Designated Authority under this Part or the regulations gives a direction or consent to a permittee, licensee, pipeline licensee or the holder of a special prospecting authority or access authority,

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

(l) vary or suspend; or

(m) exempt the permittee, licensee, pipeline licensee or the holder of the special prospecting authority or access authority from compliance with,

any of the conditions to which the permit, licence, pipeline licence, special prospecting authority or access authority is subject, upon such conditions, if any, as the Designated Authority determines and specifies in the instrument.

(2) Subsection (1) of this section does not authorize 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; or

(ii)

(ii) the term of a permit, licence or pipeline licence; or

(b) that it would be inconsistent with the applied provisions.

Surrender of permits, &c.

104. (1) The registered holder of an instrument, being a permit, licence or pipeline licence, may, at any time, by application in writing served on the Designated Authority, apply for consent to surrender the instrument—

(a) in the case of a permit or licence—as to all or some of the blocks in respect of which it is in force; or

(b) in the case of a pipeline licence—as to the whole or a part of the pipeline in respect of which it is in force.

(2) Subject to subsection (3) of this section, the Designated Authority 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 Designated Authority 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 Designated Authority, 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 authorized by the instrument, or has made arrangements that are satisfactory to the Designated Authority with respect to that property;

(d) has, to the satisfaction of the Designated Authority, plugged or closed off all wells made in that area by any person engaged or concerned in the operations authorized by the instrument;

(e) subject to this Part and to the regulations, has made provision, to the satisfaction of the Designated Authority, for the conservation and protection of the natural resources in that area; and

(f) has, to the satisfaction of the Designated Authority, made good any damage to the sea-bed or subsoil in that area caused by any person engaged or concerned in the operations authorized by the instrument.

(3) Where the registered holder of an instrument, being a permit, licence or pipeline 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 Designated Authority 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 Designated Authority consents to an application under subsection (1) of this section, the applicant may, by instrument in writing served on the Designated Authority, surrender the instrument accordingly.

(5) In this section, "the area to which the surrender relates" means—

(a) 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; and

(b) in relation to a surrender of a pipeline licence—the part of the adjacent area in which the pipeline, or the part of the pipeline, as to which the pipeline licence is proposed to be surrendered is constructed.

105. (1) Where a permittee, licensee or pipeline licensee— Cancellation of permits, &c.

(a) has not complied with a condition to which the permit, licence or pipeline licence is subject;

(b) has not complied with a direction given to him under this Part by the Designated Authority;

(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 Designated Authority may, on that ground, by instrument in writing served on the permittee, licensee or pipeline licensee, as the case may be—

(e) in the case of a permit or licence—cancel the permit or licence as to all or some of the blocks in respect of which it is in force; or

(f) in the case of a pipeline licence—cancel the pipeline licence as to the whole or a part of the pipeline in respect of which it is in force.

(2) The Designated Authority shall not, under subsection (1) of this section, cancel a permit, licence or pipeline licence as to all or some of the blocks, or as to the whole or a part of the pipeline, 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, licensee or pipeline licensee, as the case may be, given not less than one month's notice of his intention so to cancel the permit, licence or pipeline 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, licensee or pipeline licensee or a person on whom a copy of the instrument is served may, by instrument in writing served on

on the Designated Authority, submit any matters that he wishes the Designated Authority to consider; and

(d) he has taken into account—

(i) any action taken by the permittee, licensee or pipeline 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, licensee or pipeline licensee or by a person on whom a copy of the firstmentioned instrument has been served.

Cancellation of permit, &c., not affected by other provisions.

106. (1) A permit, licence or pipeline licence may be wholly cancelled or partly cancelled on the ground that the registered holder of the permit, licence or pipeline 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.

(2) A person who was the registered holder of a permit, licence or pipeline licence that has been wholly cancelled, or is the registered holder of a permit, licence or pipeline 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, licence or pipeline licence has been so cancelled.

(3) A permit, licence or pipeline licence may be wholly cancelled or partly cancelled on the ground that the registered holder of the permit, licence or pipeline 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, licence or pipeline licence that has been wholly cancelled, or is the registered holder of a permit, licence or pipeline 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, licence or pipeline licence has been so cancelled.

Removal of property, &c., by permittee, &c.

107. (1) Where a permit, licence or pipeline licence has been wholly determined, partly determined, wholly cancelled or partly cancelled or has expired, the Designated Authority may, by instrument in writing served on the person who was, or is, as the case may be, the permittee, licensee or pipeline 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 authorized by the permit, licence or pipeline licence or to make arrangements that are satisfactory to the Designated Authority with respect to that property;

(b) to plug or close off, to the satisfaction of the Designated Authority, 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 Designated Authority, for the conservation and protection of the natural resources in that area; and

(d) to make good, to the satisfaction of the Designated Authority, any damage to the sea-bed or subsoil in that area caused by any person engaged or concerned in those operations.

(2) The Designated Authority may, by instrument in writing served on a permittee, licensee or pipeline 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, licence area or part of the adjacent area in which the pipeline is constructed, as the case may be, all property brought into that area or part by any person engaged or concerned in the operations authorized by the permit, licence or pipeline licence or to make arrangements that are satisfactory to the Designated Authority with respect to that property;

(b) to plug or close off, to the satisfaction of the Designated Authority, 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 Designated Authority, for the conservation and protection of the natural resources in that area or part; and

(d) to make good, to the satisfaction of the Designated Authority, any damage to the sea-bed or subsoil 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, licence or pipeline licence concerned.

Penalty : Two thousand dollars.

Removal of property, &c., by Designated Authority.

108. Where a permit, licence or pipeline licence has been wholly determined, partly determined, wholly cancelled or partly cancelled or has expired, and a direction under section 107 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 Designated Authority 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 authorized by the permit, licence or pipeline licence has not been removed in accordance with the direction or arrangement, the Designated Authority 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 Designated Authority, 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.

109. (1) The Designated Authority and a person who may request, or has requested, that a permit under section 27 of this Act, or a licence under section 50 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)

(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.

Penalty for late payments of instalments, &c.

110. (1) Where the liability of a person under section 109 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.

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

Special prospecting authorities.

111. (1) Where—

(a) applications have been invited under section 23 of this Act for the grant of a permit in respect of a block or blocks; or

(b) applications have been invited under section 47 of this Act for the grant of a licence in respect of a block or blocks,

a person may make an application to the Designated Authority 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)

(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 Designated Authority—

(a) may grant to the applicant a special prospecting authority subject to such conditions as the Designated Authority 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, authorizes 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 authorizes 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 Designated Authority; and

(b) may, if the holder has not complied with a condition to which the authority is subject, be cancelled by the Designated Authority by instrument in writing served on the holder.

(8) Where a special prospecting authority has been surrendered or cancelled or has expired, the Designated Authority 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 authorized by the special prospecting authority or to make arrangements that are satisfactory to the Designated Authority with respect to that property;

(b) subject to this Part and to the regulations, to make provision, to the satisfaction of the Designated Authority, for the conservation and protection of the natural resources in that area; and

(c) to make good, to the satisfaction of the Designated Authority, any damage to the sea-bed or subsoil 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 108 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 107 of this Act were a reference to an arrangement under subsection (8) of this section.

Penalty : Two thousand dollars.

Access authorities.

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

(2) An application under this section—

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

(b)

(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 Designated Authority to consider.

(3) The Designated Authority 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 Designated Authority 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 Designated Authority 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 Designated Authority, submit any matters that he wishes the Designated Authority 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 firstmentioned instrument, or a copy of that instrument, has been served.

(5) An access authority, while it remains in force, authorizes 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 authorizes 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 Designated Authority; and

(b) may be cancelled by the Designated Authority 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)

(9) Where an access authority has been surrendered or cancelled or has expired, the Designated Authority 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 authorized by the access authority or to make arrangements that are satisfactory to the Designated Authority with respect to that property;

(b) subject to this Part and to the regulations, to make provision, to the satisfaction of the Designated Authority, for the conservation and protection of the natural resources in that area; and

(c) to make good, to the satisfaction of the Designated Authority, any damage to the sea-bed or subsoil 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 108 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)

(b) a reference in that section to an arrangement under section 107 of this Act were a reference to an arrangement under subsection (9) of this section.

Penalty : Two thousand dollars.

Sale of property.

113. (1) Where a direction under section 108 of this Act has not been complied with in relation to any property, the Designated Authority may do all or any of the following things : —

(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 Designated Authority 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 107, 111 or 112 of this Act, as the case may be, to be done by that person; and

(c)

(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 Designated Authority 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 107, 111 or 112 of this Act, as the case may be, to be done by a person who is or was a permittee, licensee, pipeline 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.

114. (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;

(ii) in the case of a security referred to in Division 3 of this Part—in the sum of fifty thousand dollars; and

(iii) in the case of a security referred to in Division 4 of this Part—in the sum of twenty thousand dollars;

(b)

(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 Designated Authority allows or partly by cash deposit and partly by such other method as the Designated Authority allows.

(2) A security given in accordance with a form approved by the Designated Authority 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 Designated Authority 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.

Designated Authority, &c., may require information to be furnished, &c.

115. (1) Where the Designated Authority or an inspector has reason to believe that a person is capable of giving information or producing documents relating to petroleum exploration operations, operations for the recovery of petroleum or operations connected with the construction or operation of a pipeline in the adjacent area, 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 117 of this Act.

Power to examine on oath.

116. (1) The Designated Authority or an inspector may administer an oath to a person required to attend before him in pursuance of section 115 of this Act and may examine that person on oath.

(2) Where a person attending before the Designated Authority or an inspector in pursuance of section 115 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)

(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.

Failing to furnish information, &c.

117. A person shall not—

(a) refuse or fail to comply with a requirement in an instrument under section 115 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 Designated Authority 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.

Penalty : Two thousand dollars.

Release of information.

118. (1) The Designated Authority may, at any time, make available to a Minister or to a Minister of State of a State or of the Commonwealth—

(a) any information contained in a report, return or other document relating to a block that has been furnished to the Designated Authority; and

(b) any cores or cuttings from, or samples of, the sea-bed or subsoil in a block, or samples of petroleum recovered in a block, that have been furnished to the Designated Authority.

(2) The Designated Authority or a Minister may, at any time after the relevant day—

(a) make publicly known; or

(b) on request by a person and, if the Designated Authority or that Minister so requires, on payment of a fee of five dollars per day, make available to that person,

any

any information that has been furnished to the Designated Authority or has been made available to that Minister under subsection (1) of this section, being information that relates to the sea-bed or subsoil, or to petroleum, in a block, but not including any matter contained in a report, return or document that in the opinion of the Designated Authority or 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 Designated Authority or a Minister 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 Designated Authority or that 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 sea-bed or subsoil in a block, or samples of petroleum recovered in a block, that have been furnished to the Designated Authority or have been made available to that Minister under subsection (1) of this section.

(4) For the purposes of subsections two and three 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 Designated Authority expires;

(b)

(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 Designated Authority 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 23, or under subsection (4) of section 47, 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 Designated Authority 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 Designated Authority 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 Designated Authority 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 Designated Authority—

(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

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 Designated Authority or a 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 Designated Authority or that 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 Designated Authority or that 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 Designated Authority or a

Minister

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 or a Minister of State of a State or of the Commonwealth), 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 referred to in paragraph (a) of this subsection) 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.

119. (1) For the purpose of protecting a well or structure, or any equipment, in the adjacent area, the Designated Authority may, by instrument published in the Gazette, prohibit— Safety zones.

(a) all vessels;

(b) all vessels other than specified vessels; or

(c) all vessels other than the vessels included in specified classes of vessels,

from entering or remaining in a specified area (in this section called a "safety zone") surrounding the well, structure or equipment without the consent in writing of the Designated Authority.

(2)

(2) A safety zone specified in an instrument under subsection (1) of this section may extend to a distance of five hundred metres around the well, structure or equipment specified in the instrument measured from each point of the outer edge of the well, structure or equipment.

(3) Where a vessel enters or remains in a safety zone specified in an instrument under subsection (1) of this section in contravention of the instrument, the owner and the person in command or in charge of the vessel are each guilty of an offence against this section and are punishable, upon conviction, by a penalty not exceeding a fine of ten thousand dollars.

Discovery and use of water.

120. 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 Designated Authority, in writing, particulars of the discovery.

Penalty : Two thousand dollars.

Survey of wells, &c.

121. (1) The Designated Authority 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 Designated Authority 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

instrument in writing served on the permittee or licensee, direct the permittee or licensee to furnish further information in writing in connexion 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, &c., to be kept.

122. (1) The Designated Authority may, by instrument in writing served on a person carrying on operations in the adjacent area under a permit, licence, pipeline licence, special prospecting authority, access authority or instrument of consent under section 123 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 connexion with those operations as are specified in the instrument;

(b) to collect and retain such cores, cuttings and samples in connexion with those operations as are so specified; and

(c) to furnish to the Designated Authority, or to such person as is so specified, in the manner so specified, such reports, returns, other documents, cores, cuttings and samples in connexion 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.

Scientific investigations.

123. (1) The Designated Authority may, by instrument in writing, consent to the carrying on in the adjacent area by any person of petroleum exploration operations in the course of a scientific investigation.

(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 authorizes the person specified in the instrument, subject to section 124 of this Act and in accordance with the conditions, if any, to which the instrument is subject, to carry on, in the adjacent area, petroleum exploration operations so specified in the course of the scientific investigation so specified.

Interference with other rights.

124. A person carrying on operations in the adjacent area under a permit, licence, pipeline licence, special prospecting authority, access authority or instrument of consent under section 123 of this Act shall carry on those operations in a manner that does not interfere with—

(a) navigation;

(b) fishing;

(c) the conservation of the resources of the sea and seabed; or

(d) 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.

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

(2)

(2) The Designated Authority may furnish to an inspector a certificate stating that he is 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 Designated Authority or, if the Designated Authority, 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.

126. (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 125 of this Act—

(a) shall have access to any part of the adjacent area and to any structure, ship, aircraft or building in that area that, in his opinion, has been, is being or is to be used in connexion with petroleum exploration operations, operations for the recovery of petroleum or operations connected with the construction or operation of a pipeline in that area;

(b) may inspect and test any equipment that, in his opinion, has been, is being or is to be used in that area in connexion with any of those operations; and

(c) may enter any structure, ship, aircraft, building or place in that area or 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 ship, 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)

(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.

Property in petroleum.

127. 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.

Provisions to prevent double payment of royalty.

128. (1) To the extent to which a person pays royalty to the Commonwealth in respect of petroleum recovered by him under a law of the Commonwealth or under an instrument in force under a law of the Commonwealth, he is not liable to pay royalty in respect of that petroleum under this Act.

(2) In subsection (1) of this section, "royalty" includes an amount payable by reason of late payment of royalty.

Certain payments to be made by State to Commonwealth.

129. (1) The Treasurer shall, not later than the last day of each month of the year, pay to the Commonwealth amounts ascertained in accordance with the formula—

$$\frac{4A}{B}$$

where—

A is the amount of royalty payable under this Act, together with the amount, if any, payable under this Act by reason of late payment of that royalty, by a permittee or licensee in respect of petroleum recovered in the adjacent area under the permit or licence and received by the Designated Authority during the preceding month; and

B is

B is the percentage rate at which royalty is payable under this Act by the permittee or licensee in respect of that petroleum.

(2) The Consolidated Revenue Fund is appropriated to the extent necessary for the purposes of this section.

Determination to be disregarded in certain cases.

130. Where a determination has been made by the Designated Authority under section 145 of this Act in relation to a well, that determination shall be disregarded in ascertaining the value of B for the purposes of section 129 of this Act.

Continuing offences.

131. (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 the 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.

(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.

132.

Prosecution of offences.

132. (1) The offences to which this section applies are offences against this Act (being offences arising under this Part) or the regulations 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 its summary jurisdiction in respect of an offence to which this section applies.

(4) If proceedings in respect of an offence to which this section applies are brought in the Supreme Court in its summary jurisdiction, the Supreme Court may impose a fine not exceeding the maximum fine provided by this Act or the regulations in respect of the offence.

Orders for forfeiture in respect of certain offences.

133. (1) Where a person is convicted by the Supreme Court of an offence against section 19, 39 or 60 of this Act, the Court may, in addition to imposing a fine, make one or more of the following orders :—

(a) an order for the forfeiture of a specified aircraft or vessel 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, or conveyed through a pipeline, as the case may be, 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 conveyed; 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 conveyed 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.

(4) Goods in respect of which an order is made under this section shall be dealt with as the Attorney-General directs and, pending his direction, may be detained in such custody as the Court directs.

Penalties.

134. The penalty, pecuniary or other, set out in, or at the foot of, any section or subsection of a section of this Act indicates that a contravention of the section or subsection respectively, whether by act or omission, is an offence against this Act punishable upon conviction by a penalty not exceeding the penalty so set out.

Time for bringing proceedings for offences.

135. 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.

136.

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

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

137. (1) A document required by this Act to be served on a person other than the Designated Authority or a corporation shall be served— Service.

(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 Designated Authority shall be served by prepaying and posting the document as a letter addressed to such officer or person as the Designated Authority, by instrument published in the Gazette, specifies at such place as the Designated Authority so specifies.

(3)

(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.

DIVISION 7.—*Fees and Royalties.*

Permit fees.

138. There is payable to the Designated Authority by a permittee in respect of each year of the term of the permit—

(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.

Licence fees.

139. There is payable to the Designated Authority 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.

Pipeline licence fees.

140. There is payable to the Designated Authority by a pipeline licensee, in respect of each year of the term of the pipeline licence, a fee of twenty dollars in respect of each mile or portion of a mile of the length of the pipeline at the commencement of that year.

141.

Time of payment of fees.

141. A fee referred to in section 138, 139 or 140 of this Act is payable within one month after—

(a) in the case of the first year of the term of the permit, licence or pipeline licence—the day on which that term commenced; and

(b) in the case of a year of the term of the permit, licence or pipeline licence other than the first—the anniversary of that day.

Penalty for late payment.

142. Where the liability of a permittee, licensee or pipeline licensee to pay a fee under section 138, 139 or 140 of this Act is not discharged at or before the time when the fee is payable, there is payable to the Designated Authority by the permittee, licensee or pipeline 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.

Fees and penalties debts due to the Crown.

143. A fee under section 138, 139 or 140 of this Act or an amount payable under section 142 of this Act, is a debt due by the permittee, licensee or pipeline licensee, as the case may be, to the Crown and is recoverable in a court of competent jurisdiction.

Royalty.

144. (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 Designated Authority, 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) Subject to the succeeding provisions of this section and the provisions of section 145 of this Act, the prescribed rate in respect of petroleum recovered under a permit or licence is ten per centum of the value at the well-head of the petroleum.

(3)

(3) The prescribed rate in respect of petroleum recovered under a secondary licence is the percentage determined by the Designated Authority in pursuance of subsection (1) of section 42 of this Act in respect of petroleum so recovered.

(4) 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.

(5) Where—

(a) a licence is granted on an application under section 47 of this Act; and

(b) the instrument served on the applicant under section 49 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.

(6) Where a licence is granted on an application under subsection (1) of section 51 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.

(7) 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 the 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.

145. (1) Where the Designated Authority 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 144 of this Act, further recovery of petroleum from that well would be uneconomic, the Designated Authority 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 the rate fixed by section 144 of this Act) as the Designated Authority specifies in respect of such period as the Designated Authority 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.

146. (1) Royalty under this Act—

(a) is not payable in respect of petroleum that the Designated Authority 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 Designated Authority, 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 Designated Authority, is flared or vented in connexion 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 Designated Authority, 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.

Ascertainment of well-head.

147. 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 Designated Authority, or, in default of agreement within such period as the Designated Authority allows, is such valve station as is determined by the Designated Authority as being that well-head.

Ascertainment of value.

148. 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 Designated Authority, or, in default of agreement within such period as the Designated Authority allows, is such amount as is determined by the Designated Authority as being that value.

Ascertainment of quantity of petroleum recovered.

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

(a) the quantity measured during that period by a measuring device approved by the Designated Authority and installed at the well-head or at such other place as the Designated Authority approves; or

(b) where no such measuring device is so installed, or the Designated Authority 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 Designated Authority as being the quantity recovered by the permittee or licensee during that period.

150.

Payment of royalty.

150. (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.

(2) Where an amount of royalty under this Act is not paid as provided by subsection (1) of this section, there is payable to the Designated Authority 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 148 of this Act.

Royalty and penalties debts due to the Crown.

151. Royalty under section 144 of this Act and an amount payable under section 150 of this Act are debts due by the permittee or licensee to the Crown and are recoverable in a court of competent jurisdiction.

PART IV.

MISCELLANEOUS.

Regulations.

152. (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)

(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, of the adjacent area;

(d) the construction and operation of pipelines, water lines, secondary lines, pumping stations, tank stations or valve stations and the carrying on of operations, and the execution of works, for any of those purposes;

(e) the construction, erection, maintenance, operation or use of installations or equipment;

(f) the control of the flow and the prevention of the escape of petroleum or water;

(g) the prevention of the escape of water or drilling fluid or a mixture of water or drilling fluid with petroleum or any other matter;

(h) the prevention of damage to petroleum-bearing strata in an area, whether within the adjacent area or not, in respect of which a permit or licence is not in force;

(i) 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;

(j) the prevention of water or other matter from entering a petroleum pool through wells;

(k) the prevention of the waste or escape of petroleum or water from a pipeline, water line, secondary line, pumping station, tank station or valve station;

(l) the maintaining in good condition and repair of all structures, equipment and other property in the adjacent area used or intended to be used for or in connexion with exploration for, or the exploitation of, petroleum in the adjacent area; and

(m) the removal from the adjacent area of structures, equipment and other property brought into the adjacent area for or in connexion with exploration for, or the exploitation of, petroleum that are not used or intended to be used in connexion with exploration for, or the exploitation of, petroleum in the adjacent area.

(3) The regulations may prescribe, in relation to the exploration for, and the exploitation of, the natural resources (being petroleum) of the adjacent area, matters for carrying out or giving effect to the Convention.

(4) 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.

(5) The regulations shall—

(a) be published in the Gazette;

(b) take effect from the date of publication or from a later date to be specified in the regulations;

(c) be laid before both Houses of Parliament within fourteen sitting days after the publication thereof if Parliament is in session, and if not, then within fourteen sitting days after the commencement of the next session.

(6) If either House of Parliament passes a resolution, of which notice has been given at any time within fifteen sitting days after the regulations have been laid before that House, disallowing any regulation or part thereof, the regulation or part shall thereupon cease to have effect.

SCHEDULES

FIRST SCHEDULE

Section 4.

CONVENTION ON THE CONTINENTAL SHELF

The States Parties to this Convention
Have agreed as follows:

ARTICLE 1

For the purpose of these articles, the term "continental shelf" is used as referring (a) to the seabed and subsoil of the submarine areas adjacent to the coast but outside the area of the territorial sea, to a depth of 200 metres or, beyond that limit, to where the depth of the superjacent waters admits of the exploitation of the natural resources of the said areas; (b) to the seabed and subsoil of similar submarine areas adjacent to the coasts of islands.

ARTICLE 2

1. The coastal State exercises over the continental shelf sovereign rights for the purpose of exploring it and exploiting its natural resources.

FIRST SCHEDULE—*continued*

ARTICLE 2—*continued*

2. The rights referred to in paragraph 1 of this article are exclusive in the sense that if the coastal State does not explore the continental shelf or exploit its natural resources, no one may undertake these activities, or make a claim to the continental shelf, without the express consent of the coastal State.

3. The rights of the coastal State over the continental shelf do not depend on occupation, effective or notional, or on any express proclamation.

4. The natural resources referred to in these articles consist of the mineral and other non-living resources of the seabed and subsoil together with living organisms belonging to sedentary species, that is to say, organisms which, at the harvestable stage, either are immobile on or under the seabed or are unable to move except in constant physical contact with the seabed or the subsoil.

ARTICLE 3

The rights of the coastal State over the continental shelf do not affect the legal status of the superjacent waters as high seas, or that of the airspace above those waters.

ARTICLE 4

Subject to its right to take reasonable measures for the exploration of the continental shelf and the exploitation of its natural resources, the coastal State may not impede the laying or maintenance of submarine cables or pipelines on the continental shelf.

ARTICLE 5

1. The exploration of the continental shelf and the exploitation of its natural resources must not result in any unjustifiable interference with navigation, fishing or the conservation of the living resources of the sea, nor result in any interference with fundamental oceanographic or other scientific research carried out with the intention of open publication.

2. Subject to the provisions of paragraphs 1 and 6 of this article, the coastal State is entitled to construct and maintain or operate on the continental shelf installations and other devices necessary for its

FIRST SCHEDULE—*continued*

ARTICLE 5—*continued*

exploration and the exploitation of its natural resources, and to establish safety zones around such installations and devices and to take in those zones measures necessary for their protection.

3. The safety zones referred to in paragraph 2 of this article may extend to a distance of 500 metres around the installations and other devices which have been erected, measured from each point of their outer edge. Ships of all nationalities must respect these safety zones.

4. Such installations and devices, though under the jurisdiction of the coastal State, do not possess the status of islands. They have no territorial sea of their own, and their presence does not affect the delimitation of the territorial sea of the coastal State.

5. Due notice must be given of the construction of any such installations, and permanent means for giving warning of their presence must be maintained. Any installations which are abandoned or disused must be entirely removed.

6. Neither the installations or devices, nor the safety zones around them, may be established where interference may be caused to the use of recognized sea lanes essential to international navigation.

7. The coastal State is obliged to undertake, in the safety zones, all appropriate measures for the protection of the living resources of the sea from harmful agents.

8. The consent of the coastal State shall be obtained in respect of any research concerning the continental shelf and undertaken there. Nevertheless the coastal State shall not normally withhold its consent if the request is submitted by a qualified institution with a view to purely scientific research into the physical or biological characteristics of the continental shelf, subject to the proviso that the coastal State shall have the right, if it so desires, to participate or to be represented in the research, and that in any event the results shall be published.

ARTICLE 6

1. Where the same continental shelf is adjacent to the territories of two or more States whose coasts are opposite each other, the boundary of the continental shelf appertaining to such States shall be determined by agreement between them. In the absence of agreement, and unless another boundary line is justified by special circumstances, the boundary is the median line, every point of which is equidistant from the nearest points of the baselines from which the breadth of the territorial sea of each State is measured.

FIRST

FIRST SCHEDULE—*continued*

ARTICLE 6—*continued*

2. Where the same continental shelf is adjacent to the territories of two adjacent States, the boundary of the continental shelf shall be determined by agreement between them. In the absence of agreement, and unless another boundary line is justified by special circumstances, the boundary shall be determined by application of the principle of equidistance from the nearest points of the baselines from which the breadth of the territorial sea of each State is measured.

3. In delimiting the boundaries of the continental shelf, any lines which are drawn in accordance with the principles set out in paragraphs 1 and 2 of this article should be defined with reference to charts and geographical features as they exist at a particular date, and reference should be made to fixed permanent identifiable points on the land.

ARTICLE 7

The provisions of these articles shall not prejudice the right of the coastal State to exploit the subsoil by means of tunnelling irrespective of the depth of water above the subsoil.

ARTICLE 8

This Convention shall, until 31 October 1958, be open for signature by all States Members of the United Nations or of any of the specialized agencies, and by any other State invited by the General Assembly of the United Nations to become a party to the Convention.

ARTICLE 9

This Convention is subject to ratification. The instruments of ratification shall be deposited with the Secretary-General of the United Nations.

ARTICLE 10

This Convention shall be open for accession by any States belonging to any of the categories mentioned in Article 8. The instruments of accession shall be deposited with the Secretary-General of the United Nations.

ARTICLE 11

1. This Convention shall come into force on the thirtieth day following the date of deposit of the twenty-second instrument of ratification or accession with the Secretary-General of the United Nations.

FIRST SCHEDULE—*continued*

ARTICLE 11—*continued*

2. For each State ratifying or acceding to the Convention after the deposit of the twenty-second instrument of ratification or accession, the Convention shall enter into force on the thirtieth day after deposit by such State of its instrument of ratification or accession.

ARTICLE 12

1. At the time of signature, ratification or accession, any State may make reservations to articles of the Convention other than to articles 1 to 3 inclusive.

2. Any Contracting State making a reservation in accordance with the preceding paragraph may at any time withdraw the reservation by a communication to that effect addressed to Secretary-General of the United Nations.

ARTICLE 13

1. After the expiration of a period of five years from the date on which this Convention shall enter into force, a request for the revision of this Convention may be made at any time by any Contracting Party by means of a notification in writing addressed to the Secretary-General of the United Nations.

2. The General Assembly of the United Nations shall decide upon the steps, if any, to be taken in respect of such request.

ARTICLE 14

The Secretary-General of the United Nations shall inform all States Members of the United Nations and the other States referred to in article 8:

(a) Of signatures to this Convention and of the deposit of instruments of ratification or accession, in accordance with articles 8, 9 and 10;

(b) Of the date on which this Convention will come into force, in accordance with article 11;

(c) Of requests for revision in accordance with article 13;

(d) Of reservations to this Convention, in accordance with article 12.

ARTICLE 15

The original of this Convention, of which the Chinese, English, French, Russian and Spanish texts are equally authentic, shall be deposited with the Secretary-General of the United Nations, who shall send certified copies thereof to all States referred to in article 8.

FIRST

FIRST SCHEDULE—*continued*

ARTICLE 15—*continued*

IN WITNESS WHEREOF the undersigned Plenipotentiaries, being duly authorized thereto by their respective Governments, have signed this Convention.

DONE at Geneva, this twenty-ninth day of April, one thousand nine hundred and fifty-eight.

(*Here follow the signatures on behalf of the parties to the Agreement, including Australia.*)

SECOND SCHEDULE Section 4.

THE ADJACENT AREA

The adjacent area is the area the boundary of which is described in this Schedule, to the extent only that that area includes—

(a) areas of territorial waters; and

(b) areas of superjacent waters of the continental shelf.

The area the boundary of which commences at a point that is the intersection of the coastline at mean low water by the geodesic between the trigonometrical station known as Point Danger near Point Danger and a point of Latitude 27° 58′ South, Longitude 154° East and runs thence north-easterly along that geodesic to a point of Latitude 27° 58′ South, Longitude 154° East; thence north-easterly along the geodesic to a point of Latitude 27° 48′ South, Longitude 154° 22′ East; thence easterly along the geodesic to a point of Latitude 27° 30′ 35″ South, Longitude 160° East; thence southerly along the meridian of Longitude 160° East to its intersection by the parallel of Latitude 39° 12′ South; thence south-westerly along the geodesic to a point of Latitude 40° 40′ South, Longitude 158° 53′ East; thence north-westerly along the geodesic to a point of Latitude 37° 35′ South, Longitude 150° 10′ East; thence north-westerly along the geodesic to the intersection of the coastline at mean low water by the boundary between the States of New South Wales and Victoria; thence along the coastline of the State of New South Wales at mean low water to the point of commencement.

BY AUTHORITY:
V. C. N. BLIGHT, GOVERNMENT PRINTER, NEW SOUTH WALES—1967
[$1.20]

No. , 1967.

A BILL

Relating to the exploration for, and the exploitation of, the petroleum resources, and certain other resources, of certain submerged lands adjacent to the coasts of the State; and for purposes connected therewith.

[MR FIFE—24 *October*, 1967.]

WHEREAS

WHEREAS in accordance with international law Australia as a coastal state has sovereign rights over the continental shelf beyond the limits of Australian territorial waters for the purpose of exploring it and exploiting its natural resources : Preamble.

AND WHEREAS Australia is a party to the Convention on the Continental Shelf signed at Geneva on the twenty-ninth day of April, one thousand nine hundred and fifty-eight, in which those rights are defined :

AND WHEREAS the exploration for and the exploitation of the petroleum resources of submerged lands adjacent to the Australian coast would be encouraged by the adoption of legislative measures applying uniformly to the continental shelf and to the sea-bed and subsoil beneath territorial waters :

AND WHEREAS the Governments of the Commonwealth and of the States have decided, in the national interest, that, without raising questions concerning, and without derogating from, their respective constitutional powers, they should co-operate for the purpose of ensuring the legal effectiveness of authorities to explore for or to exploit the petroleum resources of those submerged lands :

AND WHEREAS the Governments of the Commonwealth and of the States have accordingly agreed to submit to their respective Parliaments legislation relating both to the continental shelf and to the sea-bed and subsoil beneath territorial waters and have also agreed to co-operate in the administration of that legislation :

Be it therefore enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows :—

PART I.

PRELIMINARY.

1. This Act may be cited as the "Petroleum (Submerged Lands) Act, 1967". Short title.

2.

2. The several provisions of this Act shall commence upon such day or days as may be appointed by the Governor in respect thereof and notified by proclamation published in the Gazette. Commencement.

3. This Act is divided as follows :— Division of Act.

PART I.—PRELIMINARY—*ss.* 1–13.

PART II.—APPLICATION OF LAWS—*ss.* 14–15.

PART III.—MINING FOR PETROLEUM—*ss.* 16–151.

DIVISION 1.—*Preliminary*—*ss.* 16–18.

DIVISION 2.—*Exploration Permits for Petroleum*—*ss.* 19–38.

DIVISION 3.—*Production Licences for Petroleum*—*ss.* 39–59.

DIVISION 4.—*Pipeline Licences*—*ss.* 60–75.

DIVISION 5.—*Registration of Instruments*—*ss.* 76–92.

DIVISION 6.—*General*—*ss.* 93–137.

DIVISION 7.—*Fees and Royalties*—*ss.* 138–151.

PART IV.—MISCELLANEOUS—*s.* 152.

SCHEDULES.

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

"access authority" means an access authority under Part III;

"application for a primary licence" means an application under subsection (1) or (2) of section 40 of this Act and "primary licence" means a licence granted on such an application;

"application

"application for a secondary licence" means an application under subsection (3) of section 40 of this Act and "secondary licence" means a licence granted on such an application;

"approved" means approved by the Designated Authority;

"block" means a block constituted as provided by section 17 of this Act;

"construct" includes "place" and "construction" has a corresponding meaning;

"corresponding law" means an Act of another State or a law in force in a Territory of the Commonwealth giving effect to the agreement between the Governments of the Commonwealth and of the States referred to in the preamble to this Act;

"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 operations for the recovery of petroleum, as the case may be;

"graticular section" means a section referred to in section 17 of this Act;

"inspector" means a person appointed under section 125 of this Act;

"licence" means a production licence for petroleum under Part III;

"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 37 of this Act is in force;

"natural

"natural resources" has the same meaning as in the Convention;

"partly cancelled" means—

(a) 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; and

(b) in relation to a pipeline licence—cancelled as to a part of the pipeline the subject of the 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;

"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 in the adjacent area;

"petroleum pool" means a naturally occurring discrete accumulation of petroleum;

"pipeline"

"pipeline" means a pipe or system of pipes in the adjacent area for conveying petroleum but does not include a pipe or system of pipes—

(a) for returning petroleum to a natural reservoir;

(b) for conveying petroleum for use for the purposes of petroleum exploration operations or operations for the recovery of petroleum;

(c) for conveying petroleum that is to be flared or vented; or

(d) for conveying petroleum from a well to a terminal station without passing through another terminal station, whether the terminal station to which the petroleum is conveyed is in the adjacent area or not;

"pipeline licence" means a licence under Part III to construct and operate a pipeline;

"pipeline licensee" means the registered holder of a pipeline licence;

"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 40 of this Act;

"prescribed" means prescribed by the regulations;

"pumping station" means equipment for pumping petroleum or water and includes any structure associated with that equipment;

"Register" means the Register kept by the Designated Authority in pursuance of Division 5 of Part III;

"registered holder", in relation to a permit, licence, pipeline 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, pipeline licence or access authority;

"regulations"

"regulations" means regulations made under this Act;

"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;

"secondary line" means a pipe or system of pipes for any purpose referred to in paragraphs (a), (b), (c) and (d) of the definition of "pipeline";

"special prospecting authority" means a special prospecting authority under Part III;

"tank station" means a tank or system of tanks for holding or storing petroleum and includes any structure associated with that tank or system of tanks;

"terminal station" means a pumping station, a tank station or a valve station declared to be a terminal station under section 63 of this Act or under a corresponding law;

"the adjacent area" means the area specified in the Second Schedule to this Act as being adjacent to the State of New South Wales;

"the applied provisions" means the provisions applied in accordance with section 14 of this Act;

"the Commonwealth Act" means the Act or Acts of the Parliament of the Commonwealth passed to give effect to the agreement referred to in the preamble to this Act and includes that Act or those Acts as amended from time to time;

"the continental shelf" means the continental shelf, within the meaning of the Convention, adjacent to the coast of Australia;

"the

"the Convention" means the Convention entitled "Convention on the Continental Shelf" signed at Geneva on the twenty-ninth day of April, one thousand nine hundred and fifty-eight, being the Convention a copy of which in the English language is set out in the First Schedule to 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;

(d) in relation to a pipeline licence that is no longer in force—the part of the adjacent area in which the pipeline was constructed;

(e) in relation to a pipeline licence that has been wholly cancelled or partly cancelled —the part of the adjacent area in which the pipeline or the part of the pipeline, as the case may be, was constructed; and

(f) 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;

"valve station" means equipment for regulating the flow of petroleum and includes any structure associated with that equipment;

"vessel"

"vessel" means a vessel used in navigation, other than air navigation, and includes a barge, lighter or other floating vessel;

"water line" means a pipe or system of pipes for conveying water in connexion with petroleum exploration operations or operations for the recovery of petroleum;

"well" means a hole in the sea-bed or subsoil made by drilling, boring or any other means in connexion 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, licence or pipeline licence, means cancelled as to all the blocks, or as to the whole of the pipeline, the subject of the permit, licence or pipeline licence;

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

(2) In this Act, a reference to the term of a permit, licence, pipeline licence, special prospecting authority or access authority is a reference to the period during which the permit, licence, pipeline licence, special prospecting authority or access authority remains in force and a reference to the date of expiration of a permit, licence, pipeline licence, special prospecting authority or access authority is a reference to the day on which the permit, licence, pipeline 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, licence or pipeline licence is a reference to a period of one year commencing on the date from and including which the permit, licence or pipeline 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

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 the renewal, or to the grant of a renewal, of a pipeline licence in respect of a pipeline is a reference to the grant of a pipeline licence in respect of that pipeline to commence on the day after the date of expiration of the firstmentioned pipeline licence or on the day after the date of expiration of the pipeline licence granted upon a previous renewal of the firstmentioned pipeline licence.

(7) In this Act, a reference to a pipeline includes a reference to a part of a pipeline.

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

(9) The power conferred by this Act to make, grant or issue any instrument shall, unless the contrary intention appears, be construed as including a power exercisable in the like manner and subject to the like conditions, if any, to repeal, rescind, revoke, amend or vary any such instrument.

Construction of Act.

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

Spaces above and below adjacent areas.

6. For the purposes of this Act and the regulations—

(a) the space above or below the adjacent area shall be deemed to be in that area; and

(b)

(b) the space above or below an area that is part of the adjacent area shall be deemed to be in that part.

Points, &c., to be ascertained by reference to Australian Geodetic Datum.

7. (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 flattening of $\frac{100}{29825}$ and by reference to the position 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 one of this section.

Application of Act.

8. 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 New South Wales or not.

Obligations and liabilities.

9. Where an obligation or liability is imposed by or under the applied provisions or by or under Part III or the regulations and the like obligation or liability is imposed by or under the Commonwealth Act and the obligation or liability under the Commonwealth Act is discharged, the other obligation or liability is also discharged.

Rights, powers and privileges.

10. Where a right, privilege or power is conferred by or under the applied provisions or by or under Part III or the regulations and the like right, privilege or power is conferred by or under the Commonwealth Act and the right, privilege or power under the Commonwealth Act has been exercised, the other right, privilege or power is not capable of being exercised.

11.

11. Where an act or omission gives rise to a cause of action under the applied provisions or under Part III or the regulations and also to a cause of action under the Commonwealth Act and the cause of action under the Commonwealth Act is extinguished, the other cause of action is also extinguished. Causes of action.

12. Where an act or omission constitutes an offence under both the Commonwealth Act and the applied provisions, Part III or the regulations and the offender has been convicted for that offence under the Commonwealth Act, he shall not be liable to be convicted for the offence under the applied provisions, Part III or the regulations. Persons not liable to be convicted under two laws.

13. Where a person or a court has done an act in the purported exercise of a power or function under the Commonwealth Act and that act could have been done by that person or court in the exercise of a power or function under the applied provisions or under Part III or the regulations, that act shall be deemed to have been done by that person or court in the exercise of the power or function under those provisions, that Part or those regulations, as the case may be. Validation of certain acts.

PART II.

Application of Laws.

14. (1) Subject to this Act, the provisions of the laws in force in New South Wales, whether written or unwritten, and as in force from time to time, and the provisions of any instrument made under any of those laws, apply in the adjacent area. Application of laws in area adjacent to State.

(2) The provisions referred to in subsection (1) of this section apply to and in relation to all acts, matters, circumstances and things touching, concerning, arising out of

or

or connected with the exploration of the sea-bed or subsoil of the adjacent area for petroleum and the exploitation of the natural resources, being petroleum, of that sea-bed or subsoil, and not otherwise, and so apply as if the adjacent area were part of the State.

(3) This section does not—

(a) extend to the provisions of any law or instrument—

(i) in so far as they apply to or in relation to exploration for, or operations for the recovery of, petroleum;

(ii) in so far as they apply to or in relation to the construction or operation of pipelines;

(iii) in so far as they are incapable of application in the adjacent area; or

(iv) in so far as they are expressed not to extend to or apply in the adjacent area; or

(b) operate so as to apply the provisions of any law of the Commonwealth in any part of the adjacent area in which that law applies.

(4) The regulations may provide that any provisions referred to in subsection (1) of this section that are specified in the regulations do not apply by reason of this section or apply with prescribed modifications only.

(5) Regulations made for the purposes of subsection (4) of this section may provide that prescribed provisions be added to or substituted for any of the provisions referred to in subsection (1) of this section.

Jurisdiction of State courts.

15. (1) Subject to this section, the several courts of New South Wales are invested with jurisdiction in all matters arising under the applied provisions, this Act or the regulations.

(2) The jurisdiction with which the several courts are invested by subsection (1) of this section is invested within the limits (other than limits having effect by reference to localities) of their several jurisdictions.

(3) The jurisdiction invested in a court of summary jurisdiction by this section shall not be judicially exercised except by a stipendiary magistrate sitting alone.

(4) This section does not limit the jurisdiction that any court has apart from this section.

PART III.

MINING FOR PETROLEUM.

DIVISION 1.—*Preliminary.*

Designated Authority.

16. (1) The Minister is for the purposes of this Act the Designated Authority.

(2) The Governor may make an arrangement with the Governor-General with respect to any or all of the matters with respect to which the Governor-General is authorized to make arrangements under the Commonwealth Act.

(3) An arrangement made under this section may contain such incidental or supplementary provisions as the Governor and the Governor-General think necessary.

(4) The Governor may arrange with the Governor-General for the variation or revocation of an arrangement made under this section.

(5) The Designated Authority may—

(a) delegate all or any of his powers or functions under this Act or the regulations (except this power of delegation); and

(b) vary or revoke a delegation given by him.

(6) A power or function delegated by the Designated Authority 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 Designated Authority in relation to a matter—upon the opinion, belief or state of mind of the delegate in relation to that matter.

(7) A delegation under this section does not prevent the exercise of a power or the performance of a function by the **Designated Authority**.

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

Graticulation of Earth's surface and constitution of blocks.

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

(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 adjacent area constitutes a block; and

(b)

(b) if a part only of a graticular section is, or parts only of a graticular section are, within the adjacent area, 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.

18. (1) The Designated Authority 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 or over or in which there is a pipeline) shall not be the subject of a permit, licence, special prospecting authority or access authority and that a pipeline licence shall not be granted in respect of a pipeline over or in that block.

(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 and a pipeline licence shall not be granted in respect of a pipeline over or in that block.

DIVISION 2.—*Exploration Permits for Petroleum.*

Exploration for petroleum.

19. A person shall not explore for petroleum in the adjacent area—

(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.

20.

20. (1) The Designated Authority 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 Designated Authority may, for reasons that he thinks sufficient, in an instrument under subsection (1) of this section, direct that subsection (2) or (3) of section 21 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 Designated Authority 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 Designated Authority 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 Designated Authority may, for reasons that he thinks sufficient, upon request in writing served on him, direct that subsection (2) or (3) of section 21 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.

21. (1) An application under section 20 of this Act— Application for permit.

(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 four 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 Designated Authority 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)

(4) The Designated Authority 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 connexion with his application.

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

22. (1) Where an application has been made under section 20 of this Act, the Designated Authority 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 subject 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 Designated Authority 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

instrument on him, or within such further period, not exceeding one month, as the Designated Authority, 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 Designated Authority, request the Designated Authority to grant to him the permit; and

(b) lodge with the Designated Authority 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 Designated Authority the security referred to in the instrument,

within the period applicable under subsection (3) of this section, the Designated Authority 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 Designated Authority 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.

Application for permit in respect of surrendered, &c., blocks.

23. (1) Where—

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

(b)

(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 Designated Authority 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 Designated Authority 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 20 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 Designated Authority 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 20 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 21 of this Act;

(d) shall specify an amount that the applicant is prepared to pay to the Designated Authority, in addition to the fee referred to in paragraph (a) of subsection (1) of section 24 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 Designated Authority to consider.

(5) The Designated Authority 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 connexion with his application.

Application fee, &c.

24. (1) An application under section 23 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 25 of this Act does not request the Designated Authority, in accordance with section

section 26 of this Act, to grant to him the permit referred to in the instrument, the deposit shall not, unless the Designated Authority otherwise determines, be refunded to the applicant.

Consideration of application.

25. (1) Where, at the expiration of the period specified in an instrument under subsection (1) of section 23 of this Act, only one application has been made under that subsection in respect of the block or blocks specified in the instrument, the Designated Authority 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.

(2) Where, at the expiration of the period specified in an instrument under subsection (1) of section 23 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 Designated Authority 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 23 of this Act, the Designated Authority 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 the block or blocks specified in the application.

(4)

(4) Where the Designated Authority 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 subject 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 26 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 109 of this Act in respect of that balance; and

(iii) lodge with the Designated Authority the security referred to in the instrument.

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

26. (1) An applicant on whom there has been served an instrument under section 25 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 Designated Authority, 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 Designated Authority, request the Designated Authority 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 109 of this Act in respect of that balance; and

(c) lodge with the Designated Authority the security referred to in the firstmentioned instrument.

(2) Where an applicant on whom there has been served an instrument under section 25 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 109 of this Act in respect of that balance; or

(c) has not lodged with the Designated Authority 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 25 of this Act lapses as provided by subsection (2) of this section, subsection (2) of that section applies in respect of the application or applications, if any, then remaining unrejected.

Grant of permit on request.

27. Where a person on whom there has been served an instrument under section 25 of this Act—

(a) has made a request under subsection (1) of section 26 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 109 of this Act in respect of that balance; and

(c)

(c) has lodged with the Designated Authority the security referred to in the instrument,

within the period applicable under that subsection, the Designated Authority 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.

28. A permit, while it remains in force, authorizes 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.

29. 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 six 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.

30. (1) Subject to section 31 of this Act, a permittee may, from time to time, make an application to the Designated Authority 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)

(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 Designated Authority 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.

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

31. (1) The number of blocks in respect of which an application for the renewal of a permit may be made shall not exceed the number calculated as follows :—

(a) where the number of blocks in respect of which the permit is in force is a number that is divisible by two without remainder—one-half of that number; or

(b) where the number of blocks in respect of which the permit is in force is a number that is one less or one more than a number that is divisible by four without remainder—one-half of that lastmentioned number.

(2) A block that is, or is included in, a location and in respect of which the 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 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)

(4) Where the number of blocks in respect of which an application for the 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 renewal of a permit, the number calculated in accordance with subsection (1) of this section is less than sixteen, the Designated Authority 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 Designated Authority 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.

Grant or refusal of renewal of permit.

32. (1) Where a permittee makes an application for the renewal of a permit, the Designated Authority—

(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 Designated Authority is satisfied that, although the permittee has not so complied, special circumstances exist that justify the granting of the renewal of the permit,

inform

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 Designated Authority is not satisfied that special circumstances exist that justify the granting of the renewal of the permit, the Designated Authority shall, subject to subsection (3) of this section, by instrument in writing served on the permittee, refuse to grant the renewal of the permit.

(3) The Designated Authority 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 Designated Authority, submit any matters that he wishes the Designated Authority 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 Designated Authority 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 Designated Authority, request the Designated Authority to grant to him the renewal of the permit; and

(b) lodge with the Designated Authority 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 Designated Authority the security referred to in the instrument,

within the period referred to in subsection (5) of this section, the Designated Authority 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 Designated Authority 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 Designated Authority 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 Designated Authority grants, or refuses to grant, the renewal of the permit; or

(d) until the application so lapses,

whichever first happens.

Conditions of permit.

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

(2) The conditions referred to in subsection (1) of this section may include a condition that, in or 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.

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

(a) shall forthwith inform the Designated Authority of the discovery; and

(b)

(b) shall, within a period of three days after the date of the discovery, furnish to the Designated Authority particulars in writing of the discovery.

(2) Where petroleum is discovered in a permit area, the Designated Authority 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 subsoil in which the petroleum occurs; and

(c) any other matters relating to the discovery that are specified by the Designated Authority 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.

Directions by Designated Authority on discovery of petroleum.

35. (1) Where petroleum is discovered in a permit area, the Designated Authority 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 Designated Authority 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.

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

Penalty : Two thousand dollars.

36.

Nomination of block for purposes of declaring location.

36. (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—

(a) may; or

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

by instrument in writing served on the Designated Authority, nominate a block in respect of which the permit is in force for the purpose of the making of a declaration under section 37 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 Designated Authority, on application in writing served on him before the expiration of that period of three months, allows, nominate the block, the Designated Authority may, by instrument in writing served on the permittee, nominate the block.

(3) Where a permittee or the Designated Authority 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 37 of this Act but this subsection does not prevent other discovery blocks in the permit area 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 37 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 44 of this Act,

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

(6) The Designated Authority 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.

37. (1) Where a permittee or the Designated Authority has nominated a block under section 36 of this Act, the Designated Authority shall, by instrument published in the Gazette, declare— Declaration of location.

(a) that block; and

(b)

(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 Designated Authority, requests that, for the reasons specified in the instrument, the declaration be revoked, the Designated Authority 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.

Immediately adjoining blocks.

38. For the purposes of sections 36 and 37 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—

(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 adjacent area.

39. A person shall not carry on operations for the recovery of petroleum in the adjacent area—

(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.

40. (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 Designated Authority for the grant of a licence—

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

(b)

(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 Designated Authority 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 Designated Authority 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

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 Designated Authority 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 Designated Authority, on application by the permittee, in writing, served on the Designated Authority before the expiration of the firstmentioned period of two years, allows.

Application for licence.

41. (1) An application under section 40 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 Designated Authority 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)

(2) The Designated Authority 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 connexion with his application.

Determination of rate of royalty.

42. (1) 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 Designated Authority shall determine a rate at which royalty is to be payable in respect of petroleum recovered, whether under the primary licence or under the secondary licence, being a rate that is not less than eleven per centum nor more than twelve and one-half per centum of the value at the well-head of that petroleum.

(2) The Designated Authority shall not, under subsection (1) of this section, determine the rate at which royalty is to be payable unless he has given to the applicant an opportunity to confer with him concerning that rate.

Notification as to grant of licence.

43. (1) Where an application for the grant of a licence has been made under section 40 of this Act and the applicant has furnished any further information required by the Designated Authority under subsection (2) of section 41 of this Act, the Designated Authority, by instrument in writing served on the applicant—

(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 the applicant 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)

(b) if the instrument relates to an application for a secondary licence—specify the rate of royalty determined by the Designated Authority in pursuance of subsection (1) of section 42 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 44 of this Act in respect of the grant of the licence; or

(ii) in a case where the Designated Authority 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 Designated Authority.

Grant of licence.

44. (1) An applicant on whom there has been served an instrument under subsection (1) of section 43 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 Designated Authority, 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 Designated Authority request the Designated Authority to grant to him the licence referred to in the firstmentioned instrument; and

(b) if the Designated Authority 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 Designated Authority.

(2) Where an applicant on whom there has been served an instrument under subsection (1) of section 43 of this Act—

(a) has made a request under subsection (1) of this section; and

(b)

(b) if the Designated Authority has informed the applicant that he will be required to lodge a security as mentioned in paragraph (b) of subsection (1) of section 43 of this Act, has lodged that security with the Designated Authority,

within the period applicable under subsection (1) of this section, the Designated Authority 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 45 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 43 of this Act—

(a) has not made a request under subsection (1) of this section; or

(b) if the Designated Authority has informed the applicant that he will be required to lodge a security as mentioned in paragraph (b) of subsection (1) of section 43 of this Act, has not lodged that security with the Designated Authority,

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.

45. (1) Where an application is made under subsection (2) of section 40 of this Act for a variation of a licence, the Designated Authority 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.

46. (1) Subject to subsection (2) of this section, where— Determination of permit as to block not taken up by licensee.

(a) a permittee who may make an application under section 40 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)

(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 Designated Authority shall, by instrument published in the Gazette, revoke the declaration made under subsection (1) of section 37 of this Act in respect of that location.

Application for licence in respect of surrendered, &c., blocks.

47. (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 Designated Authority, there is petroleum,

the Designated Authority 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 Designated Authority 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 Designated Authority, 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 Designated Authority 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.

(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 Designated Authority 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 Designated Authority 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)

(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 41 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 Designated Authority to consider.

(7) The Designated Authority 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 connexion with his application.

Application fee, &c.

48. (1) An application under section 47 of this Act shall be accompanied by—

(a) a fee of one thousand dollars; and

(b)

(b) a deposit—

(i) if the application is made under subsection (1) or (4) of section 47 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 47 of this Act and the Designated Authority 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 49 of this Act does not request the Designated Authority, under subsection (6) of that section, to grant to him the licence referred to in the instrument, the deposit shall not, unless the Designated Authority otherwise determines, be refunded to the applicant.

Request by applicant for grant of licence.

49. (1) Where, at the expiration of the period specified in an instrument under subsection (1) of section 47 of this Act, only one application has been made under that subsection in respect of the block specified in the instrument, the Designated Authority 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)

(2) Where, at the expiration of the period specified in an instrument under subsection (1) of section 47 of this Act, two or more applications have been made under that subsection in respect of the block specified in the instrument, the Designated Authority 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 47 of this Act, the Designated Authority 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 Designated Authority may, by an instrument served on an applicant under any of the preceding provisions of this section, inform the applicant that he will

be

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 109 of this Act in respect of that balance; or

(iii) in a case where the Designated Authority 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 Designated Authority.

(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 Designated Authority, on application in writing served on him before the

the expiration of the firstmentioned period of three months, allows—

(a) by instrument in writing served on the Designated Authority, request the Designated Authority 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 109 of this Act in respect of that balance; and

(c) if the Designated Authority 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 Designated Authority.

(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 that balance or entered into an agreement under section 109 of this Act in respect of that balance; or

(c) if the Designated Authority 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 Designated Authority,

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,

section, subsection (2) of this section applies in respect of the application or applications, if any, then remaining unrejected.

Grant of licence on request.

50. Where an applicant on whom there has been served an instrument under section 49 of this Act—

(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 109 of this Act in respect of that balance; and

(c) if the Designated Authority has informed him that he will be required to lodge a security as mentioned in subsection (4) of section 49 of this Act, has lodged that security with the Designated Authority,

within the period applicable under subsection (6) of section 49 of this Act, the Designated Authority 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.

51. (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 Designated Authority 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 Designated Authority 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 Designated Authority has required the licensee to lodge a security as mentioned in subsection (3) of this section, has lodged that security with the Designated Authority,

the Designated Authority 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 53 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.

Rights conferred by licence.

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

(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.

Term of licence.

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

(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 Designated Authority 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.

54. (1) A licensee may, from time to time, make an application to the Designated Authority 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)

(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 Designated Authority 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.

55. (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 54 of this Act for the renewal of the licence, the Designated Authority—

(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 54 of this Act for the renewal of the licence, the Designated Authority, 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)

(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 Designated Authority is not satisfied that special circumstances exist that justify the granting of the renewal of the licence, the Designated Authority 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 Designated Authority 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 Designated Authority, submit any matters that he wishes the Designated Authority 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 first-mentioned instrument has been served.

(5) Where a licensee makes an application under section 54 of this Act in respect of a renewal other than the first renewal of the licence, the Designated Authority may, by instrument in writing served on the licensee, refuse to grant the renewal of the licence.

(6) The Designated Authority 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 Designated Authority 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 Designated Authority.

(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 Designated Authority, request the Designated Authority to grant to him the renewal of the licence; and

(b) if the Designated Authority 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 Designated Authority.

(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 Designated Authority 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 Designated Authority,

within the period referred to in subsection (8) of this section, the Designated Authority 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 Designated Authority 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 Designated Authority,

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 54 of this Act; and

(b) the licence expires—

(i) before the Designated Authority 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 Designated Authority grants, or refuses to grant, the renewal of the licence; or

(d) until the application so lapses,

whichever first happens.

Conditions of licence.

56. A licence may be granted subject to such conditions as the Designated Authority thinks fit and specifies in the licence.

Works to be carried out.

57. (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 connexion 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 connexion 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 Designated Authority 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 Designated Authority 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 Division 7 of this Part.

Directions as to recovery of petroleum.

58. (1) Where petroleum is not being recovered in a licence area and the Designated Authority 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.

(2) Where the Designated Authority 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 Designated Authority may, by instrument in writing served on the licensee, give to the licensee such directions as the Designated Authority 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 Designated Authority 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 Designated Authority specifies in the instrument.

(4) Where the Designated Authority 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 Designated Authority may, by instrument in writing served

served on the licensee, give to the licensee such directions as the Designated Authority 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 development.

59. (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 adjacent area 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 Designated Authority, 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 adjacent area that includes part of a particular petroleum pool that extends into the adjacent area,

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 81 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)

(b) a licensee enters into such an agreement but the agreement is not lodged with the Designated Authority in accordance with subsection (3) of this section or if so lodged is not approved under section 81 of this Act,

the Designated Authority may, by instrument in writing served on the 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 Designated Authority may, by instrument in writing served on the licensee, give to the licensee such directions as the Designated Authority 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 Designated Authority may, by instrument in writing served on the licensee, give to the licensee such directions as the Designated Authority 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 Designated Authority has given directions under subsection (5) or (6) of this section, the Designated Authority 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 Designated Authority shall not give a direction under 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 81 of this Act applies.

DIVISION 4.—*Pipeline Licences.*

Construction, &c., of pipelines, &c.

60. (1) A person shall not, in the adjacent area, commence, or continue, the construction of a pipeline except under and in pursuance of a pipeline licence.

(2) A person shall not, in the adjacent area, alter or reconstruct a pipeline, except under and in pursuance of a pipeline licence.

(3) A person shall not, in the adjacent area, operate a pipeline—

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

(b) unless he has obtained the consent of the Designated Authority under section 75 of this Act to the commencement or resumption, as the case may be, of operations and commences or resumes operations in accordance with the conditions, if any, specified in the instrument of consent.

(4) A person shall not, in the adjacent area, commence, or continue, the construction of, alter, reconstruct or operate a water line, pumping station, tank station, valve station or secondary line—

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

(b) except with the consent in writing of the Designated Authority and in accordance with the conditions, if any, specified in the instrument of consent.

(5)

(5) The Designated Authority may, for reasons that he thinks sufficient, refuse to give his consent under any provision of this section.

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

Acts done in an emergency, &c.

61. It is not an offence against section 60 of this Act—

(a) if, in an emergency in which there is a likelihood of loss or injury, or for the purpose of maintaining a pipeline, water line, pumping station, tank station, valve station or secondary line in good order or repair, a person does an act to avoid the loss or injury or to maintain the pipeline, water line, pumping station, tank station, valve station or secondary line in good order and repair and—

(i) as soon as practicable notifies the Designated Authority of the act done; and

(ii) complies with any directions given to him by the Designated Authority; or

(b) if a person does an act in compliance with a direction under this Act or the regulations.

Removal of pipeline, &c., constructed in contravention of Act.

62. (1) Where—

(a) the construction of a pipeline, water line, pumping station, tank station, valve station or secondary line is commenced, continued or completed in contravention of this Act; or

(b) a pipeline, water line, pumping station, tank station, valve station or secondary line is altered or reconstructed in contravention of this Act,

the Designated Authority may, by instrument in writing served on the appropriate person, direct him—

(c) to make such alterations to the pipeline, water line, pumping station, tank station, valve station or secondary line as are specified in the instrument; or

(d)

(d) to move the pipeline, water line, pumping station, tank station, valve station or secondary line to a specified place in, or to remove it from, the adjacent area,

within the period specified in the instrument.

(2) For the purpose of subsection (1) of this section, the appropriate person is—

(a) if the construction of the pipeline, water line, pumping station, tank station, valve station or secondary line has been completed—the owner of the pipeline, water line, pumping station, tank station, valve station or secondary line; or

(b) if the construction of the pipeline, water line, pumping station, tank station, valve station or secondary line has not been completed—the person for whom the pipeline, water line, pumping station, tank station, valve station or secondary line is being constructed.

(3) Where a person on whom there has been served an instrument under subsection (1) of this section does not, within the period specified in the instrument or within such further period, if any, as the Designated Authority, on application in writing served on him before the expiration of the firstmentioned period, allows, comply with the direction, the Designated Authority may do all or any of the things required by the direction to be done.

(4) Costs and expenses incurred by the Designated Authority under subsection (3) of this section are a debt due by the person referred to in that subsection to the Crown and are recoverable in a court of competent jurisdiction.

63. The Designated Authority may, by instrument published in the Gazette, declare a pumping station, a tank station or a valve station in the adjacent area to be a terminal station. **Terminal station.**

64.

Application for pipeline licence.

64. (1) An application for a pipeline licence—

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

(b) shall be made in an approved manner;

(c) shall be accompanied by particulars of—

(i) the proposed design and construction of the pipeline;

(ii) the proposed size and capacity of the pipeline;

(iii) the proposals of the applicant for work and expenditure in respect of the construction of the pipeline;

(iv) the technical qualifications of the applicant and of his employees;

(v) the technical advice available to the applicant;

(vi) the financial resources available to the applicant; and

(vii) any agreements entered into, or proposed to be entered into, by the applicant for or in relation to the supply or conveyance of petroleum by means of the pipeline;

(d) shall be accompanied by a plan, drawn to an approved scale, showing—

(i) the route to be followed by the pipeline;

(ii) the sites of the pumping stations, tank stations and valve stations to be used in connexion with the pipeline; and

(iii) the site of any pumping station, tank station or valve station that the applicant desires to be declared under section 63 of this Act to be a terminal station in connexion with the pipeline;

(e) may set out any other matters that the applicant wishes the Designated Authority to consider; and

(f) shall be accompanied by a fee of one thousand dollars.

(2)

(2) Where a notice is published in the Gazette—

(a) of an application for a pipeline licence in respect of the construction of a pipeline for the conveyance of petroleum recovered in a licence area made by a person other than the licensee; or

(b) of an application for a pipeline licence in respect of the construction of a pipeline for the conveyance of petroleum recovered in a licence area under a corresponding law made by a person other than the pipeline operator under a corresponding law,

the licensee or the pipeline operator under a corresponding law, as the case may be, may, within a period of three months after the date of publication of the notice, or within such further period not exceeding three months, as the Designated Authority, on application in writing served on him before the expiration of the firstmentioned period of three months, allows, make an application for a pipeline licence referred to in paragraph (a) or (b) of this subsection, as the case requires, and, in the application, request that the application referred to in the notice be rejected.

(3) Where—

(a) a notice referred to in subsection (2) of this section is published in the Gazette; and

(b) a pipeline licence is granted to the licensee or to the pipeline operator under a corresponding law on an application under that subsection,

the Designated Authority shall, by instrument in writing served on the applicant, reject the application referred to in the notice.

(4) The Designated Authority may, at any time, by instrument in writing served on a person who has made an application under this section, require him to furnish, within the time specified in the instrument, further information in writing in connexion with his application.

(5) In this section, "pipeline operator under a corresponding law" means a person who is entitled under a corresponding law to carry on operations for the recovery of petroleum

petroleum in an area outside the adjacent area and who the Designated Authority is satisfied is or will be entitled to construct a pipeline from the firstmentioned area to the boundary of the adjacent area.

Grant or refusal of pipeline licence.

65. (1) Where a person makes an application in accordance with section 64 of this Act the Designated Authority—

(a) shall, if the application is—

(i) in respect of the construction in the adjacent area of a pipeline for the conveyance of petroleum recovered in a licence area in respect of which the applicant is the licensee and the licensee has complied with the conditions to which the licence is subject and with the provisions of this Part and of the regulations; or

(ii) by a pipeline operator under a corresponding law; or

(b) may, if the application is by any other person and has not been rejected under subsection (3) of that section,

inform the applicant, by instrument in writing served on him, that the Designated Authority is prepared to grant a pipeline licence to him.

(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 in accordance with section 64 of this Act for a pipeline licence in respect of the construction of a pipeline for the conveyance of petroleum recovered in the licence area, the Designated Authority, if he is satisfied that, although the licensee has not so complied, special circumstances exist that justify the granting of a pipeline licence, may inform the licensee, by instrument in writing served on the licensee, that he is prepared to grant a pipeline licence to him.

(3) If 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 in accordance with section 64 of this Act for a pipeline licence, and if the Designated Authority is not satisfied that special circumstances exist that justify the granting of a pipeline licence, the Designated Authority shall, subject to subsection (4) of this section, by instrument in writing served on the licensee, refuse to grant a pipeline licence.

(4) The Designated Authority shall not, under subsection (3) of this section, refuse to grant a pipeline licence to a licensee 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 pipeline 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 Designated Authority, submit any matters that he wishes the Designated Authority 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 person, other than the licensee or the pipeline operator under a corresponding law, makes an application in accordance with section 64 of this Act for a pipeline licence in respect of the construction of a pipeline for the conveyance of petroleum recovered in a licence area or a licence area under a corresponding law, as the case may be, the Designated Authority may, by instrument in writing served on the applicant, refuse to grant a pipeline licence.

(6)

(6) Where the Designated Authority is required, or proposes, to serve on a person an instrument under subsection (1) or (2) of this section, he shall, by the instrument, inform that person that he will be required to lodge a security for compliance with the conditions to which the pipeline licence, if 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—

(a) shall specify the route to be followed by the pipeline;

(b) shall contain a summary of the conditions subject to which the pipeline licence is to be granted; and

(c) shall contain a statement to the effect that the application will lapse if the applicant does not make a request under subsection (9) of this section and lodge with the Designated Authority the security referred to in the instrument.

(8) The route to be specified in an instrument under subsection (1) or (2) of this section shall be—

(a) the route shown in the plan accompanying the application; or

(b) if the Designated Authority is of the opinion that, for any reason, that route is not appropriate—a route that, in the opinion of the Designated Authority, is appropriate.

(9) A person on whom there has been served an instrument under subsection (1) or (2) 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 Designated Authority 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 Designated Authority, request the Designated Authority to grant to him the pipeline licence; and

(b) lodge with the Designated Authority the security referred to in the instrument so served on him.

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

(a) has made a request under subsection (9) of this section; and

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

within the period applicable under subsection (9) of this section, the Designated Authority shall grant to that person a licence to construct and operate a pipeline in respect of the pipeline specified in the instrument.

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

(a) has not made a request under subsection (9) of this section; or

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

within the period applicable under subsection (9) of this section, the application lapses upon the expiration of that period.

(12) Where a pipeline licence is not granted on an application, the sum of nine hundred dollars shall be refunded to the applicant.

(13) In this section, "pipeline operator under a corresponding law" has the same meaning as in section 64 of this Act.

Rights conferred by pipeline licence.

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

(a) to construct in the adjacent area—

(i) a pipeline of the design, construction, size and capacity specified in the pipeline licence along the route, and in the position in relation to the sea-bed in the adjacent area, so specified; and

(ii)

(ii) the pumping stations, tank stations and valve stations so specified in the positions so specified;

(b) to operate that pipeline and those pumping stations, tank stations and valve stations; and

(c) to carry on such operations, to execute such works and to do all such other things in the adjacent area as are necessary for or incidental to the construction and operation of that pipeline and of those pumping stations, tank stations and valve stations.

Term of pipeline licence.

67. (1) Subject to this Part, a pipeline licence remains in force—

(a) for a period of twenty-one years; or

(b) where the Designated Authority is of the opinion that, having regard to the dates of expiration of the licences that relate to the licence areas from which petroleum is, or is to be, conveyed by means of the pipeline, it is not necessary for the pipeline licence to remain in force for a period of twenty-one years —for such period less than twenty-one years as the Designated Authority determines and specifies in the pipeline licence.

(2) The period for which a pipeline licence remains in force commences—

(a) in the case of a pipeline licence granted otherwise than by way of renewal of a pipeline licence—on the day from and including which the pipeline licence has effect; and

(b) in the case of a pipeline licence granted by way of renewal of a pipeline licence—on the day after the day on which the last previous pipeline licence in respect of the same pipeline ceases to have effect.

Application for renewal of pipeline licence.

68. (1) A pipeline licensee may, from time to time, make an application to the Designated Authority for the renewal of the pipeline licence.

(2)

(2) An application for the renewal of the pipeline 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 pipeline licence ceases to have effect; and

(c) shall be accompanied by a fee of two hundred dollars.

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

Grant or refusal of renewal of pipeline licence.

69. (1) Where a pipeline licensee makes an application for the renewal of the pipeline licence under section 68 of this Act, the Designated Authority—

(a) shall, if the pipeline licensee has complied with the conditions to which the pipeline licence is subject and with the provisions of this Part and of the regulations; or

(b) may, if the pipeline licensee has not so complied and the Designated Authority is satisfied that, although the pipeline licensee has not so complied, special circumstances exist that justify the granting of the renewal of the pipeline licence,

inform the pipeline licensee, by instrument in writing served on the pipeline licensee—

(c) that he is prepared to grant to him the renewal of the pipeline licence; and

(d) that he will be required to lodge a security for compliance with the conditions to which the pipeline licence, 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 a pipeline licensee who has not complied with the conditions to which the pipeline licence is subject and with the provisions of this Part and of the regulations makes an application in accordance with section 68 of this Act in respect of the renewal of the pipeline licence, and if the Designated Authority is not satisfied that special circumstances exist that justify the granting of the renewal of the pipeline licence, the Designated Authority shall, subject to subsection (3) of this section, by instrument in writing served on the pipeline licensee, refuse to grant the renewal of the pipeline licence.

(3) The Designated Authority shall not refuse to grant the renewal of the pipeline licence unless—

(a) he has, by instrument in writing served on the pipeline licensee, given not less than one month's notice of his intention to refuse to grant the renewal of the pipeline 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 pipeline licensee or a person on whom a copy of the instrument is served may, by instrument in writing served on the Designated Authority, submit any matters that he wishes the Designated Authority to consider; and

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

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

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

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

(5) A pipeline licensee 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 Designated Authority, request the Designated Authority to grant to him the renewal of the pipeline licence; and

(b) lodge with the Designated Authority the security referred to in the firstmentioned instrument.

(6) Where a pipeline licensee 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 Designated Authority the security referred to in the instrument,

within the period referred to in subsection (5) of this section, the Designated Authority shall grant to him the renewal of the pipeline licence.

(7) Where a pipeline licensee 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)

(b) has not lodged with the Designated Authority 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 pipeline licence is made under section 68 of this Act; and

(b) the pipeline licence expires—

(i) before the Designated Authority grants, or refuses to grant, the renewal of the pipeline licence; or

(ii) before the application lapses as provided by subsection (7) of this section,

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

(c) until the Designated Authority grants, or refuses to grant, the renewal of the pipeline licence; or

(d) until the application so lapses,

whichever first happens.

Conditions of pipeline licence.

70. (1) A pipeline licence may be granted subject to such conditions as the Designated Authority thinks fit and specifies in the pipeline licence.

(2) The conditions referred to in subsection (1) of this section may include a condition that the pipeline licensee shall complete the construction of the pipeline within the period specified in the pipeline licence.

Variation of pipeline licence on application by pipeline licensee.

71. (1) A pipeline licensee may, at any time, make an application to the Designated Authority for the variation of the pipeline licence.

(2) An application under this section—

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

(b)

(b) shall be made in an approved manner;

(c) shall be accompanied by particulars of the proposed variation;

(d) shall specify the reasons for the proposed variation; and

(e) shall be accompanied by a fee of one hundred dollars.

(3) The Designated Authority may, at any time, by instrument in writing served on a person who has made an application under this section, require him to furnish, within the period specified in the instrument, further information in writing in connexion with his application.

(4) The Designated Authority shall, in a notice published in the Gazette of an application under this section, specify a period within which a person may submit to the Designated Authority, in writing, any matters that he wishes the Designated Authority to consider in connexion with the application.

(5) After considering any matters submitted to him under subsection (4) of this section, the Designated Authority may vary the pipeline licence to such extent as he thinks necessary or may refuse to vary the pipeline licence.

Variation of pipeline licence by Designated Authority.

72. (1) The Designated Authority may—

(a) at the request of—

(i) a Minister or a Minister of State of the Commonwealth; or

(ii) a body established by a law of the Commonwealth or a Territory or of the State; and

(b) if, in his opinion, it is in the public interest so to do,

by instrument in writing served on a person who is a pipeline licensee or the holder of an instrument of consent under section 60 of this Act, direct that person to make such changes in the design, construction, route or position of the pipeline, or of a water line, pumping station, tank station, valve station or

or secondary line, to which the pipeline licence or instrument of consent relates as are specified in the firstmentioned instrument, within the period specified in the firstmentioned instrument, and, if the person so directed is a pipeline licensee, shall vary the pipeline licence accordingly.

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

Penalty : Two thousand dollars.

(3) Where the Designated Authority gives a direction under subsection (1) of this section and the person to whom the direction was given has complied with the direction, that person may bring an action in the Supreme Court against the Minister, Minister of State of the Commonwealth or body making the request.

(4) The Supreme Court shall hear the action, without a jury, and shall determine whether it is just that the whole or a portion of the reasonable cost of complying with the direction ought to be paid to the plaintiff by the defendant.

(5) If the Supreme Court determines that it is just that such a payment ought to be made, the Supreme Court shall determine the amount of the payment and give judgment accordingly.

(6) The jurisdiction of the Supreme Court under this section may be exercised by a Judge of that Court sitting alone.

Common carrier.

73. The Designated Authority may, by instrument in writing served on a pipeline licensee, direct the pipeline licensee to be a common carrier of petroleum in respect of the pipeline and thereupon the pipeline licensee is a common carrier of petroleum in respect of the pipeline.

Ceasing to operate pipeline.

74. (1) Except with the consent in writing of the Designated Authority and subject to compliance with such conditions, if any, as are specified in the instrument of consent, a pipeline licensee shall not cease to operate the pipeline.

Penalty : Two thousand dollars.

(2)

(2) It is not an offence against subsection (1) of this section if the failure of the pipeline licensee to operate the pipeline—

(a) was in the ordinary course of operating the pipeline;

(b) was for the purpose of repairing or maintaining the pipeline; or

(c) was in an emergency in which there was a likelihood of loss or injury.

Consent to commencement or resumption of pipeline operations.

75. (1) The Designated Authority may, on application in writing served on him—

(a) by a pipeline licensee whose pipeline has not previously been in operation; or

(b) by a pipeline licensee who has ceased to operate the pipeline,

if he is of the opinion that the pipeline may be operated with safety, by instrument in writing served on the pipeline licensee, consent to the commencement or resumption, as the case may be, of operations.

(2) A consent under subsection (1) of this section may be given subject to such conditions, if any, as the Designated Authority thinks fit and specifies in the instrument of consent.

DIVISION 5.—*Registration of Instruments.*

Register of certain instruments to be kept.

76. (1) For the purposes of this Part, the Designated Authority shall keep a Register of permits, licences, pipeline licences and access authorities granted by him.

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

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

(b)

(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) in the case of a pipeline licence, setting out a description of the route of the pipeline;

(e) specifying the term of the permit, licence, pipeline licence or access authority;

(f) setting out such other matters and things as are required by this Part to be entered in the Register; and

(g) setting out such further matters relating to the registered holder or to the terms and conditions of the permit, licence, pipeline licence or access authority as the Designated Authority deems proper and expedient in the public interest.

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

(a) any instrument varying, cancelling, surrendering or otherwise affecting a permit, licence, pipeline licence or access authority;

(b) any instrument under subsection (5), (6) or (7) of section 59 of this Act;

(c) any agreement under section 109 of this Act; and

(d) any instrument varying or revoking an instrument referred to in paragraph (a) or (b) of this subsection.

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

(5)

(5) A permit, licence, pipeline 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, pipeline 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 Designated Authority shall endorse on the memorial or copy of the permit, licence, pipeline 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, &c., determined, &c.

77. 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, pipeline licence or access authority has expired,

the Designated Authority shall enter in the Register a memorial of the fact.

Approval and registration of transfers.

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

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

(3)

(3) The application shall be accompanied by an instrument of transfer of the permit, licence, pipeline 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 Designated Authority 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 Designated Authority shall not approve the transfer unless it is an absolute transfer of the whole of the transferor's interest in the permit, licence, pipeline licence or access authority.

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

(a) in the case of the transfer of a permit, licence or pipeline 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, licence or pipeline 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 Designated Authority 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 Designated Authority,

the Designated Authority shall approve the application.

(8) Where, in the case of the transfer of a licence, the Designated Authority 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 Designated Authority may, subject to subsection (5) of this section, approve the application.

(9) If the Designated Authority 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 section 92 of this Act, 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, pipeline 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 Designated Authority 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.

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

(2) The Designated Authority 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 the holder of the permit, licence, pipeline licence or access authority and, upon that entry being so made, the applicant becomes the registered holder of the permit, licence, pipeline licence or access authority.

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

80. A legal or equitable interest in or affecting an existing or future permit, licence, pipeline 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.

Approval of instruments creating, &c., interests.

81. (1) This section applies to an instrument by which a legal or equitable interest in or affecting an existing or future permit, licence, pipeline 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 78 of this Act applies.

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

(a) the instrument has been approved by the Designated Authority; and

(b) an entry has been made in the Register by the Designated Authority 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, pipeline licence or access authority by reason

of such an instrument, may lodge with the Designated Authority 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 Designated Authority 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 Designated Authority may approve or refuse the application.

(7) If the Designated Authority 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 section 92 of this Act, 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, pipeline 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 Designated Authority 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 Designated Authority refuses the application, he shall make a notation of the refusal in the Register.

True consideration to be shown.

82. (1) A party to a transfer referred to in section 78 of this Act or to an instrument to which section 81 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 section 92 of this Act.

Penalty : Two thousand dollars.

(2)

(2) Where a person is convicted of an offence against subsection (1) of this section, the Designated Authority may make a fresh determination of the amount of the fee payable under section 92 of this Act in respect of the memorandum relating to the transfer or instrument.

(3) Subsections (2) and (3) of section 91 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.

Designated Authority not concerned with certain matters.

83. Neither the Designated Authority 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.

Power of Designated Authority to require information as to proposed dealings.

84. (1) The Designated Authority 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 Designated Authority considers necessary or advisable.

(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.

Production and inspection of documents.

85. (1) The Designated Authority 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 Designated Authority for approval under this Division or to the transaction to which such an instrument relates.

(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.

86.

Inspection of Register and documents.

86. (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.

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

Evidentiary provisions.

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

(2) The Designated Authority 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 Designated Authority 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.

88. (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)

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

(3) Notice of an application under this section shall be given to the Designated Authority, 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 Designated Authority, and the Designated Authority shall, upon receipt of the order, rectify the Register accordingly.

(5) The jurisdiction of the Supreme Court under this section may be exercised by a Judge of that Court sitting alone.

Designated Authority not liable to certain actions.

89. Subject to section 88 of this Act, neither the Designated Authority 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.

Offences.

90. A person who wilfully—

(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 Designated Authority under this Division,

is guilty of a misdemeanour and is liable on conviction on indictment to imprisonment for a period not exceeding two years.

Assessment of fee.

91. (1) The Designated Authority may determine the amount of the fee payable under section 92 of this Act in respect of any memorandum.

(2) A person dissatisfied with a determination of the Designated Authority 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 Designated Authority.

Imposition of registration fees.

92. There is payable to the Designated Authority, in respect of—

(a) a memorandum of transfer entered in the Register under section 78 of this Act; or

(b) a memorandum of approval of an instrument entered in the Register under section 81 of this Act,

a fee at the rate prescribed by the Petroleum (Submerged Lands) Taxation Act, 1967.

DIVISION 6.—*General.*

Form of permit, &c.

93. A permit, a licence, a pipeline licence, a special prospecting authority and an access authority shall be in accordance with such forms as the Designated Authority determines.

Notice of grants of permits, &c., to be published.

94. The Designated Authority shall cause such particulars as he thinks fit of—

(a) the grant, and the grant of the renewal, of a permit, licence or pipeline licence;

(b) the variation of a licence or pipeline 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;

(e) an application for a pipeline licence or for the renewal or variation of a pipeline licence;

(f) the surrender or cancellation of a pipeline licence as to the whole or a part of the pipeline; and

(g) the expiry of a permit, licence or pipeline licence,

under this Part to be published in the Gazette.

95.

Date of effect of permits, &c.

95. (1) A permit, licence or pipeline licence has effect from and including the day specified for the purpose in the permit, licence or pipeline 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) The surrender or cancellation of a pipeline licence as to the whole or a part of the pipeline has effect from and including the day on which notice of the surrender or cancellation is published in the Gazette.

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

Commencement of works.

96. (1) Where a permit, licence or pipeline licence is granted subject to a condition that works or operations specified in the permit, licence or pipeline licence are to be carried out, the permittee, licensee or pipeline 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, licence or pipeline licence, as the case may be, has effect.

(2) The Designated Authority may, for reasons that he thinks sufficient, by instrument in writing served on a permittee, licensee or pipeline 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, licence or pipeline licence, as the case may be, within such period after the day on which the permit, licence or pipeline licence, as the case may be, has effect as is specified in the instrument.

(3)

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

Penalty : Two thousand dollars.

Work practices.

97. (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.

(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 within the adjacent area 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 Designated Authority, 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)

(3) A pipeline licensee shall operate the pipeline in a proper and workmanlike manner and shall secure the safety, health and welfare of persons engaged in operations in connexion with the pipeline.

(4) In particular and without limiting the generality of subsection (3) of this section, a pipeline licensee shall prevent the waste or escape of petroleum or water from the pipeline or from any secondary line, pumping station, tank station, valve station or water line.

(5) 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.

(6) 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.

Maintenance, &c., of property.

98. (1) In this section—

"operator" means a permittee, licensee, pipeline 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;

(b) in relation to an operator who is a pipeline licensee—means the part of the adjacent area in which the pipeline is constructed; and

(c)

(c) 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 connexion 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 connexion 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.

Sections 97 and 98 to have effect subject to this Act, &c.

99. Sections 97 and 98 of this Act have effect subject to—

(a) any other provision of this Act;

(b) the regulations;

(c) a direction under section 101 of this Act; and

(d) any other law.

Drilling near boundaries.

100. (1) A permittee or licensee shall not make 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 Designated Authority and in accordance with such conditions, if any, as are specified in the instrument of consent.

(2)

(2) Where a permittee or licensee does not comply with subsection (1) of this section, the Designated Authority 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 making 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.

101. (1) The Designated Authority may, by instrument in writing served on a person, being a permittee, licensee, pipeline 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 152 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 subsections (1) and (2) of this section authorizes 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.

102.

Compliance with directions.

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

(2) Costs and expenses incurred by the Designated Authority 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.

Exemption.

103. (1) Where—

(a) a permit, licence or pipeline licence is, under this Part, to be deemed to continue in force until the Designated Authority grants, or refuses to grant, the renewal of the permit, licence or pipeline licence;

(b) a licence is varied under section 45 of this Act;

(c) a licensee enters into an agreement under section 59 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 pipeline licence is varied under section 71 or 72 of this Act;

(f) a direction is given to a pipeline licensee under section 73 of this Act;

(g) a pipeline licence is partly cancelled;

(h)

(h) an access authority is granted in respect of a block the subject of a permit or licence;

(i) an access authority as in force in respect of a block the subject of a permit or licence is varied;

(j) a permittee, licensee, pipeline licensee or the holder of a special prospecting authority or access authority applies, by instrument in writing served on the Designated Authority—

(i) for a variation or suspension of; or

(ii) for exemption from compliance with,

any of the conditions to which the permit, licence, pipeline licence, special prospecting authority or access authority is subject; or

(k) the Designated Authority under this Part or the regulations gives a direction or consent to a permittee, licensee, pipeline licensee or the holder of a special prospecting authority or access authority,

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

(l) vary or suspend; or

(m) exempt the permittee, licensee, pipeline licensee or the holder of the special prospecting authority or access authority from compliance with,

any of the conditions to which the permit, licence, pipeline licence, special prospecting authority or access authority is subject, upon such conditions, if any, as the Designated Authority determines and specifies in the instrument.

(2) Subsection (1) of this section does not authorize 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; or

(ii)

(ii) the term of a permit, licence or pipeline licence; or

(b) that it would be inconsistent with the applied provisions.

Surrender of permits, &c.

104. (1) The registered holder of an instrument, being a permit, licence or pipeline licence, may, at any time, by application in writing served on the Designated Authority, apply for consent to surrender the instrument—

(a) in the case of a permit or licence—as to all or some of the blocks in respect of which it is in force; or

(b) in the case of a pipeline licence—as to the whole or a part of the pipeline in respect of which it is in force.

(2) Subject to subsection (3) of this section, the Designated Authority 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 Designated Authority 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 Designated Authority, 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 authorized by the instrument, or has made arrangements that are satisfactory to the Designated Authority with respect to that property;

(d) has, to the satisfaction of the Designated Authority, plugged or closed off all wells made in that area by any person engaged or concerned in the operations authorized by the instrument;

(e) subject to this Part and to the regulations, has made provision, to the satisfaction of the Designated Authority, for the conservation and protection of the natural resources in that area; and

(f) has, to the satisfaction of the Designated Authority, made good any damage to the sea-bed or subsoil in that area caused by any person engaged or concerned in the operations authorized by the instrument.

(3) Where the registered holder of an instrument, being a permit, licence or pipeline 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 Designated Authority 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 Designated Authority consents to an application under subsection (1) of this section, the applicant may, by instrument in writing served on the Designated Authority, surrender the instrument accordingly.

(5) In this section, "the area to which the surrender relates" means—

(a) 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; and

(b) in relation to a surrender of a pipeline licence—the part of the adjacent area in which the pipeline, or the part of the pipeline, as to which the pipeline licence is proposed to be surrendered is constructed.

Cancellation of permits, &c.

105. (1) Where a permittee, licensee or pipeline licensee—

(a) has not complied with a condition to which the permit, licence or pipeline licence is subject;

(b) has not complied with a direction given to him under this Part by the Designated Authority;

(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 Designated Authority may, on that ground, by instrument in writing served on the permittee, licensee or pipeline licensee, as the case may be—

(e) in the case of a permit or licence—cancel the permit or licence as to all or some of the blocks in respect of which it is in force; or

(f) in the case of a pipeline licence—cancel the pipeline licence as to the whole or a part of the pipeline in respect of which it is in force.

(2) The Designated Authority shall not, under subsection (1) of this section, cancel a permit, licence or pipeline licence as to all or some of the blocks, or as to the whole or a part of the pipeline, 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, licensee or pipeline licensee, as the case may be, given not less than one month's notice of his intention so to cancel the permit, licence or pipeline 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, licensee or pipeline licensee or a person on whom a copy of the instrument is served may, by instrument in writing served on

on the Designated Authority, submit any matters that he wishes the Designated Authority to consider; and

(d) he has taken into account—

(i) any action taken by the permittee, licensee or pipeline 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, licensee or pipeline licensee or by a person on whom a copy of the firstmentioned instrument has been served.

Cancellation of permit, &c., not affected by other provisions.

106. (1) A permit, licence or pipeline licence may be wholly cancelled or partly cancelled on the ground that the registered holder of the permit, licence or pipeline 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.

(2) A person who was the registered holder of a permit, licence or pipeline licence that has been wholly cancelled, or is the registered holder of a permit, licence or pipeline 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, licence or pipeline licence has been so cancelled.

(3) A permit, licence or pipeline licence may be wholly cancelled or partly cancelled on the ground that the registered holder of the permit, licence or pipeline 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, licence or pipeline licence that has been wholly cancelled, or is the registered holder of a permit, licence or pipeline 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, licence or pipeline licence has been so cancelled.

Removal of property, &c., by permittee, &c.

107. (1) Where a permit, licence or pipeline licence has been wholly determined, partly determined, wholly cancelled or partly cancelled or has expired, the Designated Authority may, by instrument in writing served on the person who was, or is, as the case may be, the permittee, licensee or pipeline 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 authorized by the permit, licence or pipeline licence or to make arrangements that are satisfactory to the Designated Authority with respect to that property;

(b) to plug or close off, to the satisfaction of the Designated Authority, 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 Designated Authority, for the conservation and protection of the natural resources in that area; and

(d) to make good, to the satisfaction of the Designated Authority, any damage to the sea-bed or subsoil in that area caused by any person engaged or concerned in those operations.

(2) The Designated Authority may, by instrument in writing served on a permittee, licensee or pipeline 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, licence area or part of the adjacent area in which the pipeline is constructed, as the case may be, all property brought into that area or part by any person engaged or concerned in the operations authorized by the permit, licence or pipeline licence or to make arrangements that are satisfactory to the Designated Authority with respect to that property;

(b) to plug or close off, to the satisfaction of the Designated Authority, 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 Designated Authority, for the conservation and protection of the natural resources in that area or part; and

(d) to make good, to the satisfaction of the Designated Authority, any damage to the sea-bed or subsoil 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, licence or pipeline licence concerned.

Penalty : Two thousand dollars.

Removal of property, &c., by Designated Authority.

108. Where a permit, licence or pipeline licence has been wholly determined, partly determined, wholly cancelled or partly cancelled or has expired, and a direction under section 107 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 Designated Authority 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 authorized by the permit, licence or pipeline licence has not been removed in accordance with the direction or arrangement, the Designated Authority 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 Designated Authority, 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.

109. (1) The Designated Authority and a person who may request, or has requested, that a permit under section 27 of this Act, or a licence under section 50 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)

(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.

Penalty for late payments of instalments, &c.

110. (1) Where the liability of a person under section 109 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.

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

Special prospecting authorities.

111. (1) Where—

(a) applications have been invited under section 23 of this Act for the grant of a permit in respect of a block or blocks; or

(b) applications have been invited under section 47 of this Act for the grant of a licence in respect of a block or blocks,

a person may make an application to the Designated Authority 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)

(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 Designated Authority—

(a) may grant to the applicant a special prospecting authority subject to such conditions as the Designated Authority 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, authorizes 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 authorizes 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 Designated Authority; and

(b) may, if the holder has not complied with a condition to which the authority is subject, be cancelled by the Designated Authority by instrument in writing served on the holder.

(8) Where a special prospecting authority has been surrendered or cancelled or has expired, the Designated Authority 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 authorized by the special prospecting authority or to make arrangements that are satisfactory to the Designated Authority with respect to that property;

(b) subject to this Part and to the regulations, to make provision, to the satisfaction of the Designated Authority, for the conservation and protection of the natural resources in that area; and

(c) to make good, to the satisfaction of the Designated Authority, any damage to the sea-bed or subsoil 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 108 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 107 of this Act were a reference to an arrangement under subsection (8) of this section.

Penalty : Two thousand dollars.

Access authorities.

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

(2) An application under this section—

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

(b)

(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 Designated Authority to consider.

(3) The Designated Authority 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 Designated Authority 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 Designated Authority 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 Designated Authority, submit any matters that he wishes the Designated Authority 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 firstmentioned instrument, or a copy of that instrument, has been served.

(5) An access authority, while it remains in force, authorizes 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 authorizes 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 Designated Authority; and

(b) may be cancelled by the Designated Authority 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)

(9) Where an access authority has been surrendered or cancelled or has expired, the Designated Authority 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 authorized by the access authority or to make arrangements that are satisfactory to the Designated Authority with respect to that property;

(b) subject to this Part and to the regulations, to make provision, to the satisfaction of the Designated Authority, for the conservation and protection of the natural resources in that area; and

(c) to make good, to the satisfaction of the Designated Authority, any damage to the sea-bed or subsoil 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 108 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 107 of this Act were a reference to an arrangement under subsection (9) of this section.

Penalty : Two thousand dollars.

Sale of property.

113. (1) Where a direction under section 108 of this Act has not been complied with in relation to any property, the Designated Authority may do all or any of the following things : —

(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 Designated Authority 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 107, 111 or 112 of this Act, as the case may be, to be done by that person; and

(c)

(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 Designated Authority 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 107, 111 or 112 of this Act, as the case may be, to be done by a person who is or was a permittee, licensee, pipeline 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.

114. (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;

(ii) in the case of a security referred to in Division 3 of this Part—in the sum of fifty thousand dollars; and

(iii) in the case of a security referred to in Division 4 of this Part—in the sum of twenty thousand dollars;

(b)

(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 Designated Authority allows or partly by cash deposit and partly by such other method as the Designated Authority allows.

(2) A security given in accordance with a form approved by the Designated Authority 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 Designated Authority 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.

115. (1) Where the Designated Authority or an inspector has reason to believe that a person is capable of giving information or producing documents relating to petroleum exploration operations, operations for the recovery of petroleum or operations connected with the construction or operation of a pipeline in the adjacent area, he may, by instrument in writing served on that person, require that person— Designated Authority, &c., may require information to be furnished, &c.

(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 117 of this Act.

116. (1) The Designated Authority or an inspector may administer an oath to a person required to attend before him in pursuance of section 115 of this Act and may examine that person on oath. Power to examine on oath.

(2) Where a person attending before the Designated Authority or an inspector in pursuance of section 115 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)

(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.

Failing to furnish information, &c.

117. A person shall not—

(a) refuse or fail to comply with a requirement in an instrument under section 115 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 Designated Authority 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.

Penalty : Two thousand dollars.

Release of information.

118. (1) The Designated Authority may, at any time, make available to a Minister or to a Minister of State of a State or of the Commonwealth—

(a) any information contained in a report, return or other document relating to a block that has been furnished to the Designated Authority; and

(b) any cores or cuttings from, or samples of, the sea-bed or subsoil in a block, or samples of petroleum recovered in a block, that have been furnished to the Designated Authority.

(2) The Designated Authority or a Minister may, at any time after the relevant day—

(a) make publicly known; or

(b) on request by a person and, if the Designated Authority or that Minister so requires, on payment of a fee of five dollars per day, make available to that person,

any

any information that has been furnished to the Designated Authority or has been made available to that Minister under subsection (1) of this section, being information that relates to the sea-bed or subsoil, or to petroleum, in a block, but not including any matter contained in a report, return or document that in the opinion of the Designated Authority or 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 Designated Authority or a Minister 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 Designated Authority or that 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 sea-bed or subsoil in a block, or samples of petroleum recovered in a block, that have been furnished to the Designated Authority or have been made available to that Minister under subsection (1) of this section.

(4) For the purposes of subsections two and three 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 Designated Authority expires;

(b)

(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 Designated Authority 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 23, or under subsection (4) of section 47, 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 Designated Authority 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 Designated Authority 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 Designated Authority 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 Designated Authority—

(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

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 Designated Authority or a 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 Designated Authority or that 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 Designated Authority or that 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 Designated Authority or a

Minister

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 or a Minister of State of a State or of the Commonwealth), 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 referred to in paragraph (a) of this subsection) 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.

Safety zones.

119. (1) For the purpose of protecting a well or structure, or any equipment, in the adjacent area, the Designated Authority may, by instrument published in the Gazette, prohibit—

(a) all vessels;

(b) all vessels other than specified vessels; or

(c) all vessels other than the vessels included in specified classes of vessels,

from entering or remaining in a specified area (in this section called a "safety zone") surrounding the well, structure or equipment without the consent in writing of the Designated Authority.

(2)

(2) A safety zone specified in an instrument under subsection (1) of this section may extend to a distance of five hundred metres around the well, structure or equipment specified in the instrument measured from each point of the outer edge of the well, structure or equipment.

(3) Where a vessel enters or remains in a safety zone specified in an instrument under subsection (1) of this section in contravention of the instrument, the owner and the person in command or in charge of the vessel are each guilty of an offence against this section and are punishable, upon conviction, by a penalty not exceeding a fine of ten thousand dollars.

Discovery and use of water.

120. 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 Designated Authority, in writing, particulars of the discovery.

Penalty : Two thousand dollars.

Survey of wells, &c.

121. (1) The Designated Authority 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 Designated Authority 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

instrument in writing served on the permittee or licensee, direct the permittee or licensee to furnish further information in writing in connexion 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, &c., to be kept.

122. (1) The Designated Authority may, by instrument in writing served on a person carrying on operations in the adjacent area under a permit, licence, pipeline licence, special prospecting authority, access authority or instrument of consent under section 123 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 connexion with those operations as are specified in the instrument;

(b) to collect and retain such cores, cuttings and samples in connexion with those operations as are so specified; and

(c) to furnish to the Designated Authority, or to such person as is so specified, in the manner so specified, such reports, returns, other documents, cores, cuttings and samples in connexion 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.

Scientific investigations.

123. (1) The Designated Authority may, by instrument in writing, consent to the carrying on in the adjacent area by any person of petroleum exploration operations in the course of a scientific investigation.

(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 authorizes the person specified in the instrument, subject to section 124 of this Act and in accordance with the conditions, if any, to which the instrument is subject, to carry on, in the adjacent area, petroleum exploration operations so specified in the course of the scientific investigation so specified.

Interference with other rights.

124. A person carrying on operations in the adjacent area under a permit, licence, pipeline licence, special prospecting authority, access authority or instrument of consent under section 123 of this Act shall carry on those operations in a manner that does not interfere with—

(a) navigation;

(b) fishing;

(c) the conservation of the resources of the sea and seabed; or

(d) 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.

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

(2)

(2) The Designated Authority may furnish to an inspector a certificate stating that he is 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 Designated Authority or, if the Designated Authority, 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.

126. (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 125 of this Act—

(a) shall have access to any part of the adjacent area and to any structure, ship, aircraft or building in that area that, in his opinion, has been, is being or is to be used in connexion with petroleum exploration operations, operations for the recovery of petroleum or operations connected with the construction or operation of a pipeline in that area;

(b) may inspect and test any equipment that, in his opinion, has been, is being or is to be used in that area in connexion with any of those operations; and

(c) may enter any structure, ship, aircraft, building or place in that area or 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 ship, 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)

(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.

Property in petroleum.

127. 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.

Provisions to prevent double payment of royalty.

128. (1) To the extent to which a person pays royalty to the Commonwealth in respect of petroleum recovered by him under a law of the Commonwealth or under an instrument in force under a law of the Commonwealth, he is not liable to pay royalty in respect of that petroleum under this Act.

(2) In subsection (1) of this section, "royalty" includes an amount payable by reason of late payment of royalty.

Certain payments to be made by State to Commonwealth.

129. (1) The Treasurer shall, not later than the last day of each month of the year, pay to the Commonwealth amounts ascertained in accordance with the formula—

$$\frac{4A}{B}$$

where—

A is the amount of royalty payable under this Act, together with the amount, if any, payable under this Act by reason of late payment of that royalty, by a permittee or licensee in respect of petroleum recovered in the adjacent area under the permit or licence and received by the Designated Authority during the preceding month; and

B is

B is the percentage rate at which royalty is payable under this Act by the permittee or licensee in respect of that petroleum.

(2) The Consolidated Revenue Fund is appropriated to the extent necessary for the purposes of this section.

Determination to be disregarded in certain cases.

130. Where a determination has been made by the Designated Authority under section 145 of this Act in relation to a well, that determination shall be disregarded in ascertaining the value of B for the purposes of section 129 of this Act.

Continuing offences.

131. (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 the 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.

(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.

132.

Prosecution of offences.

132. (1) The offences to which this section applies are offences against this Act (being offences arising under this Part) or the regulations 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 its summary jurisdiction in respect of an offence to which this section applies.

(4) If proceedings in respect of an offence to which this section applies are brought in the Supreme Court in its summary jurisdiction, the Supreme Court may impose a fine not exceeding the maximum fine provided by this Act or the regulations in respect of the offence.

Orders for forfeiture in respect of certain offences.

133. (1) Where a person is convicted by the Supreme Court of an offence against section 19, 39 or 60 of this Act, the Court may, in addition to imposing a fine, make one or more of the following orders :—

(a) an order for the forfeiture of a specified aircraft or vessel 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, or conveyed through a pipeline, as the case may be, in the course of the commission of the offence;

(ii)

(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 conveyed; 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 conveyed 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.

(4) Goods in respect of which an order is made under this section shall be dealt with as the Attorney-General directs and, pending his direction, may be detained in such custody as the Court directs.

Penalties.

134. The penalty, pecuniary or other, set out in, or at the foot of, any section or subsection of a section of this Act indicates that a contravention of the section or subsection respectively, whether by act or omission, is an offence against this Act punishable upon conviction by a penalty not exceeding the penalty so set out.

Time for bringing proceedings for offences.

135. 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.

136.

Judicial notice.

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

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

Service.

137. (1) A document required by this Act to be served on a person other than the Designated Authority 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 Designated Authority shall be served by prepaying and posting the document as a letter addressed to such officer or person as the Designated Authority, by instrument published in the Gazette, specifies at such place as the Designated Authority so specifies.

(3)

(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.

DIVISION 7.—*Fees and Royalties.*

Permit fees.

138. There is payable to the Designated Authority by a permittee in respect of each year of the term of the permit—

(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.

Licence fees.

139. There is payable to the Designated Authority 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.

Pipeline licence fees.

140. There is payable to the Designated Authority by a pipeline licensee, in respect of each year of the term of the pipeline licence, a fee of twenty dollars in respect of each mile or portion of a mile of the length of the pipeline at the commencement of that year.

141.

Time of payment of fees.

141. A fee referred to in section 138, 139 or 140 of this Act is payable within one month after—

(a) in the case of the first year of the term of the permit, licence or pipeline licence—the day on which that term commenced; and

(b) in the case of a year of the term of the permit, licence or pipeline licence other than the first—the anniversary of that day.

Penalty for late payment.

142. Where the liability of a permittee, licensee or pipeline licensee to pay a fee under section 138, 139 or 140 of this Act is not discharged at or before the time when the fee is payable, there is payable to the Designated Authority by the permittee, licensee or pipeline 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.

Fees and penalties debts due to the Crown.

143. A fee under section 138, 139 or 140 of this Act or an amount payable under section 142 of this Act, is a debt due by the permittee, licensee or pipeline licensee, as the case may be, to the Crown and is recoverable in a court of competent jurisdiction.

Royalty.

144. (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 Designated Authority, 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) Subject to the succeeding provisions of this section and the provisions of section 145 of this Act, the prescribed rate in respect of petroleum recovered under a permit or licence is ten per centum of the value at the well-head of the petroleum.

(3)

(3) The prescribed rate in respect of petroleum recovered under a secondary licence is the percentage determined by the Designated Authority in pursuance of subsection (1) of section 42 of this Act in respect of petroleum so recovered.

(4) 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.

(5) Where—

(a) a licence is granted on an application under section 47 of this Act; and

(b) the instrument served on the applicant under section 49 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.

(6) Where a licence is granted on an application under subsection (1) of section 51 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.

(7) 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 the 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.

145. (1) Where the Designated Authority 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 144 of this Act, further recovery of petroleum from that well would be uneconomic, the Designated Authority 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 the rate fixed by section 144 of this Act) as the Designated Authority specifies in respect of such period as the Designated Authority 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.

146. (1) Royalty under this Act—

(a) is not payable in respect of petroleum that the Designated Authority 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 Designated Authority, 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 Designated Authority, is flared or vented in connexion 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 Designated Authority, 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.

Ascertainment of well-head.

147. 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 Designated Authority, or, in default of agreement within such period as the Designated Authority allows, is such valve station as is determined by the Designated Authority as being that well-head.

Ascertainment of value.

148. 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 Designated Authority, or, in default of agreement within such period as the Designated Authority allows, is such amount as is determined by the Designated Authority as being that value.

Ascertainment of quantity of petroleum recovered.

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

(a) the quantity measured during that period by a measuring device approved by the Designated Authority and installed at the well-head or at such other place as the Designated Authority approves; or

(b) where no such measuring device is so installed, or the Designated Authority 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 Designated Authority as being the quantity recovered by the permittee or licensee during that period.

150.

Payment of royalty.

150. (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.

(2) Where an amount of royalty under this Act is not paid as provided by subsection (1) of this section, there is payable to the Designated Authority 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 148 of this Act.

Royalty and penalties debts due to the Crown.

151. Royalty under section 144 of this Act and an amount payable under section 150 of this Act are debts due by the permittee or licensee to the Crown and are recoverable in a court of competent jurisdiction.

PART IV.

MISCELLANEOUS.

Regulations.

152. (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)

(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, of the adjacent area;

(d) the construction and operation of pipelines, water lines, secondary lines, pumping stations, tank stations or valve stations and the carrying on of operations, and the execution of works, for any of those purposes;

(e) the construction, erection, maintenance, operation or use of installations or equipment;

(f) the control of the flow and the prevention of the escape of petroleum or water;

(g) the prevention of the escape of water or drilling fluid or a mixture of water or drilling fluid with petroleum or any other matter;

(h) the prevention of damage to petroleum-bearing strata in an area, whether within the adjacent area or not, in respect of which a permit or licence is not in force;

(i) 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;

(j) the prevention of water or other matter from entering a petroleum pool through wells;

(k) the prevention of the waste or escape of petroleum or water from a pipeline, water line, secondary line, pumping station, tank station or valve station;

(l) the maintaining in good condition and repair of all structures, equipment and other property in the adjacent area used or intended to be used for or in connexion with exploration for, or the exploitation of, petroleum in the adjacent area; and

(m) the removal from the adjacent area of structures, equipment and other property brought into the adjacent area for or in connexion with exploration for, or the exploitation of, petroleum that are not used or intended to be used in connexion with exploration for, or the exploitation of, petroleum in the adjacent area.

(3) The regulations may prescribe, in relation to the exploration for, and the exploitation of, the natural resources (being petroleum) of the adjacent area, matters for carrying out or giving effect to the Convention.

(4) 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.

(5) The regulations shall—

(a) be published in the Gazette;

(b) take effect from the date of publication or from a later date to be specified in the regulations;

(c) be laid before both Houses of Parliament within fourteen sitting days after the publication thereof if Parliament is in session, and if not, then within fourteen sitting days after the commencement of the next session.

(6) If either House of Parliament passes a resolution, of which notice has been given at any time within fifteen sitting days after the regulations have been laid before that House, disallowing any regulation or part thereof, the regulation or part shall thereupon cease to have effect.

SCHEDULES

First Schedule

Section 4.

CONVENTION ON THE CONTINENTAL SHELF

The States Parties to this Convention
Have agreed as follows:

Article 1

For the purpose of these articles, the term "continental shelf" is used as referring (a) to the seabed and subsoil of the submarine areas adjacent to the coast but outside the area of the territorial sea, to a depth of 200 metres or, beyond that limit, to where the depth of the superjacent waters admits of the exploitation of the natural resources of the said areas; (b) to the seabed and subsoil of similar submarine areas adjacent to the coasts of islands.

Article 2

1. The coastal State exercises over the continental shelf sovereign rights for the purpose of exploring it and exploiting its natural resources.

FIRST SCHEDULE—*continued*

ARTICLE 2—*continued*

2. The rights referred to in paragraph 1 of this article are exclusive in the sense that if the coastal State does not explore the continental shelf or exploit its natural resources, no one may undertake these activities, or make a claim to the continental shelf, without the express consent of the coastal State.

3. The rights of the coastal State over the continental shelf do not depend on occupation, effective or notional, or on any express proclamation.

4. The natural resources referred to in these articles consist of the mineral and other non-living resources of the seabed and subsoil together with living organisms belonging to sedentary species, that is to say, organisms which, at the harvestable stage, either are immobile on or under the seabed or are unable to move except in constant physical contact with the seabed or the subsoil.

ARTICLE 3

The rights of the coastal State over the continental shelf do not affect the legal status of the superjacent waters as high seas, or that of the airspace above those waters.

ARTICLE 4

Subject to its right to take reasonable measures for the exploration of the continental shelf and the exploitation of its natural resources, the coastal State may not impede the laying or maintenance of submarine cables or pipelines on the continental shelf.

ARTICLE 5

1. The exploration of the continental shelf and the exploitation of its natural resources must not result in any unjustifiable interference with navigation, fishing or the conservation of the living resources of the sea, nor result in any interference with fundamental oceanographic or other scientific research carried out with the intention of open publication.

2. Subject to the provisions of paragraphs 1 and 6 of this article, the coastal State is entitled to construct and maintain or operate on the continental shelf installations and other devices necessary for its

FIRST SCHEDULE—*continued*

ARTICLE 5—*continued*

exploration and the exploitation of its natural resources, and to establish safety zones around such installations and devices and to take in those zones measures necessary for their protection.

3. The safety zones referred to in paragraph 2 of this article may extend to a distance of 500 metres around the installations and other devices which have been erected, measured from each point of their outer edge. Ships of all nationalities must respect these safety zones.

4. Such installations and devices, though under the jurisdiction of the coastal State, do not possess the status of islands. They have no territorial sea of their own, and their presence does not affect the delimitation of the territorial sea of the coastal State.

5. Due notice must be given of the construction of any such installations, and permanent means for giving warning of their presence must be maintained. Any installations which are abandoned or disused must be entirely removed.

6. Neither the installations or devices, nor the safety zones around them, may be established where interference may be caused to the use of recognized sea lanes essential to international navigation.

7. The coastal State is obliged to undertake, in the safety zones, all appropriate measures for the protection of the living resources of the sea from harmful agents.

8. The consent of the coastal State shall be obtained in respect of any research concerning the continental shelf and undertaken there. Nevertheless the coastal State shall not normally withhold its consent if the request is submitted by a qualified institution with a view to purely scientific research into the physical or biological characteristics of the continental shelf, subject to the proviso that the coastal State shall have the right, if it so desires, to participate or to be represented in the research, and that in any event the results shall be published.

ARTICLE 6

1. Where the same continental shelf is adjacent to the territories of two or more States whose coasts are opposite each other, the boundary of the continental shelf appertaining to such States shall be determined by agreement between them. In the absence of agreement, and unless another boundary line is justified by special circumstances, the boundary is the median line, every point of which is equidistant from the nearest points of the baselines from which the breadth of the territorial sea of each State is measured.

FIRST SCHEDULE—*continued*

ARTICLE 6—*continued*

2. Where the same continental shelf is adjacent to the territories of two adjacent States, the boundary of the continental shelf shall be determined by agreement between them. In the absence of agreement, and unless another boundary line is justified by special circumstances, the boundary shall be determined by application of the principle of equidistance from the nearest points of the baselines from which the breadth of the territorial sea of each State is measured.

3. In delimiting the boundaries of the continental shelf, any lines which are drawn in accordance with the principles set out in paragraphs 1 and 2 of this article should be defined with reference to charts and geographical features as they exist at a particular date, and reference should be made to fixed permanent identifiable points on the land.

ARTICLE 7

The provisions of these articles shall not prejudice the right of the coastal State to exploit the subsoil by means of tunnelling irrespective of the depth of water above the subsoil.

ARTICLE 8

This Convention shall, until 31 October 1958, be open for signature by all States Members of the United Nations or of any of the specialized agencies, and by any other State invited by the General Assembly of the United Nations to become a party to the Convention.

ARTICLE 9

This Convention is subject to ratification. The instruments of ratification shall be deposited with the Secretary-General of the United Nations.

ARTICLE 10

This Convention shall be open for accession by any States belonging to any of the categories mentioned in Article 8. The instruments of accession shall be deposited with the Secretary-General of the United Nations.

ARTICLE 11

1. This Convention shall come into force on the thirtieth day following the date of deposit of the twenty-second instrument of ratification or accession with the Secretary-General of the United Nations.

FIRST SCHEDULE—*continued*

ARTICLE 11—*continued*

2. For each State ratifying or acceding to the Convention after the deposit of the twenty-second instrument of ratification or accession, the Convention shall enter into force on the thirtieth day after deposit by such State of its instrument of ratification or accession.

ARTICLE 12

1. At the time of signature, ratification or accession, any State may make reservations to articles of the Convention other than to articles 1 to 3 inclusive.

2. Any Contracting State making a reservation in accordance with the preceding paragraph may at any time withdraw the reservation by a communication to that effect addressed to Secretary-General of the United Nations.

ARTICLE 13

1. After the expiration of a period of five years from the date on which this Convention shall enter into force, a request for the revision of this Convention may be made at any time by any Contracting Party by means of a notification in writing addressed to the Secretary-General of the United Nations.

2. The General Assembly of the United Nations shall decide upon the steps, if any, to be taken in respect of such request.

ARTICLE 14

The Secretary-General of the United Nations shall inform all States Members of the United Nations and the other States referred to in article 8:

(a) Of signatures to this Convention and of the deposit of instruments of ratification or accession, in accordance with articles 8, 9 and 10;

(b) Of the date on which this Convention will come into force, in accordance with article 11;

(c) Of requests for revision in accordance with article 13;

(d) Of reservations to this Convention, in accordance with article 12.

ARTICLE 15

The original of this Convention, of which the Chinese, English, French, Russian and Spanish texts are equally authentic, shall be deposited with the Secretary-General of the United Nations, who shall send certified copies thereof to all States referred to in article 8.

FIRST

FIRST SCHEDULE—*continued*

ARTICLE 15—*continued*

IN WITNESS WHEREOF the undersigned Plenipotentiaries, being duly authorized thereto by their respective Governments, have signed this Convention.

DONE at Geneva, this twenty-ninth day of April, one thousand nine hundred and fifty-eight.

(*Here follow the signatures on behalf of the parties to the Agreement, including Australia.*)

SECOND SCHEDULE Section 4.

THE ADJACENT AREA

The adjacent area is the area the boundary of which is described in this Schedule, to the extent only that that area includes—

(a) areas of territorial waters; and

(b) areas of superjacent waters of the continental shelf.

The area the boundary of which commences at a point that is the intersection of the coastline at mean low water by the geodesic between the trigonometrical station known as Point Danger near Point Danger and a point of Latitude 27° 58′ South, Longitude 154° East and runs thence north-easterly along that geodesic to a point of Latitude 27° 58′ South, Longitude 154° East; thence north-easterly along the geodesic to a point of Latitude 27° 48′ South, Longitude 154° 22′ East; thence easterly along the geodesic to a point of Latitude 27° 30′ 35″ South, Longitude 160° East; thence southerly along the meridian of Longitude 160° East to its intersection by the parallel of Latitude 39° 12′ South; thence south-westerly along the geodesic to a point of Latitude 40° 40′ South, Longitude 158° 53′ East; thence north-westerly along the geodesic to a point of Latitude 37° 35′ South, Longitude 150° 10′ East; thence north-westerly along the geodesic to the intersection of the coastline at mean low water by the boundary between the States of New South Wales and Victoria; thence along the coastline of the State of New South Wales at mean low water to the point of commencement.

BY AUTHORITY:
V. C. N. BLIGHT, GOVERNMENT PRINTER, NEW SOUTH WALES—1967
[$1.20]

This PUBLIC BILL *originated in the* LEGISLATIVE ASSEMBLY, ***and,*** *having this day passed, is now ready for presentation to the* LEGISLATIVE COUNCIL *for its concurrence.*

I. P. K. VIDLER,
Clerk of the Legislative Assembly.

Legislative Assembly Chamber,
Sydney, 15 *November,* 1967.

New South Wales

ANNO SEXTO DECIMO

ELIZABETHÆ II REGINÆ

* *

Act No. , 1967.

An Act relating to the exploration for, and the exploitation of, the petroleum resources, and certain other resources, of certain submerged lands adjacent to the coasts of the State; and for purposes connected therewith.

WHEREAS

WHEREAS in accordance with international law Australia as a coastal state has sovereign rights over the continental shelf beyond the limits of Australian territorial waters for the purpose of exploring it and exploiting its natural resources : Preamble.

AND WHEREAS Australia is a party to the Convention on the Continental Shelf signed at Geneva on the twenty-ninth day of April, one thousand nine hundred and fifty-eight, in which those rights are defined :

AND WHEREAS the exploration for and the exploitation of the petroleum resources of submerged lands adjacent to the Australian coast would be encouraged by the adoption of legislative measures applying uniformly to the continental shelf and to the sea-bed and subsoil beneath territorial waters :

AND WHEREAS the Governments of the Commonwealth and of the States have decided, in the national interest, that, without raising questions concerning, and without derogating from, their respective constitutional powers, they should co-operate for the purpose of ensuring the legal effectiveness of authorities to explore for or to exploit the petroleum resources of those submerged lands :

AND WHEREAS the Governments of the Commonwealth and of the States have accordingly agreed to submit to their respective Parliaments legislation relating both to the continental shelf and to the sea-bed and subsoil beneath territorial waters and have also agreed to co-operate in the administration of that legislation :

Be it therefore enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows :—

PART I.

PRELIMINARY.

1. This Act may be cited as the "Petroleum (Submerged Lands) Act, 1967". Short title.

2.

Commencement.

2. The several provisions of this Act shall commence upon such day or days as may be appointed by the Governor in respect thereof and notified by proclamation published in the Gazette.

Division of Act.

3. This Act is divided as follows :—

PART I.—PRELIMINARY—*ss.* 1–13.

PART II.—APPLICATION OF LAWS—*ss.* 14–15.

PART III.—MINING FOR PETROLEUM—*ss.* 16–151.

DIVISION 1.—*Preliminary*—*ss.* 16–18.

DIVISION 2.—*Exploration Permits for Petroleum*—*ss.* 19–38.

DIVISION 3.—*Production Licences for Petroleum*—*ss.* 39–59.

DIVISION 4.—*Pipeline Licences*—*ss.* 60–75.

DIVISION 5.—*Registration of Instruments*—*ss.* 76–92.

DIVISION 6.—*General*—*ss.* 93–137.

DIVISION 7.—*Fees and Royalties*—*ss.* 138–151.

PART IV.—MISCELLANEOUS—*s.* 152.

SCHEDULES.

Interpretation.

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

"access authority" means an access authority under Part III;

"application for a primary licence" means an application under subsection (1) or (2) of section 40 of this Act and "primary licence" means a licence granted on such an application;

"application

"application for a secondary licence" means an application under subsection (3) of section 40 of this Act and "secondary licence" means a licence granted on such an application;

"approved" means approved by the Designated Authority;

"block" means a block constituted as provided by section 17 of this Act;

"construct" includes "place" and "construction" has a corresponding meaning;

"corresponding law" means an Act of another State or a law in force in a Territory of the Commonwealth giving effect to the agreement between the Governments of the Commonwealth and of the States referred to in the preamble to this Act;

"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 operations for the recovery of petroleum, as the case may be;

"graticular section" means a section referred to in section 17 of this Act;

"inspector" means a person appointed under section 125 of this Act;

"licence" means a production licence for petroleum under Part III;

"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 37 of this Act is in force;

"natural

"natural resources" has the same meaning as in the Convention;

"partly cancelled" means—

(a) 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; and

(b) in relation to a pipeline licence—cancelled as to a part of the pipeline the subject of the 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;

"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 in the adjacent area;

"petroleum pool" means a naturally occurring discrete accumulation of petroleum;

"pipeline" means a pipe or system of pipes in the adjacent area for conveying petroleum but does not include a pipe or system of pipes—

(a) for returning petroleum to a natural reservoir;

(b) for conveying petroleum for use for the purposes of petroleum exploration operations or operations for the recovery of petroleum;

(c) for conveying petroleum that is to be flared or vented; or

(d) for conveying petroleum from a well to a terminal station without passing through another terminal station, whether the terminal station to which the petroleum is conveyed is in the adjacent area or not;

"pipeline licence" means a licence under Part III to construct and operate a pipeline;

"pipeline licensee" means the registered holder of a pipeline licence;

"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 40 of this Act;

"prescribed" means prescribed by the regulations;

"pumping station" means equipment for pumping petroleum or water and includes any structure associated with that equipment;

"Register" means the Register kept by the Designated Authority in pursuance of Division 5 of Part III;

"registered holder", in relation to a permit, licence, pipeline 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, pipeline licence or access authority;

"regulations"

"regulations" means regulations made under this Act;

"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;

"secondary line" means a pipe or system of pipes for any purpose referred to in paragraphs (a), (b), (c) and (d) of the definition of "pipeline";

"special prospecting authority" means a special prospecting authority under Part III;

"tank station" means a tank or system of tanks for holding or storing petroleum and includes any structure associated with that tank or system of tanks;

"terminal station" means a pumping station, a tank station or a valve station declared to be a terminal station under section 63 of this Act or under a corresponding law;

"the adjacent area" means the area specified in the Second Schedule to this Act as being adjacent to the State of New South Wales;

"the applied provisions" means the provisions applied in accordance with section 14 of this Act;

"the Commonwealth Act" means the Act or Acts of the Parliament of the Commonwealth passed to give effect to the agreement referred to in the preamble to this Act and includes that Act or those Acts as amended from time to time;

"the continental shelf" means the continental shelf, within the meaning of the Convention, adjacent to the coast of Australia;

"the

"the Convention" means the Convention entitled "Convention on the Continental Shelf" signed at Geneva on the twenty-ninth day of April, one thousand nine hundred and fifty-eight, being the Convention a copy of which in the English language is set out in the First Schedule to 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;

(d) in relation to a pipeline licence that is no longer in force—the part of the adjacent area in which the pipeline was constructed;

(e) in relation to a pipeline licence that has been wholly cancelled or partly cancelled —the part of the adjacent area in which the pipeline or the part of the pipeline, as the case may be, was constructed; and

(f) 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;

"valve station" means equipment for regulating the flow of petroleum and includes any structure associated with that equipment;

"vessel"

"vessel" means a vessel used in navigation, other than air navigation, and includes a barge, lighter or other floating vessel;

"water line" means a pipe or system of pipes for conveying water in connexion with petroleum exploration operations or operations for the recovery of petroleum;

"well" means a hole in the sea-bed or subsoil made by drilling, boring or any other means in connexion 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, licence or pipeline licence, means cancelled as to all the blocks, or as to the whole of the pipeline, the subject of the permit, licence or pipeline licence;

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

(2) In this Act, a reference to the term of a permit, licence, pipeline licence, special prospecting authority or access authority is a reference to the period during which the permit, licence, pipeline licence, special prospecting authority or access authority remains in force and a reference to the date of expiration of a permit, licence, pipeline licence, special prospecting authority or access authority is a reference to the day on which the permit, licence, pipeline 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, licence or pipeline licence is a reference to a period of one year commencing on the date from and including which the permit, licence or pipeline 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

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 the renewal, or to the grant of a renewal, of a pipeline licence in respect of a pipeline is a reference to the grant of a pipeline licence in respect of that pipeline to commence on the day after the date of expiration of the firstmentioned pipeline licence or on the day after the date of expiration of the pipeline licence granted upon a previous renewal of the firstmentioned pipeline licence.

(7) In this Act, a reference to a pipeline includes a reference to a part of a pipeline.

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

(9) The power conferred by this Act to make, grant or issue any instrument shall, unless the contrary intention appears, be construed as including a power exercisable in the like manner and subject to the like conditions, if any, to repeal, rescind, revoke, amend or vary any such instrument.

Construction of Act.

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

Spaces above and below adjacent areas.

6. For the purposes of this Act and the regulations—

(a) the space above or below the adjacent area shall be deemed to be in that area; and

(b)

(b) the space above or below an area that is part of the adjacent area shall be deemed to be in that part.

Points, &c., to be ascertained by reference to Australian Geodetic Datum.

7. (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 flattening of $\frac{100}{29825}$ and by reference to the position 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 one of this section.

Application of Act.

8. 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 New South Wales or not.

Obligations and liabilities.

9. Where an obligation or liability is imposed by or under the applied provisions or by or under Part III or the regulations and the like obligation or liability is imposed by or under the Commonwealth Act and the obligation or liability under the Commonwealth Act is discharged, the other obligation or liability is also discharged.

Rights, powers and privileges.

10. Where a right, privilege or power is conferred by or under the applied provisions or by or under Part III or the regulations and the like right, privilege or power is conferred by or under the Commonwealth Act and the right, privilege or power under the Commonwealth Act has been exercised, the other right, privilege or power is not capable of being exercised.

11.

11. Where an act or omission gives rise to a cause of action under the applied provisions or under Part III or the regulations and also to a cause of action under the Commonwealth Act and the cause of action under the Commonwealth Act is extinguished, the other cause of action is also extinguished. Causes of action.

12. Where an act or omission constitutes an offence under both the Commonwealth Act and the applied provisions, Part III or the regulations and the offender has been convicted for that offence under the Commonwealth Act, he shall not be liable to be convicted for the offence under the applied provisions, Part III or the regulations. Persons not liable to be convicted under two laws.

13. Where a person or a court has done an act in the purported exercise of a power or function under the Commonwealth Act and that act could have been done by that person or court in the exercise of a power or function under the applied provisions or under Part III or the regulations, that act shall be deemed to have been done by that person or court in the exercise of the power or function under those provisions, that Part or those regulations, as the case may be. Validation of certain acts.

PART II.

Application of Laws.

14. (1) Subject to this Act, the provisions of the laws in force in New South Wales, whether written or unwritten, and as in force from time to time, and the provisions of any instrument made under any of those laws, apply in the adjacent area. Application of laws in area adjacent to State.

(2) The provisions referred to in subsection (1) of this section apply to and in relation to all acts, matters, circumstances and things touching, concerning, arising out of

or

or connected with the exploration of the sea-bed or subsoil of the adjacent area for petroleum and the exploitation of the natural resources, being petroleum, of that sea-bed or subsoil, and not otherwise, and so apply as if the adjacent area were part of the State.

(3) This section does not—

(a) extend to the provisions of any law or instrument—

(i) in so far as they apply to or in relation to exploration for, or operations for the recovery of, petroleum;

(ii) in so far as they apply to or in relation to the construction or operation of pipelines;

(iii) in so far as they are incapable of application in the adjacent area; or

(iv) in so far as they are expressed not to extend to or apply in the adjacent area; or

(b) operate so as to apply the provisions of any law of the Commonwealth in any part of the adjacent area in which that law applies.

(4) The regulations may provide that any provisions referred to in subsection (1) of this section that are specified in the regulations do not apply by reason of this section or apply with prescribed modifications only.

(5) Regulations made for the purposes of subsection (4) of this section may provide that prescribed provisions be added to or substituted for any of the provisions referred to in subsection (1) of this section.

Jurisdiction of State courts.

15. (1) Subject to this section, the several courts of New South Wales are invested with jurisdiction in all matters arising under the applied provisions, this Act or the regulations.

(2) The jurisdiction with which the several courts are invested by subsection (1) of this section is invested within the limits (other than limits having effect by reference to localities) of their several jurisdictions.

(3) The jurisdiction invested in a court of summary jurisdiction by this section shall not be judicially exercised except by a stipendiary magistrate sitting alone.

(4) This section does not limit the jurisdiction that any court has apart from this section.

PART III.

MINING FOR PETROLEUM.

DIVISION 1.—*Preliminary.*

Designated Authority.

16. (1) The Minister is for the purposes of this Act the Designated Authority.

(2) The Governor may make an arrangement with the Governor-General with respect to any or all of the matters with respect to which the Governor-General is authorized to make arrangements under the Commonwealth Act.

(3) An arrangement made under this section may contain such incidental or supplementary provisions as the Governor and the Governor-General think necessary.

(4) The Governor may arrange with the Governor-General for the variation or revocation of an arrangement made under this section.

(5) The Designated Authority may—

(a) delegate all or any of his powers or functions under this Act or the regulations (except this power of delegation); and

(b) vary or revoke a delegation given by him.

(6)

(6) A power or function delegated by the Designated Authority 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 Designated Authority in relation to a matter—upon the opinion, belief or state of mind of the delegate in relation to that matter.

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

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

Graticulation of Earth's surface and constitution of blocks.

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

(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 adjacent area constitutes a block; and

(b)

(b) if a part only of a graticular section is, or parts only of a graticular section are, within the adjacent area, 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.

18. (1) The Designated Authority 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 or over or in which there is a pipeline) shall not be the subject of a permit, licence, special prospecting authority or access authority and that a pipeline licence shall not be granted in respect of a pipeline over or in that block.

(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 and a pipeline licence shall not be granted in respect of a pipeline over or in that block.

DIVISION 2.—*Exploration Permits for Petroleum.*

Exploration for petroleum.

19. A person shall not explore for petroleum in the adjacent area—

(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.

20.

20. (1) The Designated Authority 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 Designated Authority may, for reasons that he thinks sufficient, in an instrument under subsection (1) of this section, direct that subsection (2) or (3) of section 21 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 Designated Authority 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 Designated Authority 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 Designated Authority may, for reasons that he thinks sufficient, upon request in writing served on him, direct that subsection (2) or (3) of section 21 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.

21. (1) An application under section 20 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 four 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 Designated Authority 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)

(4) The Designated Authority 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 connexion with his application.

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

22. (1) Where an application has been made under section 20 of this Act, the Designated Authority 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 subject 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 Designated Authority 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

instrument on him, or within such further period, not exceeding one month, as the Designated Authority, 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 Designated Authority, request the Designated Authority to grant to him the permit; and

(b) lodge with the Designated Authority 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 Designated Authority the security referred to in the instrument,

within the period applicable under subsection (3) of this section, the Designated Authority 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 Designated Authority 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.

23. (1) Where—

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

Application for permit in respect of surrendered, &c., blocks.

(b)

(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 Designated Authority 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 Designated Authority 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 20 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 Designated Authority 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 20 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 21 of this Act;

(d) shall specify an amount that the applicant is prepared to pay to the Designated Authority, in addition to the fee referred to in paragraph (a) of subsection (1) of section 24 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 Designated Authority to consider.

(5) The Designated Authority 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 connexion with his application.

Application fee, &c.

24. (1) An application under section 23 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 25 of this Act does not request the Designated Authority, in accordance with section

section 26 of this Act, to grant to him the permit referred to in the instrument, the deposit shall not, unless the Designated Authority otherwise determines, be refunded to the applicant.

Consideration of application.

25. (1) Where, at the expiration of the period specified in an instrument under subsection (1) of section 23 of this Act, only one application has been made under that subsection in respect of the block or blocks specified in the instrument, the Designated Authority 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.

(2) Where, at the expiration of the period specified in an instrument under subsection (1) of section 23 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 Designated Authority 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 23 of this Act, the Designated Authority 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 the block or blocks specified in the application.

(4)

(4) Where the Designated Authority 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 subject 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 26 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 109 of this Act in respect of that balance; and

(iii) lodge with the Designated Authority the security referred to in the instrument.

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

26. (1) An applicant on whom there has been served an instrument under section 25 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 Designated Authority, 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 Designated Authority, request the Designated Authority to grant to him the permit referred to in the first-mentioned instrument;

(b)

(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 109 of this Act in respect of that balance; and

(c) lodge with the Designated Authority the security referred to in the firstmentioned instrument.

(2) Where an applicant on whom there has been served an instrument under section 25 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 109 of this Act in respect of that balance; or

(c) has not lodged with the Designated Authority 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 25 of this Act lapses as provided by subsection (2) of this section, subsection (2) of that section applies in respect of the application or applications, if any, then remaining unrejected.

Grant of permit on request.

27. Where a person on whom there has been served an instrument under section 25 of this Act—

(a) has made a request under subsection (1) of section 26 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 109 of this Act in respect of that balance; and

(c)

(c) has lodged with the Designated Authority the security referred to in the instrument,

within the period applicable under that subsection, the Designated Authority 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.

28. A permit, while it remains in force, authorizes 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.

29. 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 six 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.

30. (1) Subject to section 31 of this Act, a permittee may, from time to time, make an application to the Designated Authority 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)

(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 Designated Authority 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.

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

31. (1) The number of blocks in respect of which an application for the renewal of a permit may be made shall not exceed the number calculated as follows :—

(a) where the number of blocks in respect of which the permit is in force is a number that is divisible by two without remainder—one-half of that number; or

(b) where the number of blocks in respect of which the permit is in force is a number that is one less or one more than a number that is divisible by four without remainder—one-half of that lastmentioned number.

(2) A block that is, or is included in, a location and in respect of which the 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 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)

(4) Where the number of blocks in respect of which an application for the 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 renewal of a permit, the number calculated in accordance with subsection (1) of this section is less than sixteen, the Designated Authority 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 Designated Authority 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.

Grant or refusal of renewal of permit.

32. (1) Where a permittee makes an application for the renewal of a permit, the Designated Authority—

(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 Designated Authority is satisfied that, although the permittee has not so complied, special circumstances exist that justify the granting of the renewal of the permit,

inform

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 Designated Authority is not satisfied that special circumstances exist that justify the granting of the renewal of the permit, the Designated Authority shall, subject to subsection (3) of this section, by instrument in writing served on the permittee, refuse to grant the renewal of the permit.

(3) The Designated Authority 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 Designated Authority, submit any matters that he wishes the Designated Authority 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 Designated Authority 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 Designated Authority, request the Designated Authority to grant to him the renewal of the permit; and

(b) lodge with the Designated Authority 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 Designated Authority the security referred to in the instrument,

within the period referred to in subsection (5) of this section, the Designated Authority 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)

(b) has not lodged with the Designated Authority 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 Designated Authority 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 Designated Authority grants, or refuses to grant, the renewal of the permit; or

(d) until the application so lapses,

whichever first happens.

Conditions of permit.

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

(2) The conditions referred to in subsection (1) of this section may include a condition that, in or 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.

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

(a) shall forthwith inform the Designated Authority of the discovery; and

(b) shall, within a period of three days after the date of the discovery, furnish to the Designated Authority particulars in writing of the discovery.

(2) Where petroleum is discovered in a permit area, the Designated Authority 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 subsoil in which the petroleum occurs; and

(c) any other matters relating to the discovery that are specified by the Designated Authority 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.

35. (1) Where petroleum is discovered in a permit area, the Designated Authority 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 Designated Authority 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 Designated Authority 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.

36.

Nomination of block for purposes of declaring location.

36. (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—

(a) may; or

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

by instrument in writing served on the Designated Authority, nominate a block in respect of which the permit is in force for the purpose of the making of a declaration under section 37 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 Designated Authority, on application in writing served on him before the expiration of that period of three months, allows, nominate the block, the Designated Authority may, by instrument in writing served on the permittee, nominate the block.

(3) Where a permittee or the Designated Authority 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 37 of this Act but this subsection does not prevent other discovery blocks in the permit area 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 37 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 44 of this Act,

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

(6) The Designated Authority 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.

37. (1) Where a permittee or the Designated Authority has nominated a block under section 36 of this Act, the Designated Authority shall, by instrument published in the Gazette, declare— Declaration of location.

(a) that block; and

(b)

(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 Designated Authority, requests that, for the reasons specified in the instrument, the declaration be revoked, the Designated Authority 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.

Immediately adjoining blocks.

38. For the purposes of sections 36 and 37 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—

(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 adjacent area.

39. A person shall not carry on operations for the recovery of petroleum in the adjacent area—

(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.

40. (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 Designated Authority for the grant of a licence—

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

(b)

(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 Designated Authority 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 Designated Authority 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

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 Designated Authority 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 Designated Authority, on application by the permittee, in writing, served on the Designated Authority before the expiration of the firstmentioned period of two years, allows.

Application for licence.

41. (1) An application under section 40 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 Designated Authority 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)

(2) The Designated Authority 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 connexion with his application.

Determination of rate of royalty.

42. (1) 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 Designated Authority shall determine a rate at which royalty is to be payable in respect of petroleum recovered, whether under the primary licence or under the secondary licence, being a rate that is not less than eleven per centum nor more than twelve and one-half per centum of the value at the well-head of that petroleum.

(2) The Designated Authority shall not, under subsection (1) of this section, determine the rate at which royalty is to be payable unless he has given to the applicant an opportunity to confer with him concerning that rate.

Notification as to grant of licence.

43. (1) Where an application for the grant of a licence has been made under section 40 of this Act and the applicant has furnished any further information required by the Designated Authority under subsection (2) of section 41 of this Act, the Designated Authority, by instrument in writing served on the applicant—

(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 the applicant 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)

(b) if the instrument relates to an application for a secondary licence—specify the rate of royalty determined by the Designated Authority in pursuance of subsection (1) of section 42 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 44 of this Act in respect of the grant of the licence; or

(ii) in a case where the Designated Authority 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 Designated Authority.

Grant of licence.

44. (1) An applicant on whom there has been served an instrument under subsection (1) of section 43 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 Designated Authority, 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 Designated Authority request the Designated Authority to grant to him the licence referred to in the firstmentioned instrument; and

(b) if the Designated Authority 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 Designated Authority.

(2) Where an applicant on whom there has been served an instrument under subsection (1) of section 43 of this Act—

(a) has made a request under subsection (1) of this section; and

(b)

(b) if the Designated Authority has informed the applicant that he will be required to lodge a security as mentioned in paragraph (b) of subsection (1) of section 43 of this Act, has lodged that security with the Designated Authority,

within the period applicable under subsection (1) of this section, the Designated Authority 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 45 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 43 of this Act—

(a) has not made a request under subsection (1) of this section; or

(b) if the Designated Authority has informed the applicant that he will be required to lodge a security as mentioned in paragraph (b) of subsection (1) of section 43 of this Act, has not lodged that security with the Designated Authority,

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.

Variation of licence area.

45. (1) Where an application is made under subsection (2) of section 40 of this Act for a variation of a licence, the Designated Authority shall, by instrument in writing served on the licensee, vary the licence to include in the licence area the blocks specified in the application.

(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.

Determination of permit as to block not taken up by licensee.

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

(a) a permittee who may make an application under section 40 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)

(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 Designated Authority shall, by instrument published in the Gazette, revoke the declaration made under subsection (1) of section 37 of this Act in respect of that location.

Application for licence in respect of surrendered, &c., blocks.

47. (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 Designated Authority, there is petroleum,

the Designated Authority 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 Designated Authority 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 Designated Authority, 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 Designated Authority 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.

(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 Designated Authority 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 Designated Authority 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 41 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 Designated Authority to consider.

(7) The Designated Authority 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 connexion with his application.

48. (1) An application under section 47 of this Act shall be accompanied by— Application fee, &c.

(a) a fee of one thousand dollars; and

(b)

(b) a deposit—

(i) if the application is made under subsection (1) or (4) of section 47 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 47 of this Act and the Designated Authority 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 49 of this Act does not request the Designated Authority, under subsection (6) of that section, to grant to him the licence referred to in the instrument, the deposit shall not, unless the Designated Authority otherwise determines, be refunded to the applicant.

Request by applicant for grant of licence.

49. (1) Where, at the expiration of the period specified in an instrument under subsection (1) of section 47 of this Act, only one application has been made under that subsection in respect of the block specified in the instrument, the Designated Authority 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)

(2) Where, at the expiration of the period specified in an instrument under subsection (1) of section 47 of this Act, two or more applications have been made under that subsection in respect of the block specified in the instrument, the Designated Authority 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 47 of this Act, the Designated Authority 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 Designated Authority may, by an instrument served on an applicant under any of the preceding provisions of this section, inform the applicant that he will

be

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 109 of this Act in respect of that balance; or

(iii) in a case where the Designated Authority 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 Designated Authority.

(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 Designated Authority, on application in writing served on him before the

the expiration of the firstmentioned period of three months, allows—

(a) by instrument in writing served on the Designated Authority, request the Designated Authority 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 109 of this Act in respect of that balance; and

(c) if the Designated Authority 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 Designated Authority.

(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 that balance or entered into an agreement under section 109 of this Act in respect of that balance; or

(c) if the Designated Authority 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 Designated Authority,

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,

section, subsection (2) of this section applies in respect of the application or applications, if any, then remaining unrejected.

Grant of licence on request.

50. Where an applicant on whom there has been served an instrument under section 49 of this Act—

(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 109 of this Act in respect of that balance; and

(c) if the Designated Authority has informed him that he will be required to lodge a security as mentioned in subsection (4) of section 49 of this Act, has lodged that security with the Designated Authority,

within the period applicable under subsection (6) of section 49 of this Act, the Designated Authority 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.

51. (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 Designated Authority 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 Designated Authority 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 Designated Authority has required the licensee to lodge a security as mentioned in subsection (3) of this section, has lodged that security with the Designated Authority,

the Designated Authority 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 53 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.

Rights conferred by licence.

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

(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.

Term of licence.

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

(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 Designated Authority 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.

54. (1) A licensee may, from time to time, make an application to the Designated Authority 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)

(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 Designated Authority 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.

55. (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 54 of this Act for the renewal of the licence, the Designated Authority—

(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 54 of this Act for the renewal of the licence, the Designated Authority, 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)

(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 Designated Authority is not satisfied that special circumstances exist that justify the granting of the renewal of the licence, the Designated Authority 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 Designated Authority 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 Designated Authority, submit any matters that he wishes the Designated Authority 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 first-mentioned instrument has been served.

(5) Where a licensee makes an application under section 54 of this Act in respect of a renewal other than the first renewal of the licence, the Designated Authority may, by instrument in writing served on the licensee, refuse to grant the renewal of the licence.

(6) The Designated Authority 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 Designated Authority 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 Designated Authority.

(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 Designated Authority, request the Designated Authority to grant to him the renewal of the licence; and

(b) if the Designated Authority 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 Designated Authority.

(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)

(b) if the Designated Authority 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 Designated Authority,

within the period referred to in subsection (8) of this section, the Designated Authority 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 Designated Authority 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 Designated Authority,

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 54 of this Act; and

(b) the licence expires—

(i) before the Designated Authority 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 Designated Authority grants, or refuses to grant, the renewal of the licence; or

(d) until the application so lapses,

whichever first happens.

Conditions of licence.

56. A licence may be granted subject to such conditions as the Designated Authority thinks fit and specifies in the licence.

Works to be carried out.

57. (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 connexion 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 connexion 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)

(4) The Designated Authority 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 Designated Authority 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 Division 7 of this Part.

Directions as to recovery of petroleum.

58. (1) Where petroleum is not being recovered in a licence area and the Designated Authority 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.

(2) Where the Designated Authority 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 Designated Authority may, by instrument in writing served on the licensee, give to the licensee such directions as the Designated Authority 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 Designated Authority 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 Designated Authority specifies in the instrument.

(4) Where the Designated Authority 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 Designated Authority may, by instrument in writing served

served on the licensee, give to the licensee such directions as the Designated Authority 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 development.

59. (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 adjacent area 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 Designated Authority, 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 adjacent area that includes part of a particular petroleum pool that extends into the adjacent area,

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 81 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)

(b) a licensee enters into such an agreement but the agreement is not lodged with the Designated Authority in accordance with subsection (3) of this section or if so lodged is not approved under section 81 of this Act,

the Designated Authority may, by instrument in writing served on the 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 Designated Authority may, by instrument in writing served on the licensee, give to the licensee such directions as the Designated Authority 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 Designated Authority may, by instrument in writing served on the licensee, give to the licensee such directions as the Designated Authority 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 Designated Authority has given directions under subsection (5) or (6) of this section, the Designated Authority 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 Designated Authority shall not give a direction under 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 81 of this Act applies.

DIVISION 4.—*Pipeline Licences.*

Construction, &c., of pipelines, &c.

60. (1) A person shall not, in the adjacent area, commence, or continue, the construction of a pipeline except under and in pursuance of a pipeline licence.

(2) A person shall not, in the adjacent area, alter or reconstruct a pipeline, except under and in pursuance of a pipeline licence.

(3) A person shall not, in the adjacent area, operate a pipeline—

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

(b) unless he has obtained the consent of the Designated Authority under section 75 of this Act to the commencement or resumption, as the case may be, of operations and commences or resumes operations in accordance with the conditions, if any, specified in the instrument of consent.

(4) A person shall not, in the adjacent area, commence, or continue, the construction of, alter, reconstruct or operate a water line, pumping station, tank station, valve station or secondary line—

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

(b) except with the consent in writing of the Designated Authority and in accordance with the conditions, if any, specified in the instrument of consent.

(5)

(5) The Designated Authority may, for reasons that he thinks sufficient, refuse to give his consent under any provision of this section.

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

Acts done in an emergency, &c.

61. It is not an offence against section 60 of this Act—

(a) if, in an emergency in which there is a likelihood of loss or injury, or for the purpose of maintaining a pipeline, water line, pumping station, tank station, valve station or secondary line in good order or repair, a person does an act to avoid the loss or injury or to maintain the pipeline, water line, pumping station, tank station, valve station or secondary line in good order and repair and—

(i) as soon as practicable notifies the Designated Authority of the act done; and

(ii) complies with any directions given to him by the Designated Authority; or

(b) if a person does an act in compliance with a direction under this Act or the regulations.

Removal of pipeline, &c., constructed in contravention of Act.

62. (1) Where—

(a) the construction of a pipeline, water line, pumping station, tank station, valve station or secondary line is commenced, continued or completed in contravention of this Act; or

(b) a pipeline, water line, pumping station, tank station, valve station or secondary line is altered or reconstructed in contravention of this Act,

the Designated Authority may, by instrument in writing served on the appropriate person, direct him—

(c) to make such alterations to the pipeline, water line, pumping station, tank station, valve station or secondary line as are specified in the instrument; or

(d)

(d) to move the pipeline, water line, pumping station, tank station, valve station or secondary line to a specified place in, or to remove it from, the adjacent area,

within the period specified in the instrument.

(2) For the purpose of subsection (1) of this section, the appropriate person is—

(a) if the construction of the pipeline, water line, pumping station, tank station, valve station or secondary line has been completed—the owner of the pipeline, water line, pumping station, tank station, valve station or secondary line; or

(b) if the construction of the pipeline, water line, pumping station, tank station, valve station or secondary line has not been completed—the person for whom the pipeline, water line, pumping station, tank station, valve station or secondary line is being constructed.

(3) Where a person on whom there has been served an instrument under subsection (1) of this section does not, within the period specified in the instrument or within such further period, if any, as the Designated Authority, on application in writing served on him before the expiration of the firstmentioned period, allows, comply with the direction, the Designated Authority may do all or any of the things required by the direction to be done.

(4) Costs and expenses incurred by the Designated Authority under subsection (3) of this section are a debt due by the person referred to in that subsection to the Crown and are recoverable in a court of competent jurisdiction.

Terminal station.

63. The Designated Authority may, by instrument published in the Gazette, declare a pumping station, a tank station or a valve station in the adjacent area to be a terminal station.

64.

Application for pipeline licence.

64. (1) An application for a pipeline licence—

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

(b) shall be made in an approved manner;

(c) shall be accompanied by particulars of—

(i) the proposed design and construction of the pipeline;

(ii) the proposed size and capacity of the pipeline;

(iii) the proposals of the applicant for work and expenditure in respect of the construction of the pipeline;

(iv) the technical qualifications of the applicant and of his employees;

(v) the technical advice available to the applicant;

(vi) the financial resources available to the applicant; and

(vii) any agreements entered into, or proposed to be entered into, by the applicant for or in relation to the supply or conveyance of petroleum by means of the pipeline;

(d) shall be accompanied by a plan, drawn to an approved scale, showing—

(i) the route to be followed by the pipeline;

(ii) the sites of the pumping stations, tank stations and valve stations to be used in connexion with the pipeline; and

(iii) the site of any pumping station, tank station or valve station that the applicant desires to be declared under section 63 of this Act to be a terminal station in connexion with the pipeline;

(e) may set out any other matters that the applicant wishes the Designated Authority to consider; and

(f) shall be accompanied by a fee of one thousand dollars.

(2)

(2) Where a notice is published in the Gazette—

(a) of an application for a pipeline licence in respect of the construction of a pipeline for the conveyance of petroleum recovered in a licence area made by a person other than the licensee; or

(b) of an application for a pipeline licence in respect of the construction of a pipeline for the conveyance of petroleum recovered in a licence area under a corresponding law made by a person other than the pipeline operator under a corresponding law,

the licensee or the pipeline operator under a corresponding law, as the case may be, may, within a period of three months after the date of publication of the notice, or within such further period not exceeding three months, as the Designated Authority, on application in writing served on him before the expiration of the firstmentioned period of three months, allows, make an application for a pipeline licence referred to in paragraph (a) or (b) of this subsection, as the case requires, and, in the application, request that the application referred to in the notice be rejected.

(3) Where—

(a) a notice referred to in subsection (2) of this section is published in the Gazette; and

(b) a pipeline licence is granted to the licensee or to the pipeline operator under a corresponding law on an application under that subsection,

the Designated Authority shall, by instrument in writing served on the applicant, reject the application referred to in the notice.

(4) The Designated Authority may, at any time, by instrument in writing served on a person who has made an application under this section, require him to furnish, within the time specified in the instrument, further information in writing in connexion with his application.

(5) In this section, "pipeline operator under a corresponding law" means a person who is entitled under a corresponding law to carry on operations for the recovery of petroleum

petroleum in an area outside the adjacent area and who the Designated Authority is satisfied is or will be entitled to construct a pipeline from the firstmentioned area to the boundary of the adjacent area.

Grant or refusal of pipeline licence.

65. (1) Where a person makes an application in accordance with section 64 of this Act the Designated Authority—

(a) shall, if the application is—

(i) in respect of the construction in the adjacent area of a pipeline for the conveyance of petroleum recovered in a licence area in respect of which the applicant is the licensee and the licensee has complied with the conditions to which the licence is subject and with the provisions of this Part and of the regulations; or

(ii) by a pipeline operator under a corresponding law; or

(b) may, if the application is by any other person and has not been rejected under subsection (3) of that section,

inform the applicant, by instrument in writing served on him, that the Designated Authority is prepared to grant a pipeline licence to him.

(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 in accordance with section 64 of this Act for a pipeline licence in respect of the construction of a pipeline for the conveyance of petroleum recovered in the licence area, the Designated Authority, if he is satisfied that, although the licensee has not so complied, special circumstances exist that justify the granting of a pipeline licence, may inform the licensee, by instrument in writing served on the licensee, that he is prepared to grant a pipeline licence to him.

(3) If 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 in accordance with section 64 of this Act for a pipeline licence, and if the Designated Authority is not satisfied that special circumstances exist that justify the granting of a pipeline licence, the Designated Authority shall, subject to subsection (4) of this section, by instrument in writing served on the licensee, refuse to grant a pipeline licence.

(4) The Designated Authority shall not, under subsection (3) of this section, refuse to grant a pipeline licence to a licensee 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 pipeline 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 Designated Authority, submit any matters that he wishes the Designated Authority 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 person, other than the licensee or the pipeline operator under a corresponding law, makes an application in accordance with section 64 of this Act for a pipeline licence in respect of the construction of a pipeline for the conveyance of petroleum recovered in a licence area or a licence area under a corresponding law, as the case may be, the Designated Authority may, by instrument in writing served on the applicant, refuse to grant a pipeline licence.

(6)

(6) Where the Designated Authority is required, or proposes, to serve on a person an instrument under subsection (1) or (2) of this section, he shall, by the instrument, inform that person that he will be required to lodge a security for compliance with the conditions to which the pipeline licence, if 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—

(a) shall specify the route to be followed by the pipeline;

(b) shall contain a summary of the conditions subject to which the pipeline licence is to be granted; and

(c) shall contain a statement to the effect that the application will lapse if the applicant does not make a request under subsection (9) of this section and lodge with the Designated Authority the security referred to in the instrument.

(8) The route to be specified in an instrument under subsection (1) or (2) of this section shall be—

(a) the route shown in the plan accompanying the application; or

(b) if the Designated Authority is of the opinion that, for any reason, that route is not appropriate—a route that, in the opinion of the Designated Authority, is appropriate.

(9) A person on whom there has been served an instrument under subsection (1) or (2) 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 Designated Authority 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 Designated Authority, request the Designated Authority to grant to him the pipeline licence; and

(b) lodge with the Designated Authority the security referred to in the instrument so served on him.

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

(a) has made a request under subsection (9) of this section; and

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

within the period applicable under subsection (9) of this section, the Designated Authority shall grant to that person a licence to construct and operate a pipeline in respect of the pipeline specified in the instrument.

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

(a) has not made a request under subsection (9) of this section; or

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

within the period applicable under subsection (9) of this section, the application lapses upon the expiration of that period.

(12) Where a pipeline licence is not granted on an application, the sum of nine hundred dollars shall be refunded to the applicant.

(13) In this section, "pipeline operator under a corresponding law" has the same meaning as in section 64 of this Act.

Rights conferred by pipeline licence.

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

(a) to construct in the adjacent area—

(i) a pipeline of the design, construction, size and capacity specified in the pipeline licence along the route, and in the position in relation to the sea-bed in the adjacent area, so specified; and

(ii)

(ii) the pumping stations, tank stations and valve stations so specified in the positions so specified;

(b) to operate that pipeline and those pumping stations, tank stations and valve stations; and

(c) to carry on such operations, to execute such works and to do all such other things in the adjacent area as are necessary for or incidental to the construction and operation of that pipeline and of those pumping stations, tank stations and valve stations.

Term of pipeline licence.

67. (1) Subject to this Part, a pipeline licence remains in force—

(a) for a period of twenty-one years; or

(b) where the Designated Authority is of the opinion that, having regard to the dates of expiration of the licences that relate to the licence areas from which petroleum is, or is to be, conveyed by means of the pipeline, it is not necessary for the pipeline licence to remain in force for a period of twenty-one years —for such period less than twenty-one years as the Designated Authority determines and specifies in the pipeline licence.

(2) The period for which a pipeline licence remains in force commences—

(a) in the case of a pipeline licence granted otherwise than by way of renewal of a pipeline licence—on the day from and including which the pipeline licence has effect; and

(b) in the case of a pipeline licence granted by way of renewal of a pipeline licence—on the day after the day on which the last previous pipeline licence in respect of the same pipeline ceases to have effect.

Application for renewal of pipeline licence.

68. (1) A pipeline licensee may, from time to time, make an application to the Designated Authority for the renewal of the pipeline licence.

(2)

(2) An application for the renewal of the pipeline 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 pipeline licence ceases to have effect; and

(c) shall be accompanied by a fee of two hundred dollars.

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

Grant or refusal of renewal of pipeline licence.

69. (1) Where a pipeline licensee makes an application for the renewal of the pipeline licence under section 68 of this Act, the Designated Authority—

(a) shall, if the pipeline licensee has complied with the conditions to which the pipeline licence is subject and with the provisions of this Part and of the regulations; or

(b) may, if the pipeline licensee has not so complied and the Designated Authority is satisfied that, although the pipeline licensee has not so complied, special circumstances exist that justify the granting of the renewal of the pipeline licence,

inform the pipeline licensee, by instrument in writing served on the pipeline licensee—

(c) that he is prepared to grant to him the renewal of the pipeline licence; and

(d) that he will be required to lodge a security for compliance with the conditions to which the pipeline licence, if the renewal is granted, will from time to time be subject and with the provisions of this Part and of the regulations.

(2)

(2) If a pipeline licensee who has not complied with the conditions to which the pipeline licence is subject and with the provisions of this Part and of the regulations makes an application in accordance with section 68 of this Act in respect of the renewal of the pipeline licence, and if the Designated Authority is not satisfied that special circumstances exist that justify the granting of the renewal of the pipeline licence, the Designated Authority shall, subject to subsection (3) of this section, by instrument in writing served on the pipeline licensee, refuse to grant the renewal of the pipeline licence.

(3) The Designated Authority shall not refuse to grant the renewal of the pipeline licence unless—

(a) he has, by instrument in writing served on the pipeline licensee, given not less than one month's notice of his intention to refuse to grant the renewal of the pipeline 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 pipeline licensee or a person on whom a copy of the instrument is served may, by instrument in writing served on the Designated Authority, submit any matters that he wishes the Designated Authority to consider; and

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

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

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

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

(5) A pipeline licensee 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 Designated Authority, request the Designated Authority to grant to him the renewal of the pipeline licence; and

(b) lodge with the Designated Authority the security referred to in the firstmentioned instrument.

(6) Where a pipeline licensee 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 Designated Authority the security referred to in the instrument,

within the period referred to in subsection (5) of this section, the Designated Authority shall grant to him the renewal of the pipeline licence.

(7) Where a pipeline licensee 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)

(b) has not lodged with the Designated Authority 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 pipeline licence is made under section 68 of this Act; and

(b) the pipeline licence expires—

(i) before the Designated Authority grants, or refuses to grant, the renewal of the pipeline licence; or

(ii) before the application lapses as provided by subsection (7) of this section,

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

(c) until the Designated Authority grants, or refuses to grant, the renewal of the pipeline licence; or

(d) until the application so lapses,

whichever first happens.

Conditions of pipeline licence.

70. (1) A pipeline licence may be granted subject to such conditions as the Designated Authority thinks fit and specifies in the pipeline licence.

(2) The conditions referred to in subsection (1) of this section may include a condition that the pipeline licensee shall complete the construction of the pipeline within the period specified in the pipeline licence.

Variation of pipeline licence on application by pipeline licensee.

71. (1) A pipeline licensee may, at any time, make an application to the Designated Authority for the variation of the pipeline licence.

(2) An application under this section—

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

(b)

(b) shall be made in an approved manner;

(c) shall be accompanied by particulars of the proposed variation;

(d) shall specify the reasons for the proposed variation; and

(e) shall be accompanied by a fee of one hundred dollars.

(3) The Designated Authority may, at any time, by instrument in writing served on a person who has made an application under this section, require him to furnish, within the period specified in the instrument, further information in writing in connexion with his application.

(4) The Designated Authority shall, in a notice published in the Gazette of an application under this section, specify a period within which a person may submit to the Designated Authority, in writing, any matters that he wishes the Designated Authority to consider in connexion with the application.

(5) After considering any matters submitted to him under subsection (4) of this section, the Designated Authority may vary the pipeline licence to such extent as he thinks necessary or may refuse to vary the pipeline licence.

Variation of pipeline licence by Designated Authority.

72. (1) The Designated Authority may—

(a) at the request of—

(i) a Minister or a Minister of State of the Commonwealth; or

(ii) a body established by a law of the Commonwealth or a Territory or of the State; and

(b) if, in his opinion, it is in the public interest so to do,

by instrument in writing served on a person who is a pipeline licensee or the holder of an instrument of consent under section 60 of this Act, direct that person to make such changes in the design, construction, route or position of the pipeline, or of a water line, pumping station, tank station, valve station or

or secondary line, to which the pipeline licence or instrument of consent relates as are specified in the firstmentioned instrument, within the period specified in the firstmentioned instrument, and, if the person so directed is a pipeline licensee, shall vary the pipeline licence accordingly.

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

Penalty : Two thousand dollars.

(3) Where the Designated Authority gives a direction under subsection (1) of this section and the person to whom the direction was given has complied with the direction, that person may bring an action in the Supreme Court against the Minister, Minister of State of the Commonwealth or body making the request.

(4) The Supreme Court shall hear the action, without a jury, and shall determine whether it is just that the whole or a portion of the reasonable cost of complying with the direction ought to be paid to the plaintiff by the defendant.

(5) If the Supreme Court determines that it is just that such a payment ought to be made, the Supreme Court shall determine the amount of the payment and give judgment accordingly.

(6) The jurisdiction of the Supreme Court under this section may be exercised by a Judge of that Court sitting alone.

Common carrier.

73. The Designated Authority may, by instrument in writing served on a pipeline licensee, direct the pipeline licensee to be a common carrier of petroleum in respect of the pipeline and thereupon the pipeline licensee is a common carrier of petroleum in respect of the pipeline.

Ceasing to operate pipeline.

74. (1) Except with the consent in writing of the Designated Authority and subject to compliance with such conditions, if any, as are specified in the instrument of consent, a pipeline licensee shall not cease to operate the pipeline.

Penalty : Two thousand dollars.

(2)

(2) It is not an offence against subsection (1) of this section if the failure of the pipeline licensee to operate the pipeline—

(a) was in the ordinary course of operating the pipeline;

(b) was for the purpose of repairing or maintaining the pipeline; or

(c) was in an emergency in which there was a likelihood of loss or injury.

Consent to commencement or resumption of pipeline operations.

75. (1) The Designated Authority may, on application in writing served on him—

(a) by a pipeline licensee whose pipeline has not previously been in operation; or

(b) by a pipeline licensee who has ceased to operate the pipeline,

if he is of the opinion that the pipeline may be operated with safety, by instrument in writing served on the pipeline licensee, consent to the commencement or resumption, as the case may be, of operations.

(2) A consent under subsection (1) of this section may be given subject to such conditions, if any, as the Designated Authority thinks fit and specifies in the instrument of consent.

DIVISION 5.—*Registration of Instruments.*

Register of certain instruments to be kept.

76. (1) For the purposes of this Part, the Designated Authority shall keep a Register of permits, licences, pipeline licences and access authorities granted by him.

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

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

(b)

(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) in the case of a pipeline licence, setting out a description of the route of the pipeline;

(e) specifying the term of the permit, licence, pipeline licence or access authority;

(f) setting out such other matters and things as are required by this Part to be entered in the Register; and

(g) setting out such further matters relating to the registered holder or to the terms and conditions of the permit, licence, pipeline licence or access authority as the Designated Authority deems proper and expedient in the public interest.

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

(a) any instrument varying, cancelling, surrendering or otherwise affecting a permit, licence, pipeline licence or access authority;

(b) any instrument under subsection (5), (6) or (7) of section 59 of this Act;

(c) any agreement under section 109 of this Act; and

(d) any instrument varying or revoking an instrument referred to in paragraph (a) or (b) of this subsection.

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

(5)

(5) A permit, licence, pipeline 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, pipeline 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 Designated Authority shall endorse on the memorial or copy of the permit, licence, pipeline 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, &c., determined, &c.

77. 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, pipeline licence or access authority has expired,

the Designated Authority shall enter in the Register a memorial of the fact.

Approval and registration of transfers.

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

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

(3)

(3) The application shall be accompanied by an instrument of transfer of the permit, licence, pipeline 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 Designated Authority 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 Designated Authority shall not approve the transfer unless it is an absolute transfer of the whole of the transferor's interest in the permit, licence, pipeline licence or access authority.

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

(a) in the case of the transfer of a permit, licence or pipeline 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, licence or pipeline 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)

(7) Where—

(a) the Designated Authority 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 Designated Authority,

the Designated Authority shall approve the application.

(8) Where, in the case of the transfer of a licence, the Designated Authority 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 Designated Authority may, subject to subsection (5) of this section, approve the application.

(9) If the Designated Authority 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 section 92 of this Act, 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, pipeline 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 Designated Authority 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.

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

(2) The Designated Authority 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 the holder of the permit, licence, pipeline licence or access authority and, upon that entry being so made, the applicant becomes the registered holder of the permit, licence, pipeline licence or access authority.

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

80. A legal or equitable interest in or affecting an existing or future permit, licence, pipeline 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.

Approval of instruments creating, &c., interests.

81. (1) This section applies to an instrument by which a legal or equitable interest in or affecting an existing or future permit, licence, pipeline 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 78 of this Act applies.

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

(a) the instrument has been approved by the Designated Authority; and

(b) an entry has been made in the Register by the Designated Authority 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, pipeline licence or access authority by reason

of such an instrument, may lodge with the Designated Authority 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 Designated Authority 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 Designated Authority may approve or refuse the application.

(7) If the Designated Authority 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 section 92 of this Act, 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, pipeline 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 Designated Authority 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 Designated Authority refuses the application, he shall make a notation of the refusal in the Register.

True consideration to be shown.

82. (1) A party to a transfer referred to in section 78 of this Act or to an instrument to which section 81 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 section 92 of this Act.

Penalty : Two thousand dollars.

(2)

(2) Where a person is convicted of an offence against subsection (1) of this section, the Designated Authority may make a fresh determination of the amount of the fee payable under section 92 of this Act in respect of the memorandum relating to the transfer or instrument.

(3) Subsections (2) and (3) of section 91 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.

Designated Authority not concerned with certain matters.

83. Neither the Designated Authority 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.

Power of Designated Authority to require information as to proposed dealings.

84. (1) The Designated Authority 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 Designated Authority considers necessary or advisable.

(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.

Production and inspection of documents.

85. (1) The Designated Authority 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 Designated Authority for approval under this Division or to the transaction to which such an instrument relates.

(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.

86.

Inspection of Register and documents.

86. (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.

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

Evidentiary provisions.

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

(2) The Designated Authority 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 Designated Authority 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.

88. (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)

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

(3) Notice of an application under this section shall be given to the Designated Authority, 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 Designated Authority, and the Designated Authority shall, upon receipt of the order, rectify the Register accordingly.

(5) The jurisdiction of the Supreme Court under this section may be exercised by a Judge of that Court sitting alone.

Designated Authority not liable to certain actions.

89. Subject to section 88 of this Act, neither the Designated Authority 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.

Offences.

90. A person who wilfully—

(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 Designated Authority under this Division,

is guilty of a misdemeanour and is liable on conviction on indictment to imprisonment for a period not exceeding two years.

Assessment of fee.

91. (1) The Designated Authority may determine the amount of the fee payable under section 92 of this Act in respect of any memorandum.

(2) A person dissatisfied with a determination of the Designated Authority 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 Designated Authority.

Imposition of registration fees.

92. There is payable to the Designated Authority, in respect of—

(a) a memorandum of transfer entered in the Register under section 78 of this Act; or

(b) a memorandum of approval of an instrument entered in the Register under section 81 of this Act,

a fee at the rate prescribed by the Petroleum (Submerged Lands) Taxation Act, 1967.

DIVISION 6.—*General.*

Form of permit, &c.

93. A permit, a licence, a pipeline licence, a special prospecting authority and an access authority shall be in accordance with such forms as the Designated Authority determines.

Notice of grants of permits, &c., to be published.

94. The Designated Authority shall cause such particulars as he thinks fit of—

(a) the grant, and the grant of the renewal, of a permit, licence or pipeline licence;

(b) the variation of a licence or pipeline 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;

(e) an application for a pipeline licence or for the renewal or variation of a pipeline licence;

(f) the surrender or cancellation of a pipeline licence as to the whole or a part of the pipeline; and

(g) the expiry of a permit, licence or pipeline licence,

under this Part to be published in the Gazette.

95.

Date of effect of permits, &c.

95. (1) A permit, licence or pipeline licence has effect from and including the day specified for the purpose in the permit, licence or pipeline 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) The surrender or cancellation of a pipeline licence as to the whole or a part of the pipeline has effect from and including the day on which notice of the surrender or cancellation is published in the Gazette.

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

Commencement of works.

96. (1) Where a permit, licence or pipeline licence is granted subject to a condition that works or operations specified in the permit, licence or pipeline licence are to be carried out, the permittee, licensee or pipeline 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, licence or pipeline licence, as the case may be, has effect.

(2) The Designated Authority may, for reasons that he thinks sufficient, by instrument in writing served on a permittee, licensee or pipeline 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, licence or pipeline licence, as the case may be, within such period after the day on which the permit, licence or pipeline 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.

Work practices.

97. (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.

(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 within the adjacent area 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 Designated Authority, 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)

(3) A pipeline licensee shall operate the pipeline in a proper and workmanlike manner and shall secure the safety, health and welfare of persons engaged in operations in connexion with the pipeline.

(4) In particular and without limiting the generality of subsection (3) of this section, a pipeline licensee shall prevent the waste or escape of petroleum or water from the pipeline or from any secondary line, pumping station, tank station, valve station or water line.

(5) 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.

(6) 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.

Maintenance, &c., of property.

98. (1) In this section—

"operator" means a permittee, licensee, pipeline 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;

(b) in relation to an operator who is a pipeline licensee—means the part of the adjacent area in which the pipeline is constructed; and

(c)

(c) 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 connexion 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 connexion 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.

Sections 97 and 98 to have effect subject to this Act, &c.

99. Sections 97 and 98 of this Act have effect subject to—

(a) any other provision of this Act;

(b) the regulations;

(c) a direction under section 101 of this Act; and

(d) any other law.

Drilling near boundaries.

100. (1) A permittee or licensee shall not make 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 Designated Authority and in accordance with such conditions, if any, as are specified in the instrument of consent.

(2)

(2) Where a permittee or licensee does not comply with subsection (1) of this section, the Designated Authority 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 making 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.

101. (1) The Designated Authority may, by instrument in writing served on a person, being a permittee, licensee, pipeline 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 152 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 subsections (1) and (2) of this section authorizes 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.

102.

Compliance with directions.

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

(2) Costs and expenses incurred by the Designated Authority 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.

Exemption.

103. (1) Where—

(a) a permit, licence or pipeline licence is, under this Part, to be deemed to continue in force until the Designated Authority grants, or refuses to grant, the renewal of the permit, licence or pipeline licence;

(b) a licence is varied under section 45 of this Act;

(c) a licensee enters into an agreement under section 59 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 pipeline licence is varied under section 71 or 72 of this Act;

(f) a direction is given to a pipeline licensee under section 73 of this Act;

(g) a pipeline licence is partly cancelled;

(h)

(h) an access authority is granted in respect of a block the subject of a permit or licence;

(i) an access authority as in force in respect of a block the subject of a permit or licence is varied;

(j) a permittee, licensee, pipeline licensee or the holder of a special prospecting authority or access authority applies, by instrument in writing served on the Designated Authority—

(i) for a variation or suspension of; or

(ii) for exemption from compliance with,

any of the conditions to which the permit, licence, pipeline licence, special prospecting authority or access authority is subject; or

(k) the Designated Authority under this Part or the regulations gives a direction or consent to a permittee, licensee, pipeline licensee or the holder of a special prospecting authority or access authority,

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

(l) vary or suspend; or

(m) exempt the permittee, licensee, pipeline licensee or the holder of the special prospecting authority or access authority from compliance with,

any of the conditions to which the permit, licence, pipeline licence, special prospecting authority or access authority is subject, upon such conditions, if any, as the Designated Authority determines and specifies in the instrument.

(2) Subsection (1) of this section does not authorize 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; or

(ii)

(ii) the term of a permit, licence or pipeline licence; or

(b) that it would be inconsistent with the applied provisions.

Surrender of permits, &c.

104. (1) The registered holder of an instrument, being a permit, licence or pipeline licence, may, at any time, by application in writing served on the Designated Authority, apply for consent to surrender the instrument—

(a) in the case of a permit or licence—as to all or some of the blocks in respect of which it is in force; or

(b) in the case of a pipeline licence—as to the whole or a part of the pipeline in respect of which it is in force.

(2) Subject to subsection (3) of this section, the Designated Authority 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 Designated Authority 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 Designated Authority, 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 authorized by the instrument, or has made arrangements that are satisfactory to the Designated Authority with respect to that property;

(d) has, to the satisfaction of the Designated Authority, plugged or closed off all wells made in that area by any person engaged or concerned in the operations authorized by the instrument;

(e) subject to this Part and to the regulations, has made provision, to the satisfaction of the Designated Authority, for the conservation and protection of the natural resources in that area; and

(f) has, to the satisfaction of the Designated Authority, made good any damage to the sea-bed or subsoil in that area caused by any person engaged or concerned in the operations authorized by the instrument.

(3) Where the registered holder of an instrument, being a permit, licence or pipeline 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 Designated Authority 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 Designated Authority consents to an application under subsection (1) of this section, the applicant may, by instrument in writing served on the Designated Authority, surrender the instrument accordingly.

(5) In this section, "the area to which the surrender relates" means—

(a) 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; and

(b) in relation to a surrender of a pipeline licence—the part of the adjacent area in which the pipeline, or the part of the pipeline, as to which the pipeline licence is proposed to be surrendered is constructed.

Cancellation of permits, &c.

105. (1) Where a permittee, licensee or pipeline licensee—

(a) has not complied with a condition to which the permit, licence or pipeline licence is subject;

(b) has not complied with a direction given to him under this Part by the Designated Authority;

(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 Designated Authority may, on that ground, by instrument in writing served on the permittee, licensee or pipeline licensee, as the case may be—

(e) in the case of a permit or licence—cancel the permit or licence as to all or some of the blocks in respect of which it is in force; or

(f) in the case of a pipeline licence—cancel the pipeline licence as to the whole or a part of the pipeline in respect of which it is in force.

(2) The Designated Authority shall not, under subsection (1) of this section, cancel a permit, licence or pipeline licence as to all or some of the blocks, or as to the whole or a part of the pipeline, 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, licensee or pipeline licensee, as the case may be, given not less than one month's notice of his intention so to cancel the permit, licence or pipeline 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, licensee or pipeline licensee or a person on whom a copy of the instrument is served may, by instrument in writing served on

on the Designated Authority, submit any matters that he wishes the Designated Authority to consider; and

(d) he has taken into account—

(i) any action taken by the permittee, licensee or pipeline 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, licensee or pipeline licensee or by a person on whom a copy of the firstmentioned instrument has been served.

Cancellation of permit, &c., not affected by other provisions.

106. (1) A permit, licence or pipeline licence may be wholly cancelled or partly cancelled on the ground that the registered holder of the permit, licence or pipeline 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.

(2) A person who was the registered holder of a permit, licence or pipeline licence that has been wholly cancelled, or is the registered holder of a permit, licence or pipeline 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, licence or pipeline licence has been so cancelled.

(3) A permit, licence or pipeline licence may be wholly cancelled or partly cancelled on the ground that the registered holder of the permit, licence or pipeline 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, licence or pipeline licence that has been wholly cancelled, or is the registered holder of a permit, licence or pipeline 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, licence or pipeline licence has been so cancelled.

Removal of property, &c., by permittee, &c.

107. (1) Where a permit, licence or pipeline licence has been wholly determined, partly determined, wholly cancelled or partly cancelled or has expired, the Designated Authority may, by instrument in writing served on the person who was, or is, as the case may be, the permittee, licensee or pipeline 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 authorized by the permit, licence or pipeline licence or to make arrangements that are satisfactory to the Designated Authority with respect to that property;

(b) to plug or close off, to the satisfaction of the Designated Authority, 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 Designated Authority, for the conservation and protection of the natural resources in that area; and

(d) to make good, to the satisfaction of the Designated Authority, any damage to the sea-bed or subsoil in that area caused by any person engaged or concerned in those operations.

(2) The Designated Authority may, by instrument in writing served on a permittee, licensee or pipeline 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, licence area or part of the adjacent area in which the pipeline is constructed, as the case may be, all property brought into that area or part by any person engaged or concerned in the operations authorized by the permit, licence or pipeline licence or to make arrangements that are satisfactory to the Designated Authority with respect to that property;

(b) to plug or close off, to the satisfaction of the Designated Authority, 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 Designated Authority, for the conservation and protection of the natural resources in that area or part; and

(d) to make good, to the satisfaction of the Designated Authority, any damage to the sea-bed or subsoil 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, licence or pipeline licence concerned.

Penalty : Two thousand dollars.

Removal of property, &c., by Designated Authority.

108. Where a permit, licence or pipeline licence has been wholly determined, partly determined, wholly cancelled or partly cancelled or has expired, and a direction under section 107 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 Designated Authority 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 authorized by the permit, licence or pipeline licence has not been removed in accordance with the direction or arrangement, the Designated Authority 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 Designated Authority, 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.

109. (1) The Designated Authority and a person who may request, or has requested, that a permit under section 27 of this Act, or a licence under section 50 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.

Penalty for late payments of instalments, &c.

110. (1) Where the liability of a person under section 109 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.

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

Special prospecting authorities.

111. (1) Where—

(a) applications have been invited under section 23 of this Act for the grant of a permit in respect of a block or blocks; or

(b) applications have been invited under section 47 of this Act for the grant of a licence in respect of a block or blocks,

a person may make an application to the Designated Authority 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)

(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 Designated Authority—

(a) may grant to the applicant a special prospecting authority subject to such conditions as the Designated Authority 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, authorizes 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 authorizes 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 Designated Authority; and

(b) may, if the holder has not complied with a condition to which the authority is subject, be cancelled by the Designated Authority by instrument in writing served on the holder.

(8) Where a special prospecting authority has been surrendered or cancelled or has expired, the Designated Authority 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 authorized by the special prospecting authority or to make arrangements that are satisfactory to the Designated Authority with respect to that property;

(b) subject to this Part and to the regulations, to make provision, to the satisfaction of the Designated Authority, for the conservation and protection of the natural resources in that area; and

(c) to make good, to the satisfaction of the Designated Authority, any damage to the sea-bed or subsoil 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 108 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 107 of this Act were a reference to an arrangement under subsection (8) of this section.

Penalty : Two thousand dollars.

Access authorities.

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

(2) An application under this section—

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

(b)

(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 Designated Authority to consider.

(3) The Designated Authority 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 Designated Authority 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 Designated Authority 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 Designated Authority, submit any matters that he wishes the Designated Authority 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 firstmentioned instrument, or a copy of that instrument, has been served.

(5) An access authority, while it remains in force, authorizes 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 authorizes 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 Designated Authority; and

(b) may be cancelled by the Designated Authority 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)

(9) Where an access authority has been surrendered or cancelled or has expired, the Designated Authority 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 authorized by the access authority or to make arrangements that are satisfactory to the Designated Authority with respect to that property;

(b) subject to this Part and to the regulations, to make provision, to the satisfaction of the Designated Authority, for the conservation and protection of the natural resources in that area; and

(c) to make good, to the satisfaction of the Designated Authority, any damage to the sea-bed or subsoil 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 108 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 107 of this Act were a reference to an arrangement under subsection (9) of this section.

Penalty : Two thousand dollars.

Sale of property.

113. (1) Where a direction under section 108 of this Act has not been complied with in relation to any property, the Designated Authority may do all or any of the following things : —

(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 Designated Authority 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 107, 111 or 112 of this Act, as the case may be, to be done by that person; and

(c)

(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 Designated Authority 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 107, 111 or 112 of this Act, as the case may be, to be done by a person who is or was a permittee, licensee, pipeline 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.

114. (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;

(ii) in the case of a security referred to in Division 3 of this Part—in the sum of fifty thousand dollars; and

(iii) in the case of a security referred to in Division 4 of this Part—in the sum of twenty thousand dollars;

(b)

(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 Designated Authority allows or partly by cash deposit and partly by such other method as the Designated Authority allows.

(2) A security given in accordance with a form approved by the Designated Authority 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 Designated Authority 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.

Designated Authority, &c., may require information to be furnished, &c.

115. (1) Where the Designated Authority or an inspector has reason to believe that a person is capable of giving information or producing documents relating to petroleum exploration operations, operations for the recovery of petroleum or operations connected with the construction or operation of a pipeline in the adjacent area, 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 117 of this Act.

Power to examine on oath.

116. (1) The Designated Authority or an inspector may administer an oath to a person required to attend before him in pursuance of section 115 of this Act and may examine that person on oath.

(2) Where a person attending before the Designated Authority or an inspector in pursuance of section 115 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)

(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.

Failing to furnish information, &c.

117. A person shall not—

(a) refuse or fail to comply with a requirement in an instrument under section 115 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 Designated Authority 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.

Penalty : Two thousand dollars.

Release of information.

118. (1) The Designated Authority may, at any time, make available to a Minister or to a Minister of State of a State or of the Commonwealth—

(a) any information contained in a report, return or other document relating to a block that has been furnished to the Designated Authority; and

(b) any cores or cuttings from, or samples of, the sea-bed or subsoil in a block, or samples of petroleum recovered in a block, that have been furnished to the Designated Authority.

(2) The Designated Authority or a Minister may, at any time after the relevant day—

(a) make publicly known; or

(b) on request by a person and, if the Designated Authority or that Minister so requires, on payment of a fee of five dollars per day, make available to that person,

any

any information that has been furnished to the Designated Authority or has been made available to that Minister under subsection (1) of this section, being information that relates to the sea-bed or subsoil, or to petroleum, in a block, but not including any matter contained in a report, return or document that in the opinion of the Designated Authority or 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 Designated Authority or a Minister 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 Designated Authority or that 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 sea-bed or subsoil in a block, or samples of petroleum recovered in a block, that have been furnished to the Designated Authority or have been made available to that Minister under subsection (1) of this section.

(4) For the purposes of subsections two and three 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 Designated Authority expires;

(b)

(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 Designated Authority 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 23, or under subsection (4) of section 47, 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 Designated Authority 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 Designated Authority 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 Designated Authority 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 Designated Authority—

(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

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 Designated Authority or a 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 Designated Authority or that 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 Designated Authority or that 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 Designated Authority or a

Minister

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 or a Minister of State of a State or of the Commonwealth), 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 referred to in paragraph (a) of this subsection) 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.

Safety zones.

119. (1) For the purpose of protecting a well or structure, or any equipment, in the adjacent area, the Designated Authority may, by instrument published in the Gazette, prohibit—

(a) all vessels;

(b) all vessels other than specified vessels; or

(c) all vessels other than the vessels included in specified classes of vessels,

from entering or remaining in a specified area (in this section called a "safety zone") surrounding the well, structure or equipment without the consent in writing of the Designated Authority.

(2) A safety zone specified in an instrument under subsection (1) of this section may extend to a distance of five hundred metres around the well, structure or equipment specified in the instrument measured from each point of the outer edge of the well, structure or equipment.

(3) Where a vessel enters or remains in a safety zone specified in an instrument under subsection (1) of this section in contravention of the instrument, the owner and the person in command or in charge of the vessel are each guilty of an offence against this section and are punishable, upon conviction, by a penalty not exceeding a fine of ten thousand dollars.

Discovery and use of water.

120. 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 Designated Authority, in writing, particulars of the discovery.

Penalty : Two thousand dollars.

Survey of wells, &c.

121. (1) The Designated Authority 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 Designated Authority 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

instrument in writing served on the permittee or licensee, direct the permittee or licensee to furnish further information in writing in connexion 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, &c., to be kept.

122. (1) The Designated Authority may, by instrument in writing served on a person carrying on operations in the adjacent area under a permit, licence, pipeline licence, special prospecting authority, access authority or instrument of consent under section 123 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 connexion with those operations as are specified in the instrument;

(b) to collect and retain such cores, cuttings and samples in connexion with those operations as are so specified; and

(c) to furnish to the Designated Authority, or to such person as is so specified, in the manner so specified, such reports, returns, other documents, cores, cuttings and samples in connexion 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.

Scientific investigations.

123. (1) The Designated Authority may, by instrument in writing, consent to the carrying on in the adjacent area by any person of petroleum exploration operations in the course of a scientific investigation.

(2)

(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 authorizes the person specified in the instrument, subject to section 124 of this Act and in accordance with the conditions, if any, to which the instrument is subject, to carry on, in the adjacent area, petroleum exploration operations so specified in the course of the scientific investigation so specified.

Interference with other rights.

124. A person carrying on operations in the adjacent area under a permit, licence, pipeline licence, special prospecting authority, access authority or instrument of consent under section 123 of this Act shall carry on those operations in a manner that does not interfere with—

(a) navigation;

(b) fishing;

(c) the conservation of the resources of the sea and seabed; or

(d) 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.

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

(2)

(2) The Designated Authority may furnish to an inspector a certificate stating that he is 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 Designated Authority or, if the Designated Authority, 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.

126. (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 125 of this Act—

(a) shall have access to any part of the adjacent area and to any structure, ship, aircraft or building in that area that, in his opinion, has been, is being or is to be used in connexion with petroleum exploration operations, operations for the recovery of petroleum or operations connected with the construction or operation of a pipeline in that area;

(b) may inspect and test any equipment that, in his opinion, has been, is being or is to be used in that area in connexion with any of those operations; and

(c) may enter any structure, ship, aircraft, building or place in that area or 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 ship, 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)

(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.

Property in petroleum.

127. 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.

Provisions to prevent double payment of royalty.

128. (1) To the extent to which a person pays royalty to the Commonwealth in respect of petroleum recovered by him under a law of the Commonwealth or under an instrument in force under a law of the Commonwealth, he is not liable to pay royalty in respect of that petroleum under this Act.

(2) In subsection (1) of this section, "royalty" includes an amount payable by reason of late payment of royalty.

Certain payments to be made by State to Commonwealth.

129. (1) The Treasurer shall, not later than the last day of each month of the year, pay to the Commonwealth amounts ascertained in accordance with the formula—

$$\frac{4A}{B}$$

where—

A is the amount of royalty payable under this Act, together with the amount, if any, payable under this Act by reason of late payment of that royalty, by a permittee or licensee in respect of petroleum recovered in the adjacent area under the permit or licence and received by the Designated Authority during the preceding month; and

B is

B is the percentage rate at which royalty is payable under this Act by the permittee or licensee in respect of that petroleum.

(2) The Consolidated Revenue Fund is appropriated to the extent necessary for the purposes of this section.

Determination to be disregarded in certain cases.

130. Where a determination has been made by the Designated Authority under section 145 of this Act in relation to a well, that determination shall be disregarded in ascertaining the value of B for the purposes of section 129 of this Act.

Continuing offences.

131. (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 the 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.

(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.

132.

Prosecution of offences.

132. (1) The offences to which this section applies are offences against this Act (being offences arising under this Part) or the regulations 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 its summary jurisdiction in respect of an offence to which this section applies.

(4) If proceedings in respect of an offence to which this section applies are brought in the Supreme Court in its summary jurisdiction, the Supreme Court may impose a fine not exceeding the maximum fine provided by this Act or the regulations in respect of the offence.

Orders for forfeiture in respect of certain offences.

133. (1) Where a person is convicted by the Supreme Court of an offence against section 19, 39 or 60 of this Act, the Court may, in addition to imposing a fine, make one or more of the following orders :—

(a) an order for the forfeiture of a specified aircraft or vessel 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, or conveyed through a pipeline, as the case may be, in the course of the commission of the offence;

(ii)

(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 conveyed; 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 conveyed 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.

(4) Goods in respect of which an order is made under this section shall be dealt with as the Attorney-General directs and, pending his direction, may be detained in such custody as the Court directs.

Penalties.

134. The penalty, pecuniary or other, set out in, or at the foot of, any section or subsection of a section of this Act indicates that a contravention of the section or subsection respectively, whether by act or omission, is an offence against this Act punishable upon conviction by a penalty not exceeding the penalty so set out.

Time for bringing proceedings for offences.

135. 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.

136.

Judicial notice.

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

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

Service.

137. (1) A document required by this Act to be served on a person other than the Designated Authority 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 Designated Authority shall be served by prepaying and posting the document as a letter addressed to such officer or person as the Designated Authority, by instrument published in the Gazette, specifies at such place as the Designated Authority so specifies.

(3)

(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.

DIVISION 7.—*Fees and Royalties.*

Permit fees.

138. There is payable to the Designated Authority by a permittee in respect of each year of the term of the permit—

(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.

Licence fees.

139. There is payable to the Designated Authority 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.

Pipeline licence fees.

140. There is payable to the Designated Authority by a pipeline licensee, in respect of each year of the term of the pipeline licence, a fee of twenty dollars in respect of each mile or portion of a mile of the length of the pipeline at the commencement of that year.

141.

Time of payment of fees.

141. A fee referred to in section 138, 139 or 140 of this Act is payable within one month after—

(a) in the case of the first year of the term of the permit, licence or pipeline licence—the day on which that term commenced; and

(b) in the case of a year of the term of the permit, licence or pipeline licence other than the first—the anniversary of that day.

Penalty for late payment.

142. Where the liability of a permittee, licensee or pipeline licensee to pay a fee under section 138, 139 or 140 of this Act is not discharged at or before the time when the fee is payable, there is payable to the Designated Authority by the permittee, licensee or pipeline 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.

Fees and penalties debts due to the Crown.

143. A fee under section 138, 139 or 140 of this Act or an amount payable under section 142 of this Act, is a debt due by the permittee, licensee or pipeline licensee, as the case may be, to the Crown and is recoverable in a court of competent jurisdiction.

Royalty.

144. (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 Designated Authority, 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) Subject to the succeeding provisions of this section and the provisions of section 145 of this Act, the prescribed rate in respect of petroleum recovered under a permit or licence is ten per centum of the value at the well-head of the petroleum.

(3)

(3) The prescribed rate in respect of petroleum recovered under a secondary licence is the percentage determined by the Designated Authority in pursuance of subsection (1) of section 42 of this Act in respect of petroleum so recovered.

(4) 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.

(5) Where—

(a) a licence is granted on an application under section 47 of this Act; and

(b) the instrument served on the applicant under section 49 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.

(6) Where a licence is granted on an application under subsection (1) of section 51 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.

(7) 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 the 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.

145. (1) Where the Designated Authority 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 144 of this Act, further recovery of petroleum from that well would be uneconomic, the Designated Authority 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 the rate fixed by section 144 of this Act) as the Designated Authority specifies in respect of such period as the Designated Authority 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.

146. (1) Royalty under this Act—

(a) is not payable in respect of petroleum that the Designated Authority 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 Designated Authority, 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 Designated Authority, is flared or vented in connexion 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 Designated Authority, 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.

Ascertainment of well-head.

147. 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 Designated Authority, or, in default of agreement within such period as the Designated Authority allows, is such valve station as is determined by the Designated Authority as being that well-head.

Ascertainment of value.

148. 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 Designated Authority, or, in default of agreement within such period as the Designated Authority allows, is such amount as is determined by the Designated Authority as being that value.

Ascertainment of quantity of petroleum recovered.

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

(a) the quantity measured during that period by a measuring device approved by the Designated Authority and installed at the well-head or at such other place as the Designated Authority approves; or

(b) where no such measuring device is so installed, or the Designated Authority 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 Designated Authority as being the quantity recovered by the permittee or licensee during that period.

150.

Payment of royalty.

150. (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.

(2) Where an amount of royalty under this Act is not paid as provided by subsection (1) of this section, there is payable to the Designated Authority 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 148 of this Act.

Royalty and penalties debts due to the Crown.

151. Royalty under section 144 of this Act and an amount payable under section 150 of this Act are debts due by the permittee or licensee to the Crown and are recoverable in a court of competent jurisdiction.

PART IV.

MISCELLANEOUS.

Regulations.

152. (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)

(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, of the adjacent area;

(d) the construction and operation of pipelines, water lines, secondary lines, pumping stations, tank stations or valve stations and the carrying on of operations, and the execution of works, for any of those purposes;

(e) the construction, erection, maintenance, operation or use of installations or equipment;

(f) the control of the flow and the prevention of the escape of petroleum or water;

(g) the prevention of the escape of water or drilling fluid or a mixture of water or drilling fluid with petroleum or any other matter;

(h) the prevention of damage to petroleum-bearing strata in an area, whether within the adjacent area or not, in respect of which a permit or licence is not in force;

(i) 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;

(j) the prevention of water or other matter from entering a petroleum pool through wells;

(k) the prevention of the waste or escape of petroleum or water from a pipeline, water line, secondary line, pumping station, tank station or valve station;

(l) the maintaining in good condition and repair of all structures, equipment and other property in the adjacent area used or intended to be used for or in connexion with exploration for, or the exploitation of, petroleum in the adjacent area; and

(m) the removal from the adjacent area of structures, equipment and other property brought into the adjacent area for or in connexion with exploration for, or the exploitation of, petroleum that are not used or intended to be used in connexion with exploration for, or the exploitation of, petroleum in the adjacent area.

(3) The regulations may prescribe, in relation to the exploration for, and the exploitation of, the natural resources (being petroleum) of the adjacent area, matters for carrying out or giving effect to the Convention.

(4) 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.

(5) The regulations shall—

(a) be published in the Gazette;

(b) take effect from the date of publication or from a later date to be specified in the regulations;

(c) be laid before both Houses of Parliament within fourteen sitting days after the publication thereof if Parliament is in session, and if not, then within fourteen sitting days after the commencement of the next session.

(6) If either House of Parliament passes a resolution, of which notice has been given at any time within fifteen sitting days after the regulations have been laid before that House, disallowing any regulation or part thereof, the regulation or part shall thereupon cease to have effect.

SCHEDULES

First Schedule

Section 4.

CONVENTION ON THE CONTINENTAL SHELF

The States Parties to this Convention
Have agreed as follows:

Article 1

For the purpose of these articles, the term "continental shelf" is used as referring (a) to the seabed and subsoil of the submarine areas adjacent to the coast but outside the area of the territorial sea, to a depth of 200 metres or, beyond that limit, to where the depth of the superjacent waters admits of the exploitation of the natural resources of the said areas; (b) to the seabed and subsoil of similar submarine areas adjacent to the coasts of islands.

Article 2

1. The coastal State exercises over the continental shelf sovereign rights for the purpose of exploring it and exploiting its natural resources.

FIRST SCHEDULE—*continued*

ARTICLE 2—*continued*

2. The rights referred to in paragraph 1 of this article are exclusive in the sense that if the coastal State does not explore the continental shelf or exploit its natural resources, no one may undertake these activities, or make a claim to the continental shelf, without the express consent of the coastal State.

3. The rights of the coastal State over the continental shelf do not depend on occupation, effective or notional, or on any express proclamation.

4. The natural resources referred to in these articles consist of the mineral and other non-living resources of the seabed and subsoil together with living organisms belonging to sedentary species, that is to say, organisms which, at the harvestable stage, either are immobile on or under the seabed or are unable to move except in constant physical contact with the seabed or the subsoil.

ARTICLE 3

The rights of the coastal State over the continental shelf do not affect the legal status of the superjacent waters as high seas, or that of the airspace above those waters.

ARTICLE 4

Subject to its right to take reasonable measures for the exploration of the continental shelf and the exploitation of its natural resources, the coastal State may not impede the laying or maintenance of submarine cables or pipelines on the continental shelf.

ARTICLE 5

1. The exploration of the continental shelf and the exploitation of its natural resources must not result in any unjustifiable interference with navigation, fishing or the conservation of the living resources of the sea, nor result in any interference with fundamental oceanographic or other scientific research carried out with the intention of open publication.

2. Subject to the provisions of paragraphs 1 and 6 of this article, the coastal State is entitled to construct and maintain or operate on the continental shelf installations and other devices necessary for its

FIRST SCHEDULE—*continued*

ARTICLE 5—*continued*

exploration and the exploitation of its natural resources, and to establish safety zones around such installations and devices and to take in those zones measures necessary for their protection.

3. The safety zones referred to in paragraph 2 of this article may extend to a distance of 500 metres around the installations and other devices which have been erected, measured from each point of their outer edge. Ships of all nationalities must respect these safety zones.

4. Such installations and devices, though under the jurisdiction of the coastal State, do not possess the status of islands. They have no territorial sea of their own, and their presence does not affect the delimitation of the territorial sea of the coastal State.

5. Due notice must be given of the construction of any such installations, and permanent means for giving warning of their presence must be maintained. Any installations which are abandoned or disused must be entirely removed.

6. Neither the installations or devices, nor the safety zones around them, may be established where interference may be caused to the use of recognized sea lanes essential to international navigation.

7. The coastal State is obliged to undertake, in the safety zones, all appropriate measures for the protection of the living resources of the sea from harmful agents.

8. The consent of the coastal State shall be obtained in respect of any research concerning the continental shelf and undertaken there. Nevertheless the coastal State shall not normally withhold its consent if the request is submitted by a qualified institution with a view to purely scientific research into the physical or biological characteristics of the continental shelf, subject to the proviso that the coastal State shall have the right, if it so desires, to participate or to be represented in the research, and that in any event the results shall be published.

ARTICLE 6

1. Where the same continental shelf is adjacent to the territories of two or more States whose coasts are opposite each other, the boundary of the continental shelf appertaining to such States shall be determined by agreement between them. In the absence of agreement, and unless another boundary line is justified by special circumstances, the boundary is the median line, every point of which is equidistant from the nearest points of the baselines from which the breadth of the territorial sea of each State is measured.

FIRST SCHEDULE—*continued*

ARTICLE 6—*continued*

2. Where the same continental shelf is adjacent to the territories of two adjacent States, the boundary of the continental shelf shall be determined by agreement between them. In the absence of agreement, and unless another boundary line is justified by special circumstances, the boundary shall be determined by application of the principle of equidistance from the nearest points of the baselines from which the breadth of the territorial sea of each State is measured.

3. In delimiting the boundaries of the continental shelf, any lines which are drawn in accordance with the principles set out in paragraphs 1 and 2 of this article should be defined with reference to charts and geographical features as they exist at a particular date, and reference should be made to fixed permanent identifiable points on the land.

ARTICLE 7

The provisions of these articles shall not prejudice the right of the coastal State to exploit the subsoil by means of tunnelling irrespective of the depth of water above the subsoil.

ARTICLE 8

This Convention shall, until 31 October 1958, be open for signature by all States Members of the United Nations or of any of the specialized agencies, and by any other State invited by the General Assembly of the United Nations to become a party to the Convention.

ARTICLE 9

This Convention is subject to ratification. The instruments of ratification shall be deposited with the Secretary-General of the United Nations.

ARTICLE 10

This Convention shall be open for accession by any States belonging to any of the categories mentioned in Article 8. The instruments of accession shall be deposited with the Secretary-General of the United Nations.

ARTICLE 11

1. This Convention shall come into force on the thirtieth day following the date of deposit of the twenty-second instrument of ratification or accession with the Secretary-General of the United Nations.

FIRST SCHEDULE—*continued*

ARTICLE 11—*continued*

2. For each State ratifying or acceding to the Convention after the deposit of the twenty-second instrument of ratification or accession, the Convention shall enter into force on the thirtieth day after deposit by such State of its instrument of ratification or accession.

ARTICLE 12

1. At the time of signature, ratification or accession, any State may make reservations to articles of the Convention other than to articles 1 to 3 inclusive.

2. Any Contracting State making a reservation in accordance with the preceding paragraph may at any time withdraw the reservation by a communication to that effect addressed to Secretary-General of the United Nations.

ARTICLE 13

1. After the expiration of a period of five years from the date on which this Convention shall enter into force, a request for the revision of this Convention may be made at any time by any Contracting Party by means of a notification in writing addressed to the Secretary-General of the United Nations.

2. The General Assembly of the United Nations shall decide upon the steps, if any, to be taken in respect of such request.

ARTICLE 14

The Secretary-General of the United Nations shall inform all States Members of the United Nations and the other States referred to in article 8:

(a) Of signatures to this Convention and of the deposit of instruments of ratification or accession, in accordance with articles 8, 9 and 10;

(b) Of the date on which this Convention will come into force, in accordance with article 11;

(c) Of requests for revision in accordance with article 13;

(d) Of reservations to this Convention, in accordance with article 12.

ARTICLE 15

The original of this Convention, of which the Chinese, English, French, Russian and Spanish texts are equally authentic, shall be deposited with the Secretary-General of the United Nations, who shall send certified copies thereof to all States referred to in article 8.

FIRST

FIRST SCHEDULE—*continued*

ARTICLE 15—*continued*

IN WITNESS WHEREOF the undersigned Plenipotentiaries, being duly authorized thereto by their respective Governments, have signed this Convention.

DONE at Geneva, this twenty-ninth day of April, one thousand nine hundred and fifty-eight.

(*Here follow the signatures on behalf of the parties to the Agreement, including Australia.*)

SECOND SCHEDULE

Section 4.

THE ADJACENT AREA

The adjacent area is the area the boundary of which is described in this Schedule, to the extent only that that area includes—

(a) areas of territorial waters; and

(b) areas of superjacent waters of the continental shelf.

The area the boundary of which commences at a point that is the intersection of the coastline at mean low water by the geodesic between the trigonometrical station known as Point Danger near Point Danger and a point of Latitude 27° 58′ South, Longitude 154° East and runs thence north-easterly along that geodesic to a point of Latitude 27° 58′ South, Longitude 154° East; thence north-easterly along the geodesic to a point of Latitude 27° 48′ South, Longitude 154° 22′ East; thence easterly along the geodesic to a point of Latitude 27° 30′ 35″ South, Longitude 160° East; thence southerly along the meridian of Longitude 160° East to its intersection by the parallel of Latitude 39° 12′ South; thence south-westerly along the geodesic to a point of Latitude 40° 40′ South, Longitude 158° 53′ East; thence north-westerly along the geodesic to a point of Latitude 37° 35′ South, Longitude 150° 10′ East; thence north-westerly along the geodesic to the intersection of the coastline at mean low water by the boundary between the States of New South Wales and Victoria; thence along the coastline of the State of New South Wales at mean low water to the point of commencement.

BY AUTHORITY:
V. C. N. BLIGHT, GOVERNMENT PRINTER, NEW SOUTH WALES—1967
[$1.20]

I certify that this PUBLIC BILL, *which originated in the* LEGISLATIVE ASSEMBLY, *has finally passed the* LEGISLATIVE COUNCIL *and the* LEGISLATIVE ASSEMBLY *of* NEW SOUTH WALES.

I. P. K. VIDLER,
Clerk of the Legislative Assembly.

Legislative Assembly Chamber,
Sydney, 28 *November,* 1967.

New South Wales

ANNO SEXTO DECIMO

ELIZABETHÆ II REGINÆ

* *

Act No. 69, 1967.

An Act relating to the exploration for, and the exploitation of, the petroleum resources, and certain other resources, of certain submerged lands adjacent to the coasts of the State; and for purposes connected therewith. [Assented to, 7th December, 1967.]

WHEREAS

I have examined this Bill, and find it to correspond in all respects with the Bill as finally passed by both Houses.

G. R. CRAWFORD,
Chairman of Committees of the Legislative Assembly.

Preamble.

WHEREAS in accordance with international law Australia as a coastal state has sovereign rights over the continental shelf beyond the limits of Australian territorial waters for the purpose of exploring it and exploiting its natural resources :

AND WHEREAS Australia is a party to the Convention on the Continental Shelf signed at Geneva on the twenty-ninth day of April, one thousand nine hundred and fifty-eight, in which those rights are defined :

AND WHEREAS the exploration for and the exploitation of the petroleum resources of submerged lands adjacent to the Australian coast would be encouraged by the adoption of legislative measures applying uniformly to the continental shelf and to the sea-bed and subsoil beneath territorial waters :

AND WHEREAS the Governments of the Commonwealth and of the States have decided, in the national interest, that, without raising questions concerning, and without derogating from, their respective constitutional powers, they should co-operate for the purpose of ensuring the legal effectiveness of authorities to explore for or to exploit the petroleum resources of those submerged lands :

AND WHEREAS the Governments of the Commonwealth and of the States have accordingly agreed to submit to their respective Parliaments legislation relating both to the continental shelf and to the sea-bed and subsoil beneath territorial waters and have also agreed to co-operate in the administration of that legislation :

Be it therefore enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of New South Wales in Parliament assembled, and by the authority of the same, as follows :—

PART I.

PRELIMINARY.

Short title.

1. This Act may be cited as the "Petroleum (Submerged Lands) Act, 1967".

2.

Commencement.

2. The several provisions of this Act shall commence upon such day or days as may be appointed by the Governor in respect thereof and notified by proclamation published in the Gazette.

Division of Act.

3. This Act is divided as follows :—

PART I.—PRELIMINARY—*ss.* 1–13.

PART II.—APPLICATION OF LAWS—*ss.* 14–15.

PART III.—MINING FOR PETROLEUM—*ss.* 16–151.

DIVISION 1.—*Preliminary*—*ss.* 16–18.

DIVISION 2.—*Exploration Permits for Petroleum*—*ss.* 19–38.

DIVISION 3.—*Production Licences for Petroleum*—*ss.* 39–59.

DIVISION 4.—*Pipeline Licences*—*ss.* 60–75.

DIVISION 5.—*Registration of Instruments*—*ss.* 76–92.

DIVISION 6.—*General*—*ss.* 93–137.

DIVISION 7.—*Fees and Royalties*—*ss.* 138–151.

PART IV.—MISCELLANEOUS—*s.* 152.

SCHEDULES.

Interpretation.

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

"access authority" means an access authority under Part III;

"application for a primary licence" means an application under subsection (1) or (2) of section 40 of this Act and "primary licence" means a licence granted on such an application;

"application

"application for a secondary licence" means an application under subsection (3) of section 40 of this Act and "secondary licence" means a licence granted on such an application;

"approved" means approved by the Designated Authority;

"block" means a block constituted as provided by section 17 of this Act;

"construct" includes "place" and "construction" has a corresponding meaning;

"corresponding law" means an Act of another State or a law in force in a Territory of the Commonwealth giving effect to the agreement between the Governments of the Commonwealth and of the States referred to in the preamble to this Act;

"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 operations for the recovery of petroleum, as the case may be;

"graticular section" means a section referred to in section 17 of this Act;

"inspector" means a person appointed under section 125 of this Act;

"licence" means a production licence for petroleum under Part III;

"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 37 of this Act is in force;

"natural

"natural resources" has the same meaning as in the Convention;

"partly cancelled" means—

(a) 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; and

(b) in relation to a pipeline licence—cancelled as to a part of the pipeline the subject of the 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;

"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 in the adjacent area;

"petroleum pool" means a naturally occurring discrete accumulation of petroleum;

"pipeline" means a pipe or system of pipes in the adjacent area for conveying petroleum but does not include a pipe or system of pipes—

(a) for returning petroleum to a natural reservoir;

(b) for conveying petroleum for use for the purposes of petroleum exploration operations or operations for the recovery of petroleum;

(c) for conveying petroleum that is to be flared or vented; or

(d) for conveying petroleum from a well to a terminal station without passing through another terminal station, whether the terminal station to which the petroleum is conveyed is in the adjacent area or not;

"pipeline licence" means a licence under Part III to construct and operate a pipeline;

"pipeline licensee" means the registered holder of a pipeline licence;

"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 40 of this Act;

"prescribed" means prescribed by the regulations;

"pumping station" means equipment for pumping petroleum or water and includes any structure associated with that equipment;

"Register" means the Register kept by the Designated Authority in pursuance of Division 5 of Part III;

"registered holder", in relation to a permit, licence, pipeline 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, pipeline licence or access authority;

"regulations"

"regulations" means regulations made under this Act;

"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;

"secondary line" means a pipe or system of pipes for any purpose referred to in paragraphs (a), (b), (c) and (d) of the definition of "pipeline";

"special prospecting authority" means a special prospecting authority under Part III;

"tank station" means a tank or system of tanks for holding or storing petroleum and includes any structure associated with that tank or system of tanks;

"terminal station" means a pumping station, a tank station or a valve station declared to be a terminal station under section 63 of this Act or under a corresponding law;

"the adjacent area" means the area specified in the Second Schedule to this Act as being adjacent to the State of New South Wales;

"the applied provisions" means the provisions applied in accordance with section 14 of this Act;

"the Commonwealth Act" means the Act or Acts of the Parliament of the Commonwealth passed to give effect to the agreement referred to in the preamble to this Act and includes that Act or those Acts as amended from time to time;

"the continental shelf" means the continental shelf, within the meaning of the Convention, adjacent to the coast of Australia;

"the Convention" means the Convention entitled "Convention on the Continental Shelf" signed at Geneva on the twenty-ninth day of April, one thousand nine hundred and fifty-eight, being the Convention a copy of which in the English language is set out in the First Schedule to 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;

(d) in relation to a pipeline licence that is no longer in force—the part of the adjacent area in which the pipeline was constructed;

(e) in relation to a pipeline licence that has been wholly cancelled or partly cancelled —the part of the adjacent area in which the pipeline or the part of the pipeline, as the case may be, was constructed; and

(f) 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;

"valve station" means equipment for regulating the flow of petroleum and includes any structure associated with that equipment;

"vessel"

"vessel" means a vessel used in navigation, other than air navigation, and includes a barge, lighter or other floating vessel;

"water line" means a pipe or system of pipes for conveying water in connexion with petroleum exploration operations or operations for the recovery of petroleum;

"well" means a hole in the sea-bed or subsoil made by drilling, boring or any other means in connexion 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, licence or pipeline licence, means cancelled as to all the blocks, or as to the whole of the pipeline, the subject of the permit, licence or pipeline licence;

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

(2) In this Act, a reference to the term of a permit, licence, pipeline licence, special prospecting authority or access authority is a reference to the period during which the permit, licence, pipeline licence, special prospecting authority or access authority remains in force and a reference to the date of expiration of a permit, licence, pipeline licence, special prospecting authority or access authority is a reference to the day on which the permit, licence, pipeline 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, licence or pipeline licence is a reference to a period of one year commencing on the date from and including which the permit, licence or pipeline 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

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 the renewal, or to the grant of a renewal, of a pipeline licence in respect of a pipeline is a reference to the grant of a pipeline licence in respect of that pipeline to commence on the day after the date of expiration of the firstmentioned pipeline licence or on the day after the date of expiration of the pipeline licence granted upon a previous renewal of the firstmentioned pipeline licence.

(7) In this Act, a reference to a pipeline includes a reference to a part of a pipeline.

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

(9) The power conferred by this Act to make, grant or issue any instrument shall, unless the contrary intention appears, be construed as including a power exercisable in the like manner and subject to the like conditions, if any, to repeal, rescind, revoke, amend or vary any such instrument.

Construction of Act.

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

Spaces above and below adjacent areas.

6. For the purposes of this Act and the regulations—

(a) the space above or below the adjacent area shall be deemed to be in that area; and

(b)

(b) the space above or below an area that is part of the adjacent area shall be deemed to be in that part.

Points, &c., to be ascertained by reference to Australian Geodetic Datum.

7. (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 flattening of $\frac{100}{29825}$ and by reference to the position 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 one of this section.

Application of Act.

8. 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 New South Wales or not.

Obligations and liabilities.

9. Where an obligation or liability is imposed by or under the applied provisions or by or under Part III or the regulations and the like obligation or liability is imposed by or under the Commonwealth Act and the obligation or liability under the Commonwealth Act is discharged, the other obligation or liability is also discharged.

Rights, powers and privileges.

10. Where a right, privilege or power is conferred by or under the applied provisions or by or under Part III or the regulations and the like right, privilege or power is conferred by or under the Commonwealth Act and the right, privilege or power under the Commonwealth Act has been exercised, the other right, privilege or power is not capable of being exercised.

11.

Causes of action.

11. Where an act or omission gives rise to a cause of action under the applied provisions or under Part III or the regulations and also to a cause of action under the Commonwealth Act and the cause of action under the Commonwealth Act is extinguished, the other cause of action is also extinguished.

Persons not liable to be convicted under two laws.

12. Where an act or omission constitutes an offence under both the Commonwealth Act and the applied provisions, Part III or the regulations and the offender has been convicted for that offence under the Commonwealth Act, he shall not be liable to be convicted for the offence under the applied provisions, Part III or the regulations.

Validation of certain acts.

13. Where a person or a court has done an act in the purported exercise of a power or function under the Commonwealth Act and that act could have been done by that person or court in the exercise of a power or function under the applied provisions or under Part III or the regulations, that act shall be deemed to have been done by that person or court in the exercise of the power or function under those provisions, that Part or those regulations, as the case may be.

PART II.

Application of Laws.

Application of laws in area adjacent to State.

14. (1) Subject to this Act, the provisions of the laws in force in New South Wales, whether written or unwritten, and as in force from time to time, and the provisions of any instrument made under any of those laws, apply in the adjacent area.

(2) The provisions referred to in subsection (1) of this section apply to and in relation to all acts, matters, circumstances and things touching, concerning, arising out of

or

or connected with the exploration of the sea-bed or subsoil of the adjacent area for petroleum and the exploitation of the natural resources, being petroleum, of that sea-bed or subsoil, and not otherwise, and so apply as if the adjacent area were part of the State.

(3) This section does not—

(a) extend to the provisions of any law or instrument—

(i) in so far as they apply to or in relation to exploration for, or operations for the recovery of, petroleum;

(ii) in so far as they apply to or in relation to the construction or operation of pipelines;

(iii) in so far as they are incapable of application in the adjacent area; or

(iv) in so far as they are expressed not to extend to or apply in the adjacent area; or

(b) operate so as to apply the provisions of any law of the Commonwealth in any part of the adjacent area in which that law applies.

(4) The regulations may provide that any provisions referred to in subsection (1) of this section that are specified in the regulations do not apply by reason of this section or apply with prescribed modifications only.

(5) Regulations made for the purposes of subsection (4) of this section may provide that prescribed provisions be added to or substituted for any of the provisions referred to in subsection (1) of this section.

Jurisdiction of State courts.

15. (1) Subject to this section, the several courts of New South Wales are invested with jurisdiction in all matters arising under the applied provisions, this Act or the regulations.

(2) The jurisdiction with which the several courts are invested by subsection (1) of this section is invested within the limits (other than limits having effect by reference to localities) of their several jurisdictions.

(3) The jurisdiction invested in a court of summary jurisdiction by this section shall not be judicially exercised except by a stipendiary magistrate sitting alone.

(4) This section does not limit the jurisdiction that any court has apart from this section.

PART III.

MINING FOR PETROLEUM.

DIVISION 1.—*Preliminary.*

Designated Authority.

16. (1) The Minister is for the purposes of this Act the Designated Authority.

(2) The Governor may make an arrangement with the Governor-General with respect to any or all of the matters with respect to which the Governor-General is authorized to make arrangements under the Commonwealth Act.

(3) An arrangement made under this section may contain such incidental or supplementary provisions as the Governor and the Governor-General think necessary.

(4) The Governor may arrange with the Governor-General for the variation or revocation of an arrangement made under this section.

(5) The Designated Authority may—

(a) delegate all or any of his powers or functions under this Act or the regulations (except this power of delegation); and

(b) vary or revoke a delegation given by him.

(6) A power or function delegated by the Designated Authority 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 Designated Authority in relation to a matter—upon the opinion, belief or state of mind of the delegate in relation to that matter.

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

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

Graticulation of Earth's surface and constitution of blocks.

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

(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 adjacent area constitutes a block; and

(b)

(b) if a part only of a graticular section is, or parts only of a graticular section are, within the adjacent area, 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.

18. (1) The Designated Authority 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 or over or in which there is a pipeline) shall not be the subject of a permit, licence, special prospecting authority or access authority and that a pipeline licence shall not be granted in respect of a pipeline over or in that block.

(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 and a pipeline licence shall not be granted in respect of a pipeline over or in that block.

DIVISION 2.—*Exploration Permits for Petroleum.*

Exploration for petroleum.

19. A person shall not explore for petroleum in the adjacent area—

(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.

20.

20. (1) The Designated Authority 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 Designated Authority may, for reasons that he thinks sufficient, in an instrument under subsection (1) of this section, direct that subsection (2) or (3) of section 21 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 Designated Authority 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 Designated Authority 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 Designated Authority may, for reasons that he thinks sufficient, upon request in writing served on him, direct that subsection (2) or (3) of section 21 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.

21.

Application for permit.

21. (1) An application under section 20 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 four 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 Designated Authority 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)

(4) The Designated Authority 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 connexion with his application.

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

Grant or refusal of permit in relation to application.

22. (1) Where an application has been made under section 20 of this Act, the Designated Authority may—

(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 subject 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 Designated Authority 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

instrument on him, or within such further period, not exceeding one month, as the Designated Authority, 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 Designated Authority, request the Designated Authority to grant to him the permit; and

(b) lodge with the Designated Authority 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 Designated Authority the security referred to in the instrument,

within the period applicable under subsection (3) of this section, the Designated Authority 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 Designated Authority 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.

Application for permit in respect of surrendered, &c., blocks.

23. (1) Where—

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

(b)

(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 Designated Authority 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 Designated Authority 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 20 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 Designated Authority 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 20 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 21 of this Act;

(d) shall specify an amount that the applicant is prepared to pay to the Designated Authority, in addition to the fee referred to in paragraph (a) of subsection (1) of section 24 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 Designated Authority to consider.

(5) The Designated Authority 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 connexion with his application.

Application fee, &c.

24. (1) An application under section 23 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 25 of this Act does not request the Designated Authority, in accordance with section

section 26 of this Act, to grant to him the permit referred to in the instrument, the deposit shall not, unless the Designated Authority otherwise determines, be refunded to the applicant.

Consideration of application.

25. (1) Where, at the expiration of the period specified in an instrument under subsection (1) of section 23 of this Act, only one application has been made under that subsection in respect of the block or blocks specified in the instrument, the Designated Authority 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.

(2) Where, at the expiration of the period specified in an instrument under subsection (1) of section 23 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 Designated Authority 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 23 of this Act, the Designated Authority 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 the block or blocks specified in the application.

(4)

(4) Where the Designated Authority 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 subject 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 26 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 109 of this Act in respect of that balance; and

(iii) lodge with the Designated Authority the security referred to in the instrument.

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

26. (1) An applicant on whom there has been served an instrument under section 25 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 Designated Authority, 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 Designated Authority, request the Designated Authority to grant to him the permit referred to in the first-mentioned instrument;

(b)

(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 109 of this Act in respect of that balance; and

(c) lodge with the Designated Authority the security referred to in the firstmentioned instrument.

(2) Where an applicant on whom there has been served an instrument under section 25 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 109 of this Act in respect of that balance; or

(c) has not lodged with the Designated Authority 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 25 of this Act lapses as provided by subsection (2) of this section, subsection (2) of that section applies in respect of the application or applications, if any, then remaining unrejected.

27. Where a person on whom there has been served an instrument under section 25 of this Act— **Grant of permit on request.**

(a) has made a request under subsection (1) of section 26 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 109 of this Act in respect of that balance; and

(c)

(c) has lodged with the Designated Authority the security referred to in the instrument,

within the period applicable under that subsection, the Designated Authority 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.

28. A permit, while it remains in force, authorizes 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.

29. 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 six 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.

30. (1) Subject to section 31 of this Act, a permittee may, from time to time, make an application to the Designated Authority 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)

(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 Designated Authority 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.

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

31. (1) The number of blocks in respect of which an application for the renewal of a permit may be made shall not exceed the number calculated as follows :—

(a) where the number of blocks in respect of which the permit is in force is a number that is divisible by two without remainder—one-half of that number; or

(b) where the number of blocks in respect of which the permit is in force is a number that is one less or one more than a number that is divisible by four without remainder—one-half of that lastmentioned number.

(2) A block that is, or is included in, a location and in respect of which the 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 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)

(4) Where the number of blocks in respect of which an application for the 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 renewal of a permit, the number calculated in accordance with subsection (1) of this section is less than sixteen, the Designated Authority 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 Designated Authority 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.

Grant or refusal of renewal of permit.

32. (1) Where a permittee makes an application for the renewal of a permit, the Designated Authority—

(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 Designated Authority is satisfied that, although the permittee has not so complied, special circumstances exist that justify the granting of the renewal of the permit,

inform

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 Designated Authority is not satisfied that special circumstances exist that justify the granting of the renewal of the permit, the Designated Authority shall, subject to subsection (3) of this section, by instrument in writing served on the permittee, refuse to grant the renewal of the permit.

(3) The Designated Authority 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 Designated Authority, submit any matters that he wishes the Designated Authority 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 Designated Authority 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 Designated Authority, request the Designated Authority to grant to him the renewal of the permit; and

(b) lodge with the Designated Authority 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 Designated Authority the security referred to in the instrument,

within the period referred to in subsection (5) of this section, the Designated Authority 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 Designated Authority 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 Designated Authority 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 Designated Authority grants, or refuses to grant, the renewal of the permit; or

(d) until the application so lapses,

whichever first happens.

Conditions of permit.

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

(2) The conditions referred to in subsection (1) of this section may include a condition that, in or 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.

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

(a) shall forthwith inform the Designated Authority of the discovery; and

(b) shall, within a period of three days after the date of the discovery, furnish to the Designated Authority particulars in writing of the discovery.

(2) Where petroleum is discovered in a permit area, the Designated Authority 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 subsoil in which the petroleum occurs; and

(c) any other matters relating to the discovery that are specified by the Designated Authority 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.

Directions by Designated Authority on discovery of petroleum.

35. (1) Where petroleum is discovered in a permit area, the Designated Authority 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 Designated Authority 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.

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

Penalty : Two thousand dollars.

36.

Nomination of block for purposes of declaring location.

36. (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—

(a) may; or

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

by instrument in writing served on the Designated Authority, nominate a block in respect of which the permit is in force for the purpose of the making of a declaration under section 37 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 Designated Authority, on application in writing served on him before the expiration of that period of three months, allows, nominate the block, the Designated Authority may, by instrument in writing served on the permittee, nominate the block.

(3) Where a permittee or the Designated Authority 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 37 of this Act but this subsection does not prevent other discovery blocks in the permit area 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 37 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 44 of this Act,

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

(6) The Designated Authority 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.

Declaration of location.

37. (1) Where a permittee or the Designated Authority has nominated a block under section 36 of this Act, the Designated Authority shall, by instrument published in the Gazette, declare—

(a) that block; and

(b)

(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 Designated Authority, requests that, for the reasons specified in the instrument, the declaration be revoked, the Designated Authority 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.

Immediately adjoining blocks.

38. For the purposes of sections 36 and 37 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—

(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 adjacent area.

39. A person shall not carry on operations for the recovery of petroleum in the adjacent area—

(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.

40. (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 Designated Authority for the grant of a licence—

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

(b)

(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 Designated Authority 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 Designated Authority 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

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 Designated Authority 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 Designated Authority, on application by the permittee, in writing, served on the Designated Authority before the expiration of the firstmentioned period of two years, allows.

41. (1) An application under section 40 of this Act— Application for licence.

(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 Designated Authority 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)

(2) The Designated Authority 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 connexion with his application.

Determination of rate of royalty.

42. (1) 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 Designated Authority shall determine a rate at which royalty is to be payable in respect of petroleum recovered, whether under the primary licence or under the secondary licence, being a rate that is not less than eleven per centum nor more than twelve and one-half per centum of the value at the well-head of that petroleum.

(2) The Designated Authority shall not, under subsection (1) of this section, determine the rate at which royalty is to be payable unless he has given to the applicant an opportunity to confer with him concerning that rate.

Notification as to grant of licence.

43. (1) Where an application for the grant of a licence has been made under section 40 of this Act and the applicant has furnished any further information required by the Designated Authority under subsection (2) of section 41 of this Act, the Designated Authority, by instrument in writing served on the applicant—

(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 the applicant 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)

(b) if the instrument relates to an application for a secondary licence—specify the rate of royalty determined by the Designated Authority in pursuance of subsection (1) of section 42 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 44 of this Act in respect of the grant of the licence; or

(ii) in a case where the Designated Authority 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 Designated Authority.

Grant of licence.

44. (1) An applicant on whom there has been served an instrument under subsection (1) of section 43 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 Designated Authority, 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 Designated Authority request the Designated Authority to grant to him the licence referred to in the firstmentioned instrument; and

(b) if the Designated Authority 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 Designated Authority.

(2) Where an applicant on whom there has been served an instrument under subsection (1) of section 43 of this Act—

(a) has made a request under subsection (1) of this section; and

(b)

(b) if the Designated Authority has informed the applicant that he will be required to lodge a security as mentioned in paragraph (b) of subsection (1) of section 43 of this Act, has lodged that security with the Designated Authority,

within the period applicable under subsection (1) of this section, the Designated Authority 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 45 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 43 of this Act—

(a) has not made a request under subsection (1) of this section; or

(b) if the Designated Authority has informed the applicant that he will be required to lodge a security as mentioned in paragraph (b) of subsection (1) of section 43 of this Act, has not lodged that security with the Designated Authority,

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.

Variation of licence area.

45. (1) Where an application is made under subsection (2) of section 40 of this Act for a variation of a licence, the Designated Authority shall, by instrument in writing served on the licensee, vary the licence to include in the licence area the blocks specified in the application.

(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.

Determination of permit as to block not taken up by licensee.

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

(a) a permittee who may make an application under section 40 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)

(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 Designated Authority shall, by instrument published in the Gazette, revoke the declaration made under subsection (1) of section 37 of this Act in respect of that location.

Application for licence in respect of surrendered, &c., blocks.

47. (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 Designated Authority, there is petroleum,

the Designated Authority 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)

(2) The Designated Authority 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 Designated Authority, 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 Designated Authority 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.

(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 Designated Authority 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 Designated Authority 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 41 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 Designated Authority to consider.

(7) The Designated Authority 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 connexion with his application.

Application fee, &c.

48. (1) An application under section 47 of this Act shall be accompanied by—

(a) a fee of one thousand dollars; and

(b)

(b) a deposit—

(i) if the application is made under subsection (1) or (4) of section 47 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 47 of this Act and the Designated Authority 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 49 of this Act does not request the Designated Authority, under subsection (6) of that section, to grant to him the licence referred to in the instrument, the deposit shall not, unless the Designated Authority otherwise determines, be refunded to the applicant.

Request by applicant for grant of licence.

49. (1) Where, at the expiration of the period specified in an instrument under subsection (1) of section 47 of this Act, only one application has been made under that subsection in respect of the block specified in the instrument, the Designated Authority 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)

(2) Where, at the expiration of the period specified in an instrument under subsection (1) of section 47 of this Act, two or more applications have been made under that subsection in respect of the block specified in the instrument, the Designated Authority 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 47 of this Act, the Designated Authority 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 Designated Authority may, by an instrument served on an applicant under any of the preceding provisions of this section, inform the applicant that he will

be

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 109 of this Act in respect of that balance; or

(iii) in a case where the Designated Authority 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 Designated Authority.

(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 Designated Authority, on application in writing served on him before the

the expiration of the firstmentioned period of three months, allows—

(a) by instrument in writing served on the Designated Authority, request the Designated Authority 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 109 of this Act in respect of that balance; and

(c) if the Designated Authority 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 Designated Authority.

(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 that balance or entered into an agreement under section 109 of this Act in respect of that balance; or

(c) if the Designated Authority 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 Designated Authority,

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,

section, subsection (2) of this section applies in respect of the application or applications, if any, then remaining unrejected.

Grant of licence on request.

50. Where an applicant on whom there has been served an instrument under section 49 of this Act—

(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 109 of this Act in respect of that balance; and

(c) if the Designated Authority has informed him that he will be required to lodge a security as mentioned in subsection (4) of section 49 of this Act, has lodged that security with the Designated Authority,

within the period applicable under subsection (6) of section 49 of this Act, the Designated Authority 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.

51. (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 Designated Authority 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)

(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 Designated Authority 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 Designated Authority has required the licensee to lodge a security as mentioned in subsection (3) of this section, has lodged that security with the Designated Authority,

the Designated Authority 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 53 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.

Rights conferred by licence.

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

(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.

Term of licence.

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

(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 Designated Authority 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.

54. (1) A licensee may, from time to time, make an application to the Designated Authority 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 Designated Authority 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.

55. (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 54 of this Act for the renewal of the licence, the Designated Authority—

(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 54 of this Act for the renewal of the licence, the Designated Authority, 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)

(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 Designated Authority is not satisfied that special circumstances exist that justify the granting of the renewal of the licence, the Designated Authority 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 Designated Authority 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 Designated Authority, submit any matters that he wishes the Designated Authority 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 first-mentioned instrument has been served.

(5) Where a licensee makes an application under section 54 of this Act in respect of a renewal other than the first renewal of the licence, the Designated Authority may, by instrument in writing served on the licensee, refuse to grant the renewal of the licence.

(6) The Designated Authority 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 Designated Authority 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 Designated Authority.

(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 Designated Authority, request the Designated Authority to grant to him the renewal of the licence; and

(b) if the Designated Authority 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 Designated Authority.

(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 Designated Authority 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 Designated Authority,

within the period referred to in subsection (8) of this section, the Designated Authority 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 Designated Authority 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 Designated Authority,

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 54 of this Act; and

(b) the licence expires—

(i) before the Designated Authority 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 Designated Authority grants, or refuses to grant, the renewal of the licence; or

(d) until the application so lapses,

whichever first happens.

Conditions of licence.

56. A licence may be granted subject to such conditions as the Designated Authority thinks fit and specifies in the licence.

Works to be carried out.

57. (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 connexion 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 connexion 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)

(4) The Designated Authority 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 Designated Authority 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 Division 7 of this Part.

Directions as to recovery of petroleum.

58. (1) Where petroleum is not being recovered in a licence area and the Designated Authority 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.

(2) Where the Designated Authority 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 Designated Authority may, by instrument in writing served on the licensee, give to the licensee such directions as the Designated Authority 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 Designated Authority 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 Designated Authority specifies in the instrument.

(4) Where the Designated Authority 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 Designated Authority may, by instrument in writing served

served on the licensee, give to the licensee such directions as the Designated Authority 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 development.

59. (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 adjacent area 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 Designated Authority, 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 adjacent area that includes part of a particular petroleum pool that extends into the adjacent area,

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 81 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)

(b) a licensee enters into such an agreement but the agreement is not lodged with the Designated Authority in accordance with subsection (3) of this section or if so lodged is not approved under section 81 of this Act,

the Designated Authority may, by instrument in writing served on the 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 Designated Authority may, by instrument in writing served on the licensee, give to the licensee such directions as the Designated Authority 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 Designated Authority may, by instrument in writing served on the licensee, give to the licensee such directions as the Designated Authority 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 Designated Authority has given directions under subsection (5) or (6) of this section, the Designated Authority 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 Designated Authority shall not give a direction under 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 81 of this Act applies.

DIVISION 4.—*Pipeline Licences.*

Construction, &c., of pipelines, &c.

60. (1) A person shall not, in the adjacent area, commence, or continue, the construction of a pipeline except under and in pursuance of a pipeline licence.

(2) A person shall not, in the adjacent area, alter or reconstruct a pipeline, except under and in pursuance of a pipeline licence.

(3) A person shall not, in the adjacent area, operate a pipeline—

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

(b) unless he has obtained the consent of the Designated Authority under section 75 of this Act to the commencement or resumption, as the case may be, of operations and commences or resumes operations in accordance with the conditions, if any, specified in the instrument of consent.

(4) A person shall not, in the adjacent area, commence, or continue, the construction of, alter, reconstruct or operate a water line, pumping station, tank station, valve station or secondary line—

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

(b) except with the consent in writing of the Designated Authority and in accordance with the conditions, if any, specified in the instrument of consent.

(5)

(5) The Designated Authority may, for reasons that he thinks sufficient, refuse to give his consent under any provision of this section.

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

Acts done in an emergency, &c.

61. It is not an offence against section 60 of this Act—

(a) if, in an emergency in which there is a likelihood of loss or injury, or for the purpose of maintaining a pipeline, water line, pumping station, tank station, valve station or secondary line in good order or repair, a person does an act to avoid the loss or injury or to maintain the pipeline, water line, pumping station, tank station, valve station or secondary line in good order and repair and—

(i) as soon as practicable notifies the Designated Authority of the act done; and

(ii) complies with any directions given to him by the Designated Authority; or

(b) if a person does an act in compliance with a direction under this Act or the regulations.

Removal of pipeline, &c., constructed in contravention of Act.

62. (1) Where—

(a) the construction of a pipeline, water line, pumping station, tank station, valve station or secondary line is commenced, continued or completed in contravention of this Act; or

(b) a pipeline, water line, pumping station, tank station, valve station or secondary line is altered or reconstructed in contravention of this Act,

the Designated Authority may, by instrument in writing served on the appropriate person, direct him—

(c) to make such alterations to the pipeline, water line, pumping station, tank station, valve station or secondary line as are specified in the instrument; or

(d)

(d) to move the pipeline, water line, pumping station, tank station, valve station or secondary line to a specified place in, or to remove it from, the adjacent area,

within the period specified in the instrument.

(2) For the purpose of subsection (1) of this section, the appropriate person is—

(a) if the construction of the pipeline, water line, pumping station, tank station, valve station or secondary line has been completed—the owner of the pipeline, water line, pumping station, tank station, valve station or secondary line; or

(b) if the construction of the pipeline, water line, pumping station, tank station, valve station or secondary line has not been completed—the person for whom the pipeline, water line, pumping station, tank station, valve station or secondary line is being constructed.

(3) Where a person on whom there has been served an instrument under subsection (1) of this section does not, within the period specified in the instrument or within such further period, if any, as the Designated Authority, on application in writing served on him before the expiration of the firstmentioned period, allows, comply with the direction, the Designated Authority may do all or any of the things required by the direction to be done.

(4) Costs and expenses incurred by the Designated Authority under subsection (3) of this section are a debt due by the person referred to in that subsection to the Crown and are recoverable in a court of competent jurisdiction.

Terminal station.

63. The Designated Authority may, by instrument published in the Gazette, declare a pumping station, a tank station or a valve station in the adjacent area to be a terminal station.

64.

Application for pipeline licence.

64. (1) An application for a pipeline licence—

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

(b) shall be made in an approved manner;

(c) shall be accompanied by particulars of—

(i) the proposed design and construction of the pipeline;

(ii) the proposed size and capacity of the pipeline;

(iii) the proposals of the applicant for work and expenditure in respect of the construction of the pipeline;

(iv) the technical qualifications of the applicant and of his employees;

(v) the technical advice available to the applicant;

(vi) the financial resources available to the applicant; and

(vii) any agreements entered into, or proposed to be entered into, by the applicant for or in relation to the supply or conveyance of petroleum by means of the pipeline;

(d) shall be accompanied by a plan, drawn to an approved scale, showing—

(i) the route to be followed by the pipeline;

(ii) the sites of the pumping stations, tank stations and valve stations to be used in connexion with the pipeline; and

(iii) the site of any pumping station, tank station or valve station that the applicant desires to be declared under section 63 of this Act to be a terminal station in connexion with the pipeline;

(e) may set out any other matters that the applicant wishes the Designated Authority to consider; and

(f) shall be accompanied by a fee of one thousand dollars.

(2)

(2) Where a notice is published in the Gazette—

(a) of an application for a pipeline licence in respect of the construction of a pipeline for the conveyance of petroleum recovered in a licence area made by a person other than the licensee; or

(b) of an application for a pipeline licence in respect of the construction of a pipeline for the conveyance of petroleum recovered in a licence area under a corresponding law made by a person other than the pipeline operator under a corresponding law,

the licensee or the pipeline operator under a corresponding law, as the case may be, may, within a period of three months after the date of publication of the notice, or within such further period not exceeding three months, as the Designated Authority, on application in writing served on him before the expiration of the firstmentioned period of three months, allows, make an application for a pipeline licence referred to in paragraph (a) or (b) of this subsection, as the case requires, and, in the application, request that the application referred to in the notice be rejected.

(3) Where—

(a) a notice referred to in subsection (2) of this section is published in the Gazette; and

(b) a pipeline licence is granted to the licensee or to the pipeline operator under a corresponding law on an application under that subsection,

the Designated Authority shall, by instrument in writing served on the applicant, reject the application referred to in the notice.

(4) The Designated Authority may, at any time, by instrument in writing served on a person who has made an application under this section, require him to furnish, within the time specified in the instrument, further information in writing in connexion with his application.

(5) In this section, "pipeline operator under a corresponding law" means a person who is entitled under a corresponding law to carry on operations for the recovery of petroleum

petroleum in an area outside the adjacent area and who the Designated Authority is satisfied is or will be entitled to construct a pipeline from the firstmentioned area to the boundary of the adjacent area.

Grant or refusal of pipeline licence.

65. (1) Where a person makes an application in accordance with section 64 of this Act the Designated Authority—

(a) shall, if the application is—

(i) in respect of the construction in the adjacent area of a pipeline for the conveyance of petroleum recovered in a licence area in respect of which the applicant is the licensee and the licensee has complied with the conditions to which the licence is subject and with the provisions of this Part and of the regulations; or

(ii) by a pipeline operator under a corresponding law; or

(b) may, if the application is by any other person and has not been rejected under subsection (3) of that section,

inform the applicant, by instrument in writing served on him, that the Designated Authority is prepared to grant a pipeline licence to him.

(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 in accordance with section 64 of this Act for a pipeline licence in respect of the construction of a pipeline for the conveyance of petroleum recovered in the licence area, the Designated Authority, if he is satisfied that, although the licensee has not so complied, special circumstances exist that justify the granting of a pipeline licence, may inform the licensee, by instrument in writing served on the licensee, that he is prepared to grant a pipeline licence to him.

(3) If 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 in accordance with section 64 of this Act for a pipeline licence, and if the Designated Authority is not satisfied that special circumstances exist that justify the granting of a pipeline licence, the Designated Authority shall, subject to subsection (4) of this section, by instrument in writing served on the licensee, refuse to grant a pipeline licence.

(4) The Designated Authority shall not, under subsection (3) of this section, refuse to grant a pipeline licence to a licensee 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 pipeline 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 Designated Authority, submit any matters that he wishes the Designated Authority 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 person, other than the licensee or the pipeline operator under a corresponding law, makes an application in accordance with section 64 of this Act for a pipeline licence in respect of the construction of a pipeline for the conveyance of petroleum recovered in a licence area or a licence area under a corresponding law, as the case may be, the Designated Authority may, by instrument in writing served on the applicant, refuse to grant a pipeline licence.

(6)

(6) Where the Designated Authority is required, or proposes, to serve on a person an instrument under subsection (1) or (2) of this section, he shall, by the instrument, inform that person that he will be required to lodge a security for compliance with the conditions to which the pipeline licence, if 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—

(a) shall specify the route to be followed by the pipeline;

(b) shall contain a summary of the conditions subject to which the pipeline licence is to be granted; and

(c) shall contain a statement to the effect that the application will lapse if the applicant does not make a request under subsection (9) of this section and lodge with the Designated Authority the security referred to in the instrument.

(8) The route to be specified in an instrument under subsection (1) or (2) of this section shall be—

(a) the route shown in the plan accompanying the application; or

(b) if the Designated Authority is of the opinion that, for any reason, that route is not appropriate—a route that, in the opinion of the Designated Authority, is appropriate.

(9) A person on whom there has been served an instrument under subsection (1) or (2) 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 Designated Authority 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 Designated Authority, request the Designated Authority to grant to him the pipeline licence; and

(b) lodge with the Designated Authority the security referred to in the instrument so served on him.

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

(a) has made a request under subsection (9) of this section; and

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

within the period applicable under subsection (9) of this section, the Designated Authority shall grant to that person a licence to construct and operate a pipeline in respect of the pipeline specified in the instrument.

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

(a) has not made a request under subsection (9) of this section; or

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

within the period applicable under subsection (9) of this section, the application lapses upon the expiration of that period.

(12) Where a pipeline licence is not granted on an application, the sum of nine hundred dollars shall be refunded to the applicant.

(13) In this section, "pipeline operator under a corresponding law" has the same meaning as in section 64 of this Act.

Rights conferred by pipeline licence.

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

(a) to construct in the adjacent area—

(i) a pipeline of the design, construction, size and capacity specified in the pipeline licence along the route, and in the position in relation to the sea-bed in the adjacent area, so specified; and

(ii)

(ii) the pumping stations, tank stations and valve stations so specified in the positions so specified;

(b) to operate that pipeline and those pumping stations, tank stations and valve stations; and

(c) to carry on such operations, to execute such works and to do all such other things in the adjacent area as are necessary for or incidental to the construction and operation of that pipeline and of those pumping stations, tank stations and valve stations.

Term of pipeline licence.

67. (1) Subject to this Part, a pipeline licence remains in force—

(a) for a period of twenty-one years; or

(b) where the Designated Authority is of the opinion that, having regard to the dates of expiration of the licences that relate to the licence areas from which petroleum is, or is to be, conveyed by means of the pipeline, it is not necessary for the pipeline licence to remain in force for a period of twenty-one years —for such period less than twenty-one years as the Designated Authority determines and specifies in the pipeline licence.

(2) The period for which a pipeline licence remains in force commences—

(a) in the case of a pipeline licence granted otherwise than by way of renewal of a pipeline licence—on the day from and including which the pipeline licence has effect; and

(b) in the case of a pipeline licence granted by way of renewal of a pipeline licence—on the day after the day on which the last previous pipeline licence in respect of the same pipeline ceases to have effect.

Application for renewal of pipeline licence.

68. (1) A pipeline licensee may, from time to time, make an application to the Designated Authority for the renewal of the pipeline licence.

(2)

(2) An application for the renewal of the pipeline 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 pipeline licence ceases to have effect; and

(c) shall be accompanied by a fee of two hundred dollars.

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

Grant or refusal of renewal of pipeline licence.

69. (1) Where a pipeline licensee makes an application for the renewal of the pipeline licence under section 68 of this Act, the Designated Authority—

(a) shall, if the pipeline licensee has complied with the conditions to which the pipeline licence is subject and with the provisions of this Part and of the regulations; or

(b) may, if the pipeline licensee has not so complied and the Designated Authority is satisfied that, although the pipeline licensee has not so complied, special circumstances exist that justify the granting of the renewal of the pipeline licence,

inform the pipeline licensee, by instrument in writing served on the pipeline licensee—

(c) that he is prepared to grant to him the renewal of the pipeline licence; and

(d) that he will be required to lodge a security for compliance with the conditions to which the pipeline licence, 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 a pipeline licensee who has not complied with the conditions to which the pipeline licence is subject and with the provisions of this Part and of the regulations makes an application in accordance with section 68 of this Act in respect of the renewal of the pipeline licence, and if the Designated Authority is not satisfied that special circumstances exist that justify the granting of the renewal of the pipeline licence, the Designated Authority shall, subject to subsection (3) of this section, by instrument in writing served on the pipeline licensee, refuse to grant the renewal of the pipeline licence.

(3) The Designated Authority shall not refuse to grant the renewal of the pipeline licence unless—

(a) he has, by instrument in writing served on the pipeline licensee, given not less than one month's notice of his intention to refuse to grant the renewal of the pipeline 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 pipeline licensee or a person on whom a copy of the instrument is served may, by instrument in writing served on the Designated Authority, submit any matters that he wishes the Designated Authority to consider; and

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

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

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

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

(5) A pipeline licensee 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 Designated Authority, request the Designated Authority to grant to him the renewal of the pipeline licence; and

(b) lodge with the Designated Authority the security referred to in the firstmentioned instrument.

(6) Where a pipeline licensee 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 Designated Authority the security referred to in the instrument,

within the period referred to in subsection (5) of this section, the Designated Authority shall grant to him the renewal of the pipeline licence.

(7) Where a pipeline licensee 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)

(b) has not lodged with the Designated Authority 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 pipeline licence is made under section 68 of this Act; and

(b) the pipeline licence expires—

(i) before the Designated Authority grants, or refuses to grant, the renewal of the pipeline licence; or

(ii) before the application lapses as provided by subsection (7) of this section,

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

(c) until the Designated Authority grants, or refuses to grant, the renewal of the pipeline licence; or

(d) until the application so lapses,

whichever first happens.

Conditions of pipeline licence.

70. (1) A pipeline licence may be granted subject to such conditions as the Designated Authority thinks fit and specifies in the pipeline licence.

(2) The conditions referred to in subsection (1) of this section may include a condition that the pipeline licensee shall complete the construction of the pipeline within the period specified in the pipeline licence.

Variation of pipeline licence on application by pipeline licensee.

71. (1) A pipeline licensee may, at any time, make an application to the Designated Authority for the variation of the pipeline licence.

(2) An application under this section—

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

(b)

(b) shall be made in an approved manner;

(c) shall be accompanied by particulars of the proposed variation;

(d) shall specify the reasons for the proposed variation; and

(e) shall be accompanied by a fee of one hundred dollars.

(3) The Designated Authority may, at any time, by instrument in writing served on a person who has made an application under this section, require him to furnish, within the period specified in the instrument, further information in writing in connexion with his application.

(4) The Designated Authority shall, in a notice published in the Gazette of an application under this section, specify a period within which a person may submit to the Designated Authority, in writing, any matters that he wishes the Designated Authority to consider in connexion with the application.

(5) After considering any matters submitted to him under subsection (4) of this section, the Designated Authority may vary the pipeline licence to such extent as he thinks necessary or may refuse to vary the pipeline licence.

Variation of pipeline licence by Designated Authority.

72. (1) The Designated Authority may—

(a) at the request of—

(i) a Minister or a Minister of State of the Commonwealth; or

(ii) a body established by a law of the Commonwealth or a Territory or of the State; and

(b) if, in his opinion, it is in the public interest so to do,

by instrument in writing served on a person who is a pipeline licensee or the holder of an instrument of consent under section 60 of this Act, direct that person to make such changes in the design, construction, route or position of the pipeline, or of a water line, pumping station, tank station, valve station or

or secondary line, to which the pipeline licence or instrument of consent relates as are specified in the firstmentioned instrument, within the period specified in the firstmentioned instrument, and, if the person so directed is a pipeline licensee, shall vary the pipeline licence accordingly.

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

Penalty : Two thousand dollars.

(3) Where the Designated Authority gives a direction under subsection (1) of this section and the person to whom the direction was given has complied with the direction, that person may bring an action in the Supreme Court against the Minister, Minister of State of the Commonwealth or body making the request.

(4) The Supreme Court shall hear the action, without a jury, and shall determine whether it is just that the whole or a portion of the reasonable cost of complying with the direction ought to be paid to the plaintiff by the defendant.

(5) If the Supreme Court determines that it is just that such a payment ought to be made, the Supreme Court shall determine the amount of the payment and give judgment accordingly.

(6) The jurisdiction of the Supreme Court under this section may be exercised by a Judge of that Court sitting alone.

Common carrier.

73. The Designated Authority may, by instrument in writing served on a pipeline licensee, direct the pipeline licensee to be a common carrier of petroleum in respect of the pipeline and thereupon the pipeline licensee is a common carrier of petroleum in respect of the pipeline.

Ceasing to operate pipeline.

74. (1) Except with the consent in writing of the Designated Authority and subject to compliance with such conditions, if any, as are specified in the instrument of consent, a pipeline licensee shall not cease to operate the pipeline.

Penalty : Two thousand dollars.

(2)

(2) It is not an offence against subsection (1) of this section if the failure of the pipeline licensee to operate the pipeline—

(a) was in the ordinary course of operating the pipeline;

(b) was for the purpose of repairing or maintaining the pipeline; or

(c) was in an emergency in which there was a likelihood of loss or injury.

Consent to commencement or resumption of pipeline operations.

75. (1) The Designated Authority may, on application in writing served on him—

(a) by a pipeline licensee whose pipeline has not previously been in operation; or

(b) by a pipeline licensee who has ceased to operate the pipeline,

if he is of the opinion that the pipeline may be operated with safety, by instrument in writing served on the pipeline licensee, consent to the commencement or resumption, as the case may be, of operations.

(2) A consent under subsection (1) of this section may be given subject to such conditions, if any, as the Designated Authority thinks fit and specifies in the instrument of consent.

DIVISION 5.—*Registration of Instruments.*

Register of certain instruments to be kept.

76. (1) For the purposes of this Part, the Designated Authority shall keep a Register of permits, licences, pipeline licences and access authorities granted by him.

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

(a) specifying the name of the holder of the permit, licence, pipeline 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) in the case of a pipeline licence, setting out a description of the route of the pipeline;

(e) specifying the term of the permit, licence, pipeline licence or access authority;

(f) setting out such other matters and things as are required by this Part to be entered in the Register; and

(g) setting out such further matters relating to the registered holder or to the terms and conditions of the permit, licence, pipeline licence or access authority as the Designated Authority deems proper and expedient in the public interest.

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

(a) any instrument varying, cancelling, surrendering or otherwise affecting a permit, licence, pipeline licence or access authority;

(b) any instrument under subsection (5), (6) or (7) of section 59 of this Act;

(c) any agreement under section 109 of this Act; and

(d) any instrument varying or revoking an instrument referred to in paragraph (a) or (b) of this subsection.

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

(5)

(5) A permit, licence, pipeline 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, pipeline 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 Designated Authority shall endorse on the memorial or copy of the permit, licence, pipeline 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, &c., determined, &c.

77. 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, pipeline licence or access authority has expired,

the Designated Authority shall enter in the Register a memorial of the fact.

Approval and registration of transfers.

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

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

(3)

(3) The application shall be accompanied by an instrument of transfer of the permit, licence, pipeline 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 Designated Authority 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 Designated Authority shall not approve the transfer unless it is an absolute transfer of the whole of the transferor's interest in the permit, licence, pipeline licence or access authority.

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

(a) in the case of the transfer of a permit, licence or pipeline 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, licence or pipeline 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 Designated Authority 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 Designated Authority,

the Designated Authority shall approve the application.

(8) Where, in the case of the transfer of a licence, the Designated Authority 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 Designated Authority may, subject to subsection (5) of this section, approve the application.

(9) If the Designated Authority 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 section 92 of this Act, 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, pipeline 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 Designated Authority 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.

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

(2) The Designated Authority 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 the holder of the permit, licence, pipeline licence or access authority and, upon that entry being so made, the applicant becomes the registered holder of the permit, licence, pipeline licence or access authority.

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

80. A legal or equitable interest in or affecting an existing or future permit, licence, pipeline 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.

Approval of instruments creating, &c., interests.

81. (1) This section applies to an instrument by which a legal or equitable interest in or affecting an existing or future permit, licence, pipeline 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 78 of this Act applies.

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

(a) the instrument has been approved by the Designated Authority; and

(b) an entry has been made in the Register by the Designated Authority 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, pipeline licence or access authority by reason of

of such an instrument, may lodge with the Designated Authority 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 Designated Authority 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 Designated Authority may approve or refuse the application.

(7) If the Designated Authority 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 section 92 of this Act, 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, pipeline 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 Designated Authority 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 Designated Authority refuses the application, he shall make a notation of the refusal in the Register.

True consideration to be shown.

82. (1) A party to a transfer referred to in section 78 of this Act or to an instrument to which section 81 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 section 92 of this Act.

Penalty : Two thousand dollars.

(2)

(2) Where a person is convicted of an offence against subsection (1) of this section, the Designated Authority may make a fresh determination of the amount of the fee payable under section 92 of this Act in respect of the memorandum relating to the transfer or instrument.

(3) Subsections (2) and (3) of section 91 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.

Designated Authority not concerned with certain matters.

83. Neither the Designated Authority 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.

Power of Designated Authority to require information as to proposed dealings.

84. (1) The Designated Authority 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 Designated Authority considers necessary or advisable.

(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.

Production and inspection of documents.

85. (1) The Designated Authority 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 Designated Authority for approval under this Division or to the transaction to which such an instrument relates.

(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.

86.

Inspection of Register and documents.

86. (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.

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

Evidentiary provisions.

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

(2) The Designated Authority 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 Designated Authority 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.

88. (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)

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

(3) Notice of an application under this section shall be given to the Designated Authority, 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 Designated Authority, and the Designated Authority shall, upon receipt of the order, rectify the Register accordingly.

(5) The jurisdiction of the Supreme Court under this section may be exercised by a Judge of that Court sitting alone.

Designated Authority not liable to certain actions.

89. Subject to section 88 of this Act, neither the Designated Authority 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.

Offences.

90. A person who wilfully—

(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 Designated Authority under this Division,

is guilty of a misdemeanour and is liable on conviction on indictment to imprisonment for a period not exceeding two years.

Assessment of fee.

91. (1) The Designated Authority may determine the amount of the fee payable under section 92 of this Act in respect of any memorandum.

(2) A person dissatisfied with a determination of the Designated Authority 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 Designated Authority.

Imposition of registration fees.

92. There is payable to the Designated Authority, in respect of—

(a) a memorandum of transfer entered in the Register under section 78 of this Act; or

(b) a memorandum of approval of an instrument entered in the Register under section 81 of this Act,

a fee at the rate prescribed by the Petroleum (Submerged Lands) Taxation Act, 1967.

DIVISION 6.—*General.*

Form of permit, &c.

93. A permit, a licence, a pipeline licence, a special prospecting authority and an access authority shall be in accordance with such forms as the Designated Authority determines.

Notice of grants of permits, &c., to be published.

94. The Designated Authority shall cause such particulars as he thinks fit of—

(a) the grant, and the grant of the renewal, of a permit, licence or pipeline licence;

(b) the variation of a licence or pipeline 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;

(e) an application for a pipeline licence or for the renewal or variation of a pipeline licence;

(f) the surrender or cancellation of a pipeline licence as to the whole or a part of the pipeline; and

(g) the expiry of a permit, licence or pipeline licence,

under this Part to be published in the Gazette.

95.

Date of effect of permits, &c.

95. (1) A permit, licence or pipeline licence has effect from and including the day specified for the purpose in the permit, licence or pipeline 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) The surrender or cancellation of a pipeline licence as to the whole or a part of the pipeline has effect from and including the day on which notice of the surrender or cancellation is published in the Gazette.

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

Commencement of works.

96. (1) Where a permit, licence or pipeline licence is granted subject to a condition that works or operations specified in the permit, licence or pipeline licence are to be carried out, the permittee, licensee or pipeline 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, licence or pipeline licence, as the case may be, has effect.

(2) The Designated Authority may, for reasons that he thinks sufficient, by instrument in writing served on a permittee, licensee or pipeline 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, licence or pipeline licence, as the case may be, within such period after the day on which the permit, licence or pipeline licence, as the case may be, has effect as is specified in the instrument.

(3)

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

Penalty : Two thousand dollars.

Work practices.

97. (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.

(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 within the adjacent area 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 Designated Authority, 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)

(3) A pipeline licensee shall operate the pipeline in a proper and workmanlike manner and shall secure the safety, health and welfare of persons engaged in operations in connexion with the pipeline.

(4) In particular and without limiting the generality of subsection (3) of this section, a pipeline licensee shall prevent the waste or escape of petroleum or water from the pipeline or from any secondary line, pumping station, tank station, valve station or water line.

(5) 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.

(6) 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.

Maintenance, &c., of property.

98. (1) In this section—

"operator" means a permittee, licensee, pipeline 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;

(b) in relation to an operator who is a pipeline licensee—means the part of the adjacent area in which the pipeline is constructed; and

(c)

(c) 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 connexion 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 connexion 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.

Sections 97 and 98 to have effect subject to this Act, &c.

99. Sections 97 and 98 of this Act have effect subject to—

(a) any other provision of this Act;

(b) the regulations;

(c) a direction under section 101 of this Act; and

(d) any other law.

Drilling near boundaries.

100. (1) A permittee or licensee shall not make 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 Designated Authority 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 Designated Authority 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 making 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.

101. (1) The Designated Authority may, by instrument in writing served on a person, being a permittee, licensee, pipeline 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 152 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 subsections (1) and (2) of this section authorizes 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.

102.

Compliance with directions.

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

(2) Costs and expenses incurred by the Designated Authority 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.

Exemption.

103. (1) Where—

(a) a permit, licence or pipeline licence is, under this Part, to be deemed to continue in force until the Designated Authority grants, or refuses to grant, the renewal of the permit, licence or pipeline licence;

(b) a licence is varied under section 45 of this Act;

(c) a licensee enters into an agreement under section 59 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 pipeline licence is varied under section 71 or 72 of this Act;

(f) a direction is given to a pipeline licensee under section 73 of this Act;

(g) a pipeline licence is partly cancelled;

(h) an access authority is granted in respect of a block the subject of a permit or licence;

(i) an access authority as in force in respect of a block the subject of a permit or licence is varied;

(j) a permittee, licensee, pipeline licensee or the holder of a special prospecting authority or access authority applies, by instrument in writing served on the Designated Authority—

(i) for a variation or suspension of; or

(ii) for exemption from compliance with,

any of the conditions to which the permit, licence, pipeline licence, special prospecting authority or access authority is subject; or

(k) the Designated Authority under this Part or the regulations gives a direction or consent to a permittee, licensee, pipeline licensee or the holder of a special prospecting authority or access authority,

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

(l) vary or suspend; or

(m) exempt the permittee, licensee, pipeline licensee or the holder of the special prospecting authority or access authority from compliance with,

any of the conditions to which the permit, licence, pipeline licence, special prospecting authority or access authority is subject, upon such conditions, if any, as the Designated Authority determines and specifies in the instrument.

(2) Subsection (1) of this section does not authorize 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; or

(ii)

(ii) the term of a permit, licence or pipeline licence; or

(b) that it would be inconsistent with the applied provisions.

Surrender of permits, &c.

104. (1) The registered holder of an instrument, being a permit, licence or pipeline licence, may, at any time, by application in writing served on the Designated Authority, apply for consent to surrender the instrument—

(a) in the case of a permit or licence—as to all or some of the blocks in respect of which it is in force; or

(b) in the case of a pipeline licence—as to the whole or a part of the pipeline in respect of which it is in force.

(2) Subject to subsection (3) of this section, the Designated Authority 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 Designated Authority 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 Designated Authority, 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 authorized by the instrument, or has made arrangements that are satisfactory to the Designated Authority with respect to that property;

(d) has, to the satisfaction of the Designated Authority, plugged or closed off all wells made in that area by any person engaged or concerned in the operations authorized by the instrument;

(e) subject to this Part and to the regulations, has made provision, to the satisfaction of the Designated Authority, for the conservation and protection of the natural resources in that area; and

(f) has, to the satisfaction of the Designated Authority, made good any damage to the sea-bed or subsoil in that area caused by any person engaged or concerned in the operations authorized by the instrument.

(3) Where the registered holder of an instrument, being a permit, licence or pipeline 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 Designated Authority 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 Designated Authority consents to an application under subsection (1) of this section, the applicant may, by instrument in writing served on the Designated Authority, surrender the instrument accordingly.

(5) In this section, "the area to which the surrender relates" means—

(a) 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; and

(b) in relation to a surrender of a pipeline licence—the part of the adjacent area in which the pipeline, or the part of the pipeline, as to which the pipeline licence is proposed to be surrendered is constructed.

Cancellation of permits, &c.

105. (1) Where a permittee, licensee or pipeline licensee—

(a) has not complied with a condition to which the permit, licence or pipeline licence is subject;

(b) has not complied with a direction given to him under this Part by the Designated Authority;

(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 Designated Authority may, on that ground, by instrument in writing served on the permittee, licensee or pipeline licensee, as the case may be—

(e) in the case of a permit or licence—cancel the permit or licence as to all or some of the blocks in respect of which it is in force; or

(f) in the case of a pipeline licence—cancel the pipeline licence as to the whole or a part of the pipeline in respect of which it is in force.

(2) The Designated Authority shall not, under subsection (1) of this section, cancel a permit, licence or pipeline licence as to all or some of the blocks, or as to the whole or a part of the pipeline, 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, licensee or pipeline licensee, as the case may be, given not less than one month's notice of his intention so to cancel the permit, licence or pipeline 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, licensee or pipeline licensee or a person on whom a copy of the instrument is served may, by instrument in writing served

on

on the Designated Authority, submit any matters that he wishes the Designated Authority to consider; and

(d) he has taken into account—

(i) any action taken by the permittee, licensee or pipeline 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, licensee or pipeline licensee or by a person on whom a copy of the firstmentioned instrument has been served.

Cancellation of permit, &c., not affected by other provisions.

106. (1) A permit, licence or pipeline licence may be wholly cancelled or partly cancelled on the ground that the registered holder of the permit, licence or pipeline 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.

(2) A person who was the registered holder of a permit, licence or pipeline licence that has been wholly cancelled, or is the registered holder of a permit, licence or pipeline 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, licence or pipeline licence has been so cancelled.

(3) A permit, licence or pipeline licence may be wholly cancelled or partly cancelled on the ground that the registered holder of the permit, licence or pipeline 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)

(4) A person who was the registered holder of a permit, licence or pipeline licence that has been wholly cancelled, or is the registered holder of a permit, licence or pipeline 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, licence or pipeline licence has been so cancelled.

Removal of property, &c., by permittee, &c.

107. (1) Where a permit, licence or pipeline licence has been wholly determined, partly determined, wholly cancelled or partly cancelled or has expired, the Designated Authority may, by instrument in writing served on the person who was, or is, as the case may be, the permittee, licensee or pipeline 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 authorized by the permit, licence or pipeline licence or to make arrangements that are satisfactory to the Designated Authority with respect to that property;

(b) to plug or close off, to the satisfaction of the Designated Authority, 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 Designated Authority, for the conservation and protection of the natural resources in that area; and

(d) to make good, to the satisfaction of the Designated Authority, any damage to the sea-bed or subsoil in that area caused by any person engaged or concerned in those operations.

(2)

(2) The Designated Authority may, by instrument in writing served on a permittee, licensee or pipeline 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, licence area or part of the adjacent area in which the pipeline is constructed, as the case may be, all property brought into that area or part by any person engaged or concerned in the operations authorized by the permit, licence or pipeline licence or to make arrangements that are satisfactory to the Designated Authority with respect to that property;

(b) to plug or close off, to the satisfaction of the Designated Authority, 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 Designated Authority, for the conservation and protection of the natural resources in that area or part; and

(d) to make good, to the satisfaction of the Designated Authority, any damage to the sea-bed or subsoil 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, licence or pipeline licence concerned.

Penalty : Two thousand dollars.

Removal of property, &c., by Designated Authority.

108. Where a permit, licence or pipeline licence has been wholly determined, partly determined, wholly cancelled or partly cancelled or has expired, and a direction under section 107 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 Designated Authority 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 authorized by the permit, licence or pipeline licence has not been removed in accordance with the direction or arrangement, the Designated Authority 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 Designated Authority, 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.

109. (1) The Designated Authority and a person who may request, or has requested, that a permit under section 27 of this Act, or a licence under section 50 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)

(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.

Penalty for late payments of instalments, &c.

110. (1) Where the liability of a person under section 109 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.

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

Special prospecting authorities.

111. (1) Where—

(a) applications have been invited under section 23 of this Act for the grant of a permit in respect of a block or blocks; or

(b) applications have been invited under section 47 of this Act for the grant of a licence in respect of a block or blocks,

a person may make an application to the Designated Authority 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)

(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 Designated Authority—

(a) may grant to the applicant a special prospecting authority subject to such conditions as the Designated Authority 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, authorizes 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 authorizes 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 Designated Authority; and

(b) may, if the holder has not complied with a condition to which the authority is subject, be cancelled by the Designated Authority by instrument in writing served on the holder.

(8) Where a special prospecting authority has been surrendered or cancelled or has expired, the Designated Authority 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 authorized by the special prospecting authority or to make arrangements that are satisfactory to the Designated Authority with respect to that property;

(b) subject to this Part and to the regulations, to make provision, to the satisfaction of the Designated Authority, for the conservation and protection of the natural resources in that area; and

(c) to make good, to the satisfaction of the Designated Authority, any damage to the sea-bed or subsoil 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 108 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 107 of this Act were a reference to an arrangement under subsection (8) of this section.

Penalty : Two thousand dollars.

Access authorities.

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

(2) An application under this section—

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

(b)

(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 Designated Authority to consider.

(3) The Designated Authority 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 Designated Authority 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 Designated Authority 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 Designated Authority, submit any matters that he wishes the Designated Authority 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 firstmentioned instrument, or a copy of that instrument, has been served.

(5) An access authority, while it remains in force, authorizes 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 authorizes 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 Designated Authority; and

(b) may be cancelled by the Designated Authority 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)

(9) Where an access authority has been surrendered or cancelled or has expired, the Designated Authority 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 authorized by the access authority or to make arrangements that are satisfactory to the Designated Authority with respect to that property;

(b) subject to this Part and to the regulations, to make provision, to the satisfaction of the Designated Authority, for the conservation and protection of the natural resources in that area; and

(c) to make good, to the satisfaction of the Designated Authority, any damage to the sea-bed or subsoil 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 108 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 107 of this Act were a reference to an arrangement under subsection (9) of this section.

Penalty : Two thousand dollars.

Sale of property.

113. (1) Where a direction under section 108 of this Act has not been complied with in relation to any property, the Designated Authority may do all or any of the following things : —

(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 Designated Authority 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 107, 111 or 112 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 Designated Authority 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 107, 111 or 112 of this Act, as the case may be, to be done by a person who is or was a permittee, licensee, pipeline 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.

114. (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;

(ii) in the case of a security referred to in Division 3 of this Part—in the sum of fifty thousand dollars; and

(iii) in the case of a security referred to in Division 4 of this Part—in the sum of twenty thousand dollars;

(b)

(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 Designated Authority allows or partly by cash deposit and partly by such other method as the Designated Authority allows.

(2) A security given in accordance with a form approved by the Designated Authority 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 Designated Authority 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.

Designated Authority, &c., may require information to be furnished, &c.

115. (1) Where the Designated Authority or an inspector has reason to believe that a person is capable of giving information or producing documents relating to petroleum exploration operations, operations for the recovery of petroleum or operations connected with the construction or operation of a pipeline in the adjacent area, 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 117 of this Act.

Power to examine on oath.

116. (1) The Designated Authority or an inspector may administer an oath to a person required to attend before him in pursuance of section 115 of this Act and may examine that person on oath.

(2) Where a person attending before the Designated Authority or an inspector in pursuance of section 115 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)

(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.

Failing to furnish information, &c.

117. A person shall not—

(a) refuse or fail to comply with a requirement in an instrument under section 115 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 Designated Authority 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.

Penalty : Two thousand dollars.

Release of information.

118. (1) The Designated Authority may, at any time, make available to a Minister or to a Minister of State of a State or of the Commonwealth—

(a) any information contained in a report, return or other document relating to a block that has been furnished to the Designated Authority; and

(b) any cores or cuttings from, or samples of, the sea-bed or subsoil in a block, or samples of petroleum recovered in a block, that have been furnished to the Designated Authority.

(2) The Designated Authority or a Minister may, at any time after the relevant day—

(a) make publicly known; or

(b) on request by a person and, if the Designated Authority or that Minister so requires, on payment of a fee of five dollars per day, make available to that person,

any

any information that has been furnished to the Designated Authority or has been made available to that Minister under subsection (1) of this section, being information that relates to the sea-bed or subsoil, or to petroleum, in a block, but not including any matter contained in a report, return or document that in the opinion of the Designated Authority or 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 Designated Authority or a Minister 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 Designated Authority or that 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 sea-bed or subsoil in a block, or samples of petroleum recovered in a block, that have been furnished to the Designated Authority or have been made available to that Minister under subsection (1) of this section.

(4) For the purposes of subsections two and three 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 Designated Authority expires;

(b)

(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 Designated Authority 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 23, or under subsection (4) of section 47, 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 Designated Authority 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 Designated Authority 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 Designated Authority 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 Designated Authority—

(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 Designated Authority or a 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 Designated Authority or that 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 Designated Authority or that 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 Designated Authority or a

Minister

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 or a Minister of State of a State or of the Commonwealth), 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 referred to in paragraph (a) of this subsection) 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.

Safety zones.

119. (1) For the purpose of protecting a well or structure, or any equipment, in the adjacent area, the Designated Authority may, by instrument published in the Gazette, prohibit—

(a) all vessels;

(b) all vessels other than specified vessels; or

(c) all vessels other than the vessels included in specified classes of vessels,

from entering or remaining in a specified area (in this section called a "safety zone") surrounding the well, structure or equipment without the consent in writing of the Designated Authority.

(2)

(2) A safety zone specified in an instrument under subsection (1) of this section may extend to a distance of five hundred metres around the well, structure or equipment specified in the instrument measured from each point of the outer edge of the well, structure or equipment.

(3) Where a vessel enters or remains in a safety zone specified in an instrument under subsection (1) of this section in contravention of the instrument, the owner and the person in command or in charge of the vessel are each guilty of an offence against this section and are punishable, upon conviction, by a penalty not exceeding a fine of ten thousand dollars.

Discovery and use of water.

120. 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 Designated Authority, in writing, particulars of the discovery.

Penalty : Two thousand dollars.

Survey of wells, &c.

121. (1) The Designated Authority 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 Designated Authority 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

instrument in writing served on the permittee or licensee, direct the permittee or licensee to furnish further information in writing in connexion 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, &c., to be kept.

122. (1) The Designated Authority may, by instrument in writing served on a person carrying on operations in the adjacent area under a permit, licence, pipeline licence, special prospecting authority, access authority or instrument of consent under section 123 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 connexion with those operations as are specified in the instrument;

(b) to collect and retain such cores, cuttings and samples in connexion with those operations as are so specified; and

(c) to furnish to the Designated Authority, or to such person as is so specified, in the manner so specified, such reports, returns, other documents, cores, cuttings and samples in connexion 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.

Scientific investigations.

123. (1) The Designated Authority may, by instrument in writing, consent to the carrying on in the adjacent area by any person or petroleum exploration operations in the course of a scientific investigation.

(2)

(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 authorizes the person specified in the instrument, subject to section 124 of this Act and in accordance with the conditions, if any, to which the instrument is subject, to carry on, in the adjacent area, petroleum exploration operations so specified in the course of the scientific investigation so specified.

Interference with other rights.

124. A person carrying on operations in the adjacent area under a permit, licence, pipeline licence, special prospecting authority, access authority or instrument of consent under section 123 of this Act shall carry on those operations in a manner that does not interfere with—

(a) navigation;

(b) fishing;

(c) the conservation of the resources of the sea and seabed; or

(d) 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.

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

(2)

(2) The Designated Authority may furnish to an inspector a certificate stating that he is 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 Designated Authority or, if the Designated Authority, 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.

126. (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 125 of this Act—

(a) shall have access to any part of the adjacent area and to any structure, ship, aircraft or building in that area that, in his opinion, has been, is being or is to be used in connexion with petroleum exploration operations, operations for the recovery of petroleum or operations connected with the construction or operation of a pipeline in that area;

(b) may inspect and test any equipment that, in his opinion, has been, is being or is to be used in that area in connexion with any of those operations; and

(c) may enter any structure, ship, aircraft, building or place in that area or 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 ship, 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)

(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.

Property in petroleum.

127. 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.

Provisions to prevent double payment of royalty.

128. (1) To the extent to which a person pays royalty to the Commonwealth in respect of petroleum recovered by him under a law of the Commonwealth or under an instrument in force under a law of the Commonwealth, he is not liable to pay royalty in respect of that petroleum under this Act.

(2) In subsection (1) of this section, "royalty" includes an amount payable by reason of late payment of royalty.

Certain payments to be made by State to Commonwealth.

129. (1) The Treasurer shall, not later than the last day of each month of the year, pay to the Commonwealth amounts ascertained in accordance with the formula—

$$\frac{4A}{B}$$

where—

A is the amount of royalty payable under this Act, together with the amount, if any, payable under this Act by reason of late payment of that royalty, by a permittee or licensee in respect of petroleum recovered in the adjacent area under the permit or licence and received by the Designated Authority during the preceding month; and

B is

B is the percentage rate at which royalty is payable under this Act by the permittee or licensee in respect of that petroleum.

(2) The Consolidated Revenue Fund is appropriated to the extent necessary for the purposes of this section.

Determination to be disregarded in certain cases.

130. Where a determination has been made by the Designated Authority under section 145 of this Act in relation to a well, that determination shall be disregarded in ascertaining the value of B for the purposes of section 129 of this Act.

Continuing offences.

131. (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 the 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.

(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.

132. (1) The offences to which this section applies are offences against this Act (being offences arising under this Part) or the regulations 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 its summary jurisdiction in respect of an offence to which this section applies.

(4) If proceedings in respect of an offence to which this section applies are brought in the Supreme Court in its summary jurisdiction, the Supreme Court may impose a fine not exceeding the maximum fine provided by this Act or the regulations in respect of the offence.

Orders for forfeiture in respect of certain offences.

133. (1) Where a person is convicted by the Supreme Court of an offence against section 19, 39 or 60 of this Act, the Court may, in addition to imposing a fine, make one or more of the following orders: —

(a) an order for the forfeiture of a specified aircraft or vessel 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, or conveyed through a pipeline, as the case may be, 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 conveyed; 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 conveyed 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.

(4) Goods in respect of which an order is made under this section shall be dealt with as the Attorney-General directs and, pending his direction, may be detained in such custody as the Court directs.

Penalties.

134. The penalty, pecuniary or other, set out in, or at the foot of, any section or subsection of a section of this Act indicates that a contravention of the section or subsection respectively, whether by act or omission, is an offence against this Act punishable upon conviction by a penalty not exceeding the penalty so set out.

Time for bringing proceedings for offences.

135. 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.

136.

Judicial notice.

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

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

Service.

137. (1) A document required by this Act to be served on a person other than the Designated Authority 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 Designated Authority shall be served by prepaying and posting the document as a letter addressed to such officer or person as the Designated Authority, by instrument published in the Gazette, specifies at such place as the Designated Authority so specifies.

(3)

(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.

DIVISION 7.—*Fees and Royalties.*

Permit fees.

138. There is payable to the Designated Authority by a permittee in respect of each year of the term of the permit—

(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.

Licence fees.

139. There is payable to the Designated Authority 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.

Pipeline licence fees.

140. There is payable to the Designated Authority by a pipeline licensee, in respect of each year of the term of the pipeline licence, a fee of twenty dollars in respect of each mile or portion of a mile of the length of the pipeline at the commencement of that year.

141.

Time of payment of fees.

141. A fee referred to in section 138, 139 or 140 of this Act is payable within one month after—

(a) in the case of the first year of the term of the permit, licence or pipeline licence—the day on which that term commenced; and

(b) in the case of a year of the term of the permit, licence or pipeline licence other than the first—the anniversary of that day.

Penalty for late payment.

142. Where the liability of a permittee, licensee or pipeline licensee to pay a fee under section 138, 139 or 140 of this Act is not discharged at or before the time when the fee is payable, there is payable to the Designated Authority by the permittee, licensee or pipeline 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.

Fees and penalties debts due to the Crown.

143. A fee under section 138, 139 or 140 of this Act or an amount payable under section 142 of this Act, is a debt due by the permittee, licensee or pipeline licensee, as the case may be, to the Crown and is recoverable in a court of competent jurisdiction.

Royalty.

144. (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 Designated Authority, 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) Subject to the succeeding provisions of this section and the provisions of section 145 of this Act, the prescribed rate in respect of petroleum recovered under a permit or licence is ten per centum of the value at the well-head of the petroleum.

(3)

(3) The prescribed rate in respect of petroleum recovered under a secondary licence is the percentage determined by the Designated Authority in pursuance of subsection (1) of section 42 of this Act in respect of petroleum so recovered.

(4) 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.

(5) Where—

(a) a licence is granted on an application under section 47 of this Act; and

(b) the instrument served on the applicant under section 49 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.

(6) Where a licence is granted on an application under subsection (1) of section 51 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.

(7) 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 the 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.

145. (1) Where the Designated Authority 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 144 of this Act, further recovery of petroleum from that well would be uneconomic, the Designated Authority 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 the rate fixed by section 144 of this Act) as the Designated Authority specifies in respect of such period as the Designated Authority 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.

146. (1) Royalty under this Act—

(a) is not payable in respect of petroleum that the Designated Authority 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 Designated Authority, 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 Designated Authority, is flared or vented in connexion 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 Designated Authority, 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

of that or any other permittee or licensee to pay royalty in respect of petroleum that is recovered from that natural reservoir.

Ascertainment of well-head.

147. 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 Designated Authority, or, in default of agreement within such period as the Designated Authority allows, is such valve station as is determined by the Designated Authority as being that well-head.

Ascertainment of value.

148. 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 Designated Authority, or, in default of agreement within such period as the Designated Authority allows, is such amount as is determined by the Designated Authority as being that value.

Ascertainment of quantity of petroleum recovered.

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

(a) the quantity measured during that period by a measuring device approved by the Designated Authority and installed at the well-head or at such other place as the Designated Authority approves; or

(b) where no such measuring device is so installed, or the Designated Authority 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 Designated Authority as being the quantity recovered by the permittee or licensee during that period.

150.

Payment of royalty.

150. (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.

(2) Where an amount of royalty under this Act is not paid as provided by subsection (1) of this section, there is payable to the Designated Authority 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 148 of this Act.

Royalty and penalties debts due to the Crown.

151. Royalty under section 144 of this Act and an amount payable under section 150 of this Act are debts due by the permittee or licensee to the Crown and are recoverable in a court of competent jurisdiction.

PART IV.

MISCELLANEOUS.

Regulations.

152. (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)

(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, of the adjacent area;

(d) the construction and operation of pipelines, water lines, secondary lines, pumping stations, tank stations or valve stations and the carrying on of operations, and the execution of works, for any of those purposes;

(e) the construction, erection, maintenance, operation or use of installations or equipment;

(f) the control of the flow and the prevention of the escape of petroleum or water;

(g) the prevention of the escape of water or drilling fluid or a mixture of water or drilling fluid with petroleum or any other matter;

(h) the prevention of damage to petroleum-bearing strata in an area, whether within the adjacent area or not, in respect of which a permit or licence is not in force;

(i) 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;

(j)

(j) the prevention of water or other matter from entering a petroleum pool through wells;

(k) the prevention of the waste or escape of petroleum or water from a pipeline, water line, secondary line, pumping station, tank station or valve station;

(l) the maintaining in good condition and repair of all structures, equipment and other property in the adjacent area used or intended to be used for or in connexion with exploration for, or the exploitation of, petroleum in the adjacent area; and

(m) the removal from the adjacent area of structures, equipment and other property brought into the adjacent area for or in connexion with exploration for, or the exploitation of, petroleum that are not used or intended to be used in connexion with exploration for, or the exploitation of, petroleum in the adjacent area.

(3) The regulations may prescribe, in relation to the exploration for, and the exploitation of, the natural resources (being petroleum) of the adjacent area, matters for carrying out or giving effect to the Convention.

(4) 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.

(5) The regulations shall—

(a) be published in the Gazette;

(b) take effect from the date of publication or from a later date to be specified in the regulations;

(c) be laid before both Houses of Parliament within fourteen sitting days after the publication thereof if Parliament is in session, and if not, then within fourteen sitting days after the commencement of the next session.

(6) If either House of Parliament passes a resolution, of which notice has been given at any time within fifteen sitting days after the regulations have been laid before that House, disallowing any regulation or part thereof, the regulation or part shall thereupon cease to have effect.

SCHEDULES

Section 4.

First Schedule

CONVENTION ON THE CONTINENTAL SHELF

The States Parties to this Convention
Have agreed as follows:

Article 1

For the purpose of these articles, the term "continental shelf" is used as referring (a) to the seabed and subsoil of the submarine areas adjacent to the coast but outside the area of the territorial sea, to a depth of 200 metres or, beyond that limit, to where the depth of the superjacent waters admits of the exploitation of the natural resources of the said areas; (b) to the seabed and subsoil of similar submarine areas adjacent to the coasts of islands.

Article 2

1. The coastal State exercises over the continental shelf sovereign rights for the purpose of exploring it and exploiting its natural resources.

FIRST SCHEDULE—*continued*

ARTICLE 2—*continued*

2. The rights referred to in paragraph 1 of this article are exclusive in the sense that if the coastal State does not explore the continental shelf or exploit its natural resources, no one may undertake these activities, or make a claim to the continental shelf, without the express consent of the coastal State.

3. The rights of the coastal State over the continental shelf do not depend on occupation, effective or notional, or on any express proclamation.

4. The natural resources referred to in these articles consist of the mineral and other non-living resources of the seabed and subsoil together with living organisms belonging to sedentary species, that is to say, organisms which, at the harvestable stage, either are immobile on or under the seabed or are unable to move except in constant physical contact with the seabed or the subsoil.

ARTICLE 3

The rights of the coastal State over the continental shelf do not affect the legal status of the superjacent waters as high seas, or that of the airspace above those waters.

ARTICLE 4

Subject to its right to take reasonable measures for the exploration of the continental shelf and the exploitation of its natural resources, the coastal State may not impede the laying or maintenance of submarine cables or pipelines on the continental shelf.

ARTICLE 5

1. The exploration of the continental shelf and the exploitation of its natural resources must not result in any unjustifiable interference with navigation, fishing or the conservation of the living resources of the sea, nor result in any interference with fundamental oceanographic or other scientific research carried out with the intention of open publication.

2. Subject to the provisions of paragraphs 1 and 6 of this article, the coastal State is entitled to construct and maintain or operate on the continental shelf installations and other devices necessary for its

FIRST SCHEDULE—*continued*

ARTICLE 5—*continued*

exploration and the exploitation of its natural resources, and to establish safety zones around such installations and devices and to take in those zones measures necessary for their protection.

3. The safety zones referred to in paragraph 2 of this article may extend to a distance of 500 metres around the installations and other devices which have been erected, measured from each point of their outer edge. Ships of all nationalities must respect these safety zones.

4. Such installations and devices, though under the jurisdiction of the coastal State, do not possess the status of islands. They have no territorial sea of their own, and their presence does not affect the delimitation of the territorial sea of the coastal State.

5. Due notice must be given of the construction of any such installations, and permanent means for giving warning of their presence must be maintained. Any installations which are abandoned or disused must be entirely removed.

6. Neither the installations or devices, nor the safety zones around them, may be established where interference may be caused to the use of recognized sea lanes essential to international navigation.

7. The coastal State is obliged to undertake, in the safety zones, all appropriate measures for the protection of the living resources of the sea from harmful agents.

8. The consent of the coastal State shall be obtained in respect of any research concerning the continental shelf and undertaken there. Nevertheless the coastal State shall not normally withhold its consent if the request is submitted by a qualified institution with a view to purely scientific research into the physical or biological characteristics of the continental shelf, subject to the proviso that the coastal State shall have the right, if it so desires, to participate or to be represented in the research, and that in any event the results shall be published.

ARTICLE 6

1. Where the same continental shelf is adjacent to the territories of two or more States whose coasts are opposite each other, the boundary of the continental shelf appertaining to such States shall be determined by agreement between them. In the absence of agreement, and unless another boundary line is justified by special circumstances, the boundary is the median line, every point of which is equidistant from the nearest points of the baselines from which the breadth of the territorial sea of each State is measured.

FIRST SCHEDULE—*continued*

ARTICLE 6—*continued*

2. Where the same continental shelf is adjacent to the territories of two adjacent States, the boundary of the continental shelf shall be determined by agreement between them. In the absence of agreement, and unless another boundary line is justified by special circumstances, the boundary shall be determined by application of the principle of equidistance from the nearest points of the baselines from which the breadth of the territorial sea of each State is measured.

3. In delimiting the boundaries of the continental shelf, any lines which are drawn in accordance with the principles set out in paragraphs 1 and 2 of this article should be defined with reference to charts and geographical features as they exist at a particular date, and reference should be made to fixed permanent identifiable points on the land.

ARTICLE 7

The provisions of these articles shall not prejudice the right of the coastal State to exploit the subsoil by means of tunnelling irrespective of the depth of water above the subsoil.

ARTICLE 8

This Convention shall, until 31 October 1958, be open for signature by all States Members of the United Nations or of any of the specialized agencies, and by any other State invited by the General Assembly of the United Nations to become a party to the Convention.

ARTICLE 9

This Convention is subject to ratification. The instruments of ratification shall be deposited with the Secretary-General of the United Nations.

ARTICLE 10

This Convention shall be open for accession by any States belonging to any of the categories mentioned in Article 8. The instruments of accession shall be deposited with the Secretary-General of the United Nations.

ARTICLE 11

1. This Convention shall come into force on the thirtieth day following the date of deposit of the twenty-second instrument of ratification or accession with the Secretary-General of the United Nations.

FIRST SCHEDULE—*continued*

ARTICLE 11—*continued*

2. For each State ratifying or acceding to the Convention after the deposit of the twenty-second instrument of ratification or accession, the Convention shall enter into force on the thirtieth day after deposit by such State of its instrument of ratification or accession.

ARTICLE 12

1. At the time of signature, ratification or accession, any State may make reservations to articles of the Convention other than to articles 1 to 3 inclusive.

2. Any Contracting State making a reservation in accordance with the preceding paragraph may at any time withdraw the reservation by a communication to that effect addressed to Secretary-General of the United Nations.

ARTICLE 13

1. After the expiration of a period of five years from the date on which this Convention shall enter into force, a request for the revision of this Convention may be made at any time by any Contracting Party by means of a notification in writing addressed to the Secretary-General of the United Nations.

2. The General Assembly of the United Nations shall decide upon the steps, if any, to be taken in respect of such request.

ARTICLE 14

The Secretary-General of the United Nations shall inform all States Members of the United Nations and the other States referred to in article 8:

(a) Of signatures to this Convention and of the deposit of instruments of ratification or accession, in accordance with articles 8, 9 and 10;

(b) Of the date on which this Convention will come into force, in accordance with article 11;

(c) Of requests for revision in accordance with article 13;

(d) Of reservations to this Convention, in accordance with article 12.

ARTICLE 15

The original of this Convention, of which the Chinese, English, French, Russian and Spanish texts are equally authentic, shall be deposited with the Secretary-General of the United Nations, who shall send certified copies thereof to all States referred to in article 8.

FIRST

FIRST SCHEDULE—*continued*

ARTICLE 15—*continued*

IN WITNESS WHEREOF the undersigned Plenipotentiaries, being duly authorized thereto by their respective Governments, have signed this Convention.

DONE at Geneva, this twenty-ninth day of April, one thousand nine hundred and fifty-eight.

(*Here follow the signatures on behalf of the parties to the Agreement, including Australia.*)

SECOND SCHEDULE **Section 4.**

THE ADJACENT AREA

The adjacent area is the area the boundary of which is described in this Schedule, to the extent only that that area includes—

(a) areas of territorial waters; and

(b) areas of superjacent waters of the continental shelf.

The area the boundary of which commences at a point that is the intersection of the coastline at mean low water by the geodesic between the trigonometrical station known as Point Danger near Point Danger and a point of Latitude 27° 58′ South, Longitude 154° East and runs thence north-easterly along that geodesic to a point of Latitude 27° 58′ South, Longitude 154° East; thence north-easterly along the geodesic to a point of Latitude 27° 48′ South, Longitude 154° 22′ East; thence easterly along the geodesic to a point of Latitude 27° 30′ 35″ South, Longitude 160° East; thence southerly along the meridian of Longitude 160° East to its intersection by the parallel of Latitude 39° 12′ South; thence south-westerly along the geodesic to a point of Latitude 40° 40′ South, Longitude 158° 53′ East; thence north-westerly along the geodesic to a point of Latitude 37° 35′ South, Longitude 150° 10′ East; thence north-westerly along the geodesic to the intersection of the coastline at mean low water by the boundary between the States of New South Wales and Victoria; thence along the coastline of the State of New South Wales at mean low water to the point of commencement.

In the name and on behalf of Her Majesty I assent to this Act.

A. R. CUTLER,
Governor.

Government House,
Sydney, 7th December, 1967.