

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, 2 November, 1967.*

New South Wales



ANNO SEXTO DECIMO

ELIZABETHÆ II REGINÆ

Act No. , 1967.

An Act to make further provisions with respect to exploration for, and the exploitation of, petroleum; for this purpose to amend the Petroleum Act, 1955, as amended by subsequent Acts; and for purposes connected therewith.

BE it 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 :—

1. (1) This Act may be cited as the "Petroleum (Amendment) Act, 1967".

Short title,
citation
and com-
mencement.

(2)

Petroleum (Amendment).

(2) The Petroleum Act, 1955, as amended by subsequent Acts and by this Act, may be cited as the Petroleum Act, 1955–1967.

(3) The Petroleum Act, 1955, as amended by subsequent Acts, is in this Act referred to as the Principal Act.

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

2. Part I of the Principal Act is amended—

Amendment
of Act No.
28, 1955.

(Part I—
Pre-
liminary.)

10 (a) (i) by omitting from subsection one of section two the matter relating to Division 3 of Part III;

Sec. 2.
(Division
into Parts.)

15 (ii) by inserting in the same subsection next after the matter relating to Division 4 the following new matter :—

DIVISION 4A.—*Royalties.*

(b) (i) by omitting from subsection one of section three the definition of “Bore-hole”;

Sec. 3.
(Interpre-
tation.)

20 (ii) by omitting from the same subsection the definition of “Casinghead petroleum spirit”;

(iii) by omitting from the same subsection the definition of “Crude oil”;

25 (iv) by omitting from the definition of “‘Drilling’ or ‘boring’” in the same subsection the words “or ‘boring’”;

(v) by omitting from the definition of “Mining surveyor” in the same subsection the words “Surveyors Act, 1929–1946, and specially appointed under the Mining Act, 1906–1952,

to

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to carry out surveys under that Act" and by inserting in lieu thereof the words "Surveyors Act, 1929, as amended by subsequent Acts";

5 (vi) by omitting from the same subsection the definition of "Natural gas";

(vii) by omitting from the same subsection the definition of "Petroleum" and by inserting in lieu thereof the following definition :—

"Petroleum" means—

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

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

20 (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,

25 and includes any substance referred to in paragraph (a), (b) or (c) of this definition that has been returned to a natural reservoir.

(viii) by omitting from the same subsection the definition of "Scout drilling";

30 (ix) by omitting from the same subsection the definition of "Shut off";

(x)

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(x) by omitting from the same subsection the definition of "Test well";

(xi) by inserting in the same subsection after the definition of "Under Secretary" the following definition :—

"Well" means a hole made by drilling in connection with exploration for petroleum or operations for the recovery of petroleum, but does not include a seismic shot hole.

(c) (i) by omitting from subsection one of section four the words "Mining Act, 1906–1952" and by inserting in lieu thereof the words "Mining Act, 1906, as amended by subsequent Acts";

Sec. 4.
(Officers appointed under certain Acts deemed to be officers under this Act.)

(ii) by omitting from the same subsection the words "Mines Inspection Act, 1901–1945" and by inserting in lieu thereof the words "Mines Inspection Act, 1901, as amended by subsequent Acts";

(d) by omitting from section five the words " , petroleum prospecting licence".

Sec. 5.
(Minister or officer not to be interested in licence or lease.)

3. Part II of the Principal Act is amended by omitting from subsection two of section six the words " , petroleum prospecting licences".

Further amendment of Act No. 28, 1955.

(Part II—Rights of the Crown as to Petroleum and Helium.)

Sec. 6.

(Petroleum and helium the property of the Crown.)

(x)

*Petroleum (Amendment).***4. Part III of the Principal Act is amended—**

Further amendment of Act No. 28, 1955.

(Part III—Licences and Leases Under This Act.)

(a) (i) by omitting from section seven the words “or a petroleum prospecting licence”;

Sec. 7.

(No prospecting or mining for petroleum except in pursuance of licence or lease.)

(ii) by omitting from paragraph (b) of the proviso to the same section the words “, petroleum prospecting licence” wherever occurring;

(b) by omitting section eight;

Sec. 8.

(Protection of rights under certain agreements.)

(c) (i) by omitting from paragraph (a) of subsection one of section nine the words “and petroleum prospecting licences”;

Sec. 9.

(Licences or leases may be granted.)

(ii) by omitting from subparagraph (ii) of the same subsection the words “, petroleum prospecting licence”;

(d) (i) by inserting at the end of subparagraph (i) of paragraph (a) of subsection two of section ten the word “and”;

Sec. 10.

(Lodgment of applications.)

(ii) by omitting subparagraph (ii) of the same paragraph;

(iii) by inserting in paragraph (a) of subsection four of the same section after the word “Act” where firstly occurring the words “, and every request referred to in section fifteen of this Act,”;

(iv) by inserting in the same subsection after the word “applicant” wherever occurring the words “or person nominated by the applicant”;

(e)

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- (e) by omitting from paragraph (b) of section seventeen the words "one thousand" and by inserting in lieu thereof the word "twenty-five"; Sec. 17.
(Area of petroleum exploration licence.)
- 5 (f) by omitting from subsection two of section eighteen the words ", and subject to section forty-three of this Act"; Sec. 18.
(Term of petroleum exploration licence and renewal.)
- (g) by omitting section twenty; Sec. 20.
(Drilling other than scout drilling prohibited.)
- 10 (h) (i) by omitting from paragraph (b) of subsection two of section twenty-one the words "the scout" and by inserting in lieu thereof the word "of"; Sec. 21.
(Holder to furnish exploration scheme.)
- (ii) by omitting from paragraph (c) of the same subsection the word "scout";
- 15 (iii) by inserting next after the same subsection the following new subsections :—
- (2A) The Minister may, on an application in writing made to him by the holder of a petroleum exploration licence, exempt the holder from compliance with the requirement of this section that he furnish to the Minister a proposed scheme providing for a geological survey or other survey of the land comprised in the licence to be carried out if the Minister is satisfied that an adequate geological survey or other survey of the land has been carried out and that further such surveys are not necessary.
- 20 (2B) The holder of a petroleum exploration licence who has been so exempted shall, notwithstanding any other provision of this section, not be liable to comply with any requirement from which he has been so exempted.
- 25 (iv)
- 30

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- (iv) by omitting from paragraphs (a), (b) and (c) of subsection six of the same section the word "scout" wherever occurring;
- 5 (i) by inserting next after section twenty-one the following new sections :— New secs. 21A-21D.
- 10 21A. The holder of a petroleum exploration licence shall, as from the commencement by him of prospecting operations on the land comprised in the licence, diligently and continuously carry on those operations in a workmanlike manner and in accordance with—
- (a) good oilfield practice;
- (b) the terms and conditions subject to which the licence was granted; and
- 15 (c) any directions relating to the carrying on of those operations given to him by the Minister.
- 20 21B. (1) Where petroleum is discovered in land comprised in a petroleum exploration licence, the holder of the licence— Discovery of petroleum to be notified.
- (a) shall forthwith inform the Minister of the discovery; and
- 25 (b) shall, within a period of three days after the date of the discovery, furnish to the Minister particulars in writing of the discovery.
- (2) Where petroleum is discovered in land comprised in a petroleum exploration licence, the Minister may, from time to time, by instrument in writing served on the holder of the licence, direct the holder to furnish to him, within the period specified in the instrument, particulars in writing of any one or more of the following :—
- 30 (a) the chemical composition and the physical properties of the petroleum;
- 35 (b)

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(b) the nature of the stratum in which the petroleum occurs; and

(c) any other matters relating to the discovery that are specified by the Minister in the instrument.

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21c. Where petroleum is discovered in land comprised in a petroleum exploration licence, the Minister may, by instrument in writing served on the holder of the licence, direct the holder to do, within the period specified in the instrument, such things as the Minister thinks necessary and specifies in the instrument to determine the chemical composition and physical properties of that petroleum and to determine the quantity of petroleum in the petroleum deposit to which the discovery relates or, if part only of that petroleum deposit is within the land comprised in the petroleum exploration licence, in such part of that petroleum deposit as is within that land.

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21d. (1) Where petroleum is discovered in land comprised in a petroleum exploration licence the Minister may, by instrument in writing, direct the holder of the licence to apply, within such period as may be specified in the direction, for a petroleum mining lease of so much of that land as is so specified.

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(2) If the holder of a petroleum exploration licence does not apply for a lease in accordance with directions given to him under subsection one of this section the Minister may cancel the licence.

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(j) by omitting Division 3;

Part III,
Division 3.
(Petroleum
Prospecting
Licences.)

(k) by omitting from section twenty-eight the words "or a petroleum prospecting licence";

Sec. 28.
(Grant of
petroleum
mining
lease.)

(1)

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- (l) by omitting from paragraph (a) of section twenty-nine the words "one hundred" and by inserting in lieu thereof the word "twenty-five"; Sec. 29.
(Area of petroleum mining lease.)
- 5 (m) by inserting in subsection two of section thirty after the word "Act" the words "in respect of leases, other than renewals of leases,"; Sec. 30.
(Term of petroleum mining lease and renewal.)
- (n) by omitting section thirty-two; Sec. 32.
(Royalty on petroleum, etc.)
- (o) by inserting next after section thirty-four the following new Division :— New
Division 4A.

10 **DIVISION 4A.—Royalties.**

34A. In this Division "royalty period", in relation to a petroleum exploration licence or a petroleum mining lease, means— Interpre-
tation.

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

20 34B. (1) The conditions subject to which a petroleum exploration licence or petroleum mining lease is granted shall include a condition that the holder of the licence or lease shall pay to the Minister a royalty at the prescribed rate in respect of all petroleum recovered under the licence or lease.

25 (2) The prescribed rate in respect of petroleum—

- (a) recovered under a petroleum exploration licence is such percentage, not exceeding ten per centum of the value at the well-head of the
- 30

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the petroleum as may be determined by the Minister and notified by instrument in writing served on the holder of the licence;

- 5 (b) recovered under a petroleum mining lease, not being a renewal of a petroleum mining lease, is the rate of ten per centum of the value at the well-head of the petroleum;
- 10 (c) recovered under a petroleum mining lease, being a renewal of such a lease, is such rate as may be approved by the Governor under paragraph (b) of subsection two of section thirty of this Act; or
- 15 (d) recovered under a petroleum mining lease, as deemed to be extended by section 30A of this Act, is the rate as varied under that section.

34c. (1) Royalty under this Act—

- 20 (a) is not payable in respect of petroleum that the Minister is satisfied was unavoidably lost before the quantity of that petroleum was ascertained;
- 25 (b) is not payable in respect of petroleum that is used by the holder of the petroleum exploration licence or the petroleum mining lease, as approved by the Minister, for the purposes of operations authorised by the licence or lease, as the case may be; and
- 30 (c) is not payable in respect of petroleum that, with the approval of the Minister, is flared or vented in connection with operations for the recovery of petroleum.

Royalty not payable in certain cases.

- 35 (2) Where petroleum that has been recovered by the holder of a petroleum exploration licence or petroleum mining lease is, with the approval of the Minister, returned to a natural reservoir, royalty under this Act is not payable in respect

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5 respect of that petroleum by reason of that recovery but this subsection does not affect the liability of that or any other holder of a petroleum exploration licence or petroleum mining lease to pay royalty in respect of petroleum that is recovered from that natural reservoir.

10 34D. For the purposes of this Act, the well-head, Ascertain-
ment of
well-head. in relation to any petroleum, is such equipment used for the recovery of the petroleum as is agreed between the holder of the exploration licence or petroleum mining lease and the Minister, or, in default of agreement within such period as the Minister allows, is such equipment used for the recovery of petroleum by that holder as is deter-
15 mined by the Minister as being that well-head.

20 34E. For the purposes of this Act, the value at Ascertain-
ment of
value. the well-head of any petroleum is such amount as is agreed between the holder of the petroleum exploration licence or petroleum mining lease and the Minister, or, in default of agreement within such period as the Minister allows, as is determined by the Minister as being that value.

25 34F. For the purposes of this Act, the quantity Ascertain-
ment of
quantity of
petroleum
recovered. of petroleum recovered by the holder of a petroleum exploration licence or petroleum mining lease during a period shall be taken to be—

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

(b) where no such measuring device is so installed, or the Minister is not satisfied that the quantity of petroleum recovered by the holder

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5 holder of the licence or lease has been properly or accurately measured by such a measuring device—the quantity determined by the Minister as being the quantity recovered by the holder of the licence or lease during that period.

10 34G. (1) Royalty under this Act in respect of ^{Payment} petroleum recovered during a royalty period is ^{of royalty.} payable not later than the last day of the next succeeding royalty period.

15 (2) Where an amount of royalty under this Act is not paid as provided by subsection one of this section, there is payable to the Minister by the holder of the petroleum exploration licence or the petroleum mining lease an additional amount
20 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.

25 (3) An additional amount is not payable under subsection two 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 34E of this Act.

30 34H. Royalty under section 34B of this Act and an amount payable under section 34G of this Act ^{Royalty and penalties debts due to the Crown.} are debts due by the holder of the petroleum exploration licence or petroleum mining lease to the Crown and are recoverable in a court of competent jurisdiction.

(p)

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- (p) by omitting section thirty-eight and by inserting in lieu thereof the following section :—

Subst.
sec. 38.

5 38. (1) Every licence or lease under this Act shall be registered with the Registrar, Department of Mines, Sydney.

Registra-
tion.
cf. Act No.
49, 1906,
s. 109.

10 (2) Every transfer or assignment (except an assignment by operation of law) of, and every instrument (whether a sublease, tribute agreement, option contract, mortgage, deed of trust, partnership agreement, working agreement, or any other instrument) affecting, any licence or lease under this Act, together with a copy of every such instrument certified by any two persons to be a true copy of the original, shall be lodged within the time and in the manner prescribed for the concurrence of the Minister and for registration by the Registrar, Department of Mines, Sydney, under the provisions of this section.

20 The Minister may refuse such concurrence or may grant it absolutely or subject to such amendments, modifications, stipulations or conditions as he may think necessary in the public interest to make or impose.

25 Any person who neglects or fails to comply with any such amendment, modification, stipulation or condition so imposed upon him shall be liable to a penalty not exceeding one hundred dollars and to a further penalty not exceeding ten dollars for each and every day such neglect or failure continues.

30 Any transfer, assignment or other instrument required to be lodged for registration under this subsection, which is not lodged within the time and in the manner prescribed, shall not be registered unless the Minister so approves.

(3)

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(3) Every transfer, assignment or instrument which by this section is required to be lodged for registration shall be lodged by such person as may be prescribed.

5 Any person so prescribed who neglects or fails to lodge any transfer, assignment or instrument in accordance with the requirements of subsection two of this section shall be liable upon conviction to a
10 penalty not exceeding one hundred dollars and to a further penalty not exceeding ten dollars for each and every day such neglect or failure continues.

(4) (a) No transfer or assignment (except an assignment by operation of law) of, and no instrument (whether a sublease, tribute agreement,
15 option contract, mortgage, deed of trust, partnership agreement, working agreement or any other instrument) affecting, any licence or lease under this Act shall have any force or effect unless it is in writing and is signed by the parties thereto.

20 Nothing in this paragraph applies to any transfer or assignment or instrument made before the commencement of this section.

(b) Any transfer, assignment or other instrument required to be lodged for registration
25 under subsection two of this section shall not have any force or effect until it is registered under the provisions of this section.

30 Nothing in this paragraph applies to any transfer, assignment or other instrument made before the commencement of this section.

(5) Any person claiming interest in any licence or lease under this Act may, before the registration of any instrument required by subsection one or two of this section to be registered,
35 lodge with the Minister a caveat in the prescribed form,

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5 form, and accompanied by the prescribed fee, against such registration. On receipt of such caveat the Minister shall stay registration for twenty-eight days, unless the caveat is sooner withdrawn, but may then register the instrument, unless the person lodging the caveat has obtained and served upon him an order of some competent court forbidding such registration.

10 (6) Every licence or lease or transfer, assignment or instrument registered, or submitted for registration, and every caveat lodged, under and in accordance with this section as in force before the substitution of this section by the Petroleum
15 (Amendment) Act, 1967, shall be deemed to have been registered, or lodged for registration, or lodged, as the case may be, under and in accordance with this section as so substituted.

20 (7) Any amendments, modifications, stipulations or conditions made or imposed by the Minister at the time of his granting his concurrence or sanction under this section as in force before the substitution of this section by the Petroleum
25 (Amendment) Act, 1967, shall be deemed to be amendments, modifications, stipulations or conditions imposed by the Minister under this section as so substituted.

30 (8) Subject to subsection four of this section this section shall apply to licences, leases, transfers, assignments and instruments executed or made before the substitution of this section by the Petroleum (Amendment) Act, 1967, except instruments not required to be registered under this section before such substitution.

35 (9) The functions of the Registrar under this section may be performed by the Deputy Registrar, Department of Mines, Sydney.

(q)

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- (q) (i) by omitting from paragraph (a) of subsection one of section forty-one the words "Mining Act, 1906-1952" and by inserting in lieu thereof the words "Mining Act, 1906, as amended by subsequent Acts";
- (ii) by omitting from paragraph (d) of the same subsection the word "minerals," and by inserting in lieu thereof the words "minerals; or";
- (iii) by inserting next after the same paragraph the following new paragraph :—
- (e) the provisions of the State Coal Mines Act, 1912, as amended by subsequent Acts,
- (r) by omitting from paragraph (a) of subsection two of section forty-two the word "bore-holes" and by inserting in lieu thereof the word "wells";
- (s) by inserting next after section forty-two the following new section :—
- 42A. (1) The holder of a licence or lease under this Act who has commenced drilling operations on the land comprised in the licence or demised by the lease shall not, without the consent of the Minister, cease those operations or remove any drilling rig from the site of those operations.
- (2) A holder of a licence or lease under this Act who contravenes any of the provisions of subsection one of this section is guilty of an offence against this Act.
- (3) A consent given by the Minister under this section may be subject to such conditions and requirements as are specified in the consent.

Sec. 41.
(Disputes between holders of licences or leases and other persons carrying on operations on land under licence or lease.)

Sec. 42.
(Suspension of conditions of licence or lease.)

New sec. 42A.

Drilling operations to be carried on continuously.

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(4) The holder of a licence or lease under this Act who fails to comply with, or contravenes, any condition or requirement subject to which a consent was given to him under this section is guilty of an offence against this Act.

(t) by omitting section forty-three;

Sec. 43.
(Power of
Minister on
application
for re-
newal.)

(u) (i) by inserting in section forty-five after the word "lease" where firstly occurring the words
" , or in any easement or right of way,";

Sec. 45.
(Saving of
powers to
dispose of
land.)

(ii) by inserting in the same section after the word "lease" where fourthly occurring the words
" , or any easement or right of way,";

(v) (i) by inserting in section forty-seven after the word "lease" where firstly occurring the words
" , or the subject of an easement or right of way,";

Sec. 47.
(Operations
on private
land.)

(ii) by inserting in the same section after the word "conducted" the words " , and the easement or right of way shall be used,";

(w) (i) by inserting in section forty-eight after the word "lease" where firstly occurring the words
" , or a person to whom an easement or right of way has been granted,";

Sec. 48.
(Liability to
compensate
owner or
occupier.)

(ii) by inserting in the same section after the word "lease" where secondly occurring the words
" , or the subject of the easement or right of way,";

(iii) by omitting from the same section the words
"scout drilling,";

(iv) by inserting in the same section after the word "holder" where lastly occurring the words
"or by reason of the use of the easement or right of way";

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- (x) (i) by omitting from subsection one of section fifty-one the words "scout drilling or" wherever occurring; Sec. 51. (Compensation before commencement of scout drilling or drilling on private land covered by licence.)
- 5 (ii) by inserting in the same subsection after the word "operations" where secondly occurring the words "notify the owner and occupier, if any, of the private lands of his intention to carry out the operations and";
- 10 (y) (i) by inserting in subsection one of section fifty-three after the word "lease" where firstly occurring the words ", or a person to whom an easement or right of way has been granted,"; Sec. 53. (Compensation.)
- 15 (ii) by inserting in the same subsection after the word "holder" where secondly occurring the words "or person, as the case may be,";
- (iii) by inserting in the same subsection after the word "lease" where secondly occurring the words "or such easement or right of way";
- 20 (iv) by inserting next after the same subsection the following new subsection :—
- (1A) The holder of a licence or lease under this Act shall be liable to compensate in accordance with this Act any other holder of a licence or lease whose operations under the licence or lease are detrimentally affected by the grant under this Act of an easement or right of way through, upon or in the land comprised in the licence, or demised by the lease, held by that other holder or by the use of any such easement or right of way.
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- 30 (v) by omitting from subsection two of the same section the word "Compensation" and by inserting in lieu thereof the words "Subject to subsection (1A) of this section, compensation";
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(vi) —

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- (vi) by inserting in the same subsection after the word "lease" the words ", or a person to whom an easement or right of way has been granted,";
- 5 (vii) by inserting in the same subsection after the word "holder" where secondly occurring the words "or person, as the case may be,";
- (z) by inserting next after paragraph (b) of subsection one of section fifty-five the following new paragraph :— Sec. 55. (Measure of compensation.)
- 10 (bi) any loss occasioned to the holder of a licence or lease by reason of that holder's operations under the licence or lease being detrimentally affected by the grant under
- 15 this Act, to the holder of another licence or lease, of an easement or right of way through, upon or in the land comprised in the licence, or demised by the lease, held by that firstmentioned holder, or by the
- 20 use of any such easement or right of way;
- (aa) (i) by omitting from subsection one of section fifty-six the words "Mining Act, 1906-1952" Sec. 56. (How compensation assessed.) and by inserting in lieu thereof the words "Mining Act, 1906, as amended by subsequent Acts";
- 25 (ii) by inserting in subsection three of the same section after the word "lease" the words ", or by the person to whom the easement or right of way has been granted,";
- 30 (iii) by inserting in subsection four of the same section after the word "holder" the words ", or the easement or right of way granted to the person,";
- 35 (iv) by inserting in the same subsection after the word "cancelled" the words "or revoked, as the case may be";

(v)

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- (v) by inserting in subsection five of the same section after the word "lease" the words " , or the revocation of an easement or right of way,";
- 5 (ab) by omitting from section fifty-seven the words "Mining Act, 1906-1952" and by inserting in lieu thereof the words "Mining Act, 1906, as amended by subsequent Acts"; Sec. 57.
(Application of certain provisions of Act No. 49, 1906.)
- (ac) by omitting subsection three of section sixty-one; Sec. 61.
(Drilling of wells with respect to wells on other land.)
- 10 (ad) by omitting section sixty-three and by inserting in lieu thereof the following section :— Subst.
sec. 63.
63. (1) The holder of a petroleum exploration licence or a petroleum mining lease shall before abandoning a well— Abandonment of wells.
- 15 (a) give to the Minister or an inspector under this Act at least twenty-four hours' notice of his intention to abandon the well and shall specify in the notice particulars of the method proposed to be used, and the works
- 20 proposed to be carried out, by the holder in connection with the abandonment of the well; and
- (b) comply with any directions given to him by the Minister or an inspector with respect to
- 25 the abandonment of the well.
- (2) Forthwith after the receipt of any such notice the Minister or inspector shall cause particulars thereof to be transmitted to the Secretary of the Water Conservation and Irrigation
- 30 Commission.

(3)

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5 (3) Any such holder shall not, without the prior consent of the Minister and except in accordance with any directions given to him by the Minister, withdraw or cause to be withdrawn any casing from a well.

(ae) by omitting from subsection three of section sixty-seven the words "sections twenty-seven and" and by inserting in lieu thereof the word "section";

Sec. 67.
(Agreements for joint drilling of wells.)

10 (af) by omitting section sixty-eight and by inserting in lieu thereof the following section : —

Subst.
sec. 68.

15 68. (1) In this section, "unit development", in relation to a petroleum deposit, means the co-ordination of operations for the recovery of petroleum being carried on or to be carried on in land demised by a lease under this Act in which there is part of that deposit with other operations for the recovery of petroleum being carried on or to be carried on in any other area, whether within the State of New South Wales or not, in which there is part of that deposit.

Unit development.

20 (2) The holder of a lease under this Act may from time to time enter into an agreement in writing for or in relation to the unit development of a petroleum deposit.

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

(a) the holder of a lease under this Act where there is part of a particular petroleum deposit in the land demised by the lease held by that lessee; or

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

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may,

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5 may, for the purpose of securing the more effective recovery of petroleum from the petroleum deposit, direct the holder of any lease under this Act of land that includes part of the petroleum deposit 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 deposit and to lodge the agreement with him forthwith in accordance with section thirty-eight of this Act.

10 (4) Where—

- 15 (a) the holder of a lease under this Act who is directed under subsection three of this section to enter into an agreement for or in relation to the unit development of a petroleum deposit does not enter into such an agreement within the specified period; or
- 20 (b) the holder of a lease under this Act enters into such an agreement but the agreement is not lodged for the concurrence of the Minister and for registration in accordance with subsection three of this section or, if so lodged, does not receive the Minister's concurrence under section thirty-eight of
- 25 this Act,

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

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(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 deposit is to be submitted by the holder of a lease under this Act under subsection four of this section the Minister may, by instrument in writing served on the

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the

Petroleum (Amendment).

the holder of the lease, give to the holder such directions as the Minister thinks necessary for the purpose of securing the more effective recovery of petroleum from the petroleum deposit.

5 (6) Where there is part of a particular petroleum deposit in lands demised by two or more leases under this Act held by the same person, the Minister may, after consultation with the holder of the leases, by instrument in writing served on the
10 holder, give to the holder such directions as the Minister thinks necessary for the purpose of securing the more effective recovery of petroleum from the petroleum deposit.

(7) Where an agreement under this section
15 is in force or the Minister has given directions under subsection five or six of this section, the Minister may, having regard to additional information that has become available, and after consultation with the holder of the lease or the holders of the leases
20 concerned, by instrument in writing served on the holder or holders, give to the holder or holders 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
25 petroleum deposit.

(8) Directions under subsection five, six or seven of this section may include directions as to the rate at which petroleum is to be recovered.

(9) An agreement under this section is an
30 instrument to which section thirty-eight of this Act applies.

(ag) by omitting from section sixty-nine the word "bore-
hole" wherever occurring and by inserting in lieu thereof the word "well";

Sec. 69.
(Notification of intention to drill.)

(ah)

Petroleum (Amendment).

- (ah) (i) by omitting from subsection one of section seventy-two the words "bore cores" wherever occurring and by inserting in lieu thereof the word "cores"; Sec. 72.
(Samples of strata, petroleum and water.)
- 5 (ii) by omitting from paragraph (a) of the same subsection the word "bore-hole" wherever occurring and by inserting in lieu thereof the word "well".
5. Part IV of the Principal Act is amended— Further amendment of Act No. 28, 1955.
(Part IV—Inspection and Control.)
- 10 (a) (i) by inserting in section seventy-four after the word "lease" where firstly occurring the words ", or the subject of an easement or right of way,"; Sec. 74.
(Authority to enter on land.)
- 15 (ii) by inserting in the same section after the word "lease" where secondly occurring the words "or easement or right of way";
- (b) by omitting from subsection one of section seventy-five the words "scout drilling or"; Sec. 75.
(Appointment of manager.)
- 20 (c) by inserting in paragraph (a) of section seventy-six after the word "lease" the words ", or on any land the subject of an easement or right of way granted to him under this Act."; Sec. 76.
(Health and safety.)
- 25 (d) (i) by inserting in subsection one of section seventy-seven after the word "lease" where firstly occurring the words ", or with the use of any easement or right of way"; Sec. 77.
(Notice to be given of cause of danger.)
- 30 (ii) by inserting in the same section after the word "manager" the words "or to the person to whom the easement or right of way was granted"; (e)

Petroleum (Amendment).

- (e) (i) by inserting in subsection one of section Sec. 78.
 seventy-eight after the word "lease" where (Accidents.)
 secondly occurring the words ", or with the
 use of an easement or right of way under this
 Act";
- (ii) by inserting in the same subsection after the
 word "holder" where secondly occurring the
 words "or the person to whom the easement or
 right of way was granted";
- (iii) by inserting in subsection two of the same
 section after the word "manager" the words
 "and the person to whom any easement or
 right of way was granted";
- (iv) by inserting in the same subsection after the
 word "aforesaid" the words "or with the use
 of the easement or right of way";
- (f) (i) by inserting next after subsection one of Sec. 79.
 section seventy-nine the following new (Power of
 subsection :— Minister to
 do works
 required by
 this Act.)
- (1A) If a person to whom an easement or
 right of way has been granted under this Act
 fails or refuses to comply with any lawful
 instruction or direction given to him under this
 Act or to carry out any operations or do any
 act in accordance with the requirements of
 any provision of this Act applicable to him, the
 Minister may by his workmen or agents enter
 on the land the subject of the easement or
 right of way and carry out any works specified
 in the instructions or direction, or carry out
 those operations or do that act, at the expense
 of that person.
- (ii) by inserting in subsection two of the same
 section after the word "one" the word and
 symbols "or (1A)";

Petroleum (Amendment).

- (iii) by omitting from the same subsection the words "such holder" and by inserting in lieu thereof the words "the person to whom the instructions were or the direction was given".

5 6. Part V of the Principal Act is amended—

Further
amendment
of Act No.
28, 1955.
(Part V—
Miscel-
laneous.)

- (a) by omitting from subsection one of section eighty- Sec. 81.
one the word ", royalties" wherever occurring; (Fees, etc.,
(b) by omitting from subsection two of the same section payable by
the word ", royalty". due date.)

BY AUTHORITY:

V. C. N. BLIGHT, GOVERNMENT PRINTER, NEW SOUTH WALES—1967
[25c]

No. , 1967.

A BILL

To make further provisions with respect to exploration for, and the exploitation of, petroleum; for this purpose to amend the Petroleum Act, 1955, as amended by subsequent Acts; and for purposes connected therewith.

[MR FIFE—19 September, 1967.]

BE it 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 :—

1. (1) This Act may be cited as the "Petroleum (Amendment) Act, 1967".

Short title,
citation
and com-
mencement.

(2)

Petroleum (Amendment).

(2) The Petroleum Act, 1955, as amended by subsequent Acts and by this Act, may be cited as the Petroleum Act, 1955–1967.

(3) The Petroleum Act, 1955, as amended by subsequent Acts, is in this Act referred to as the Principal Act.

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

2. Part I of the Principal Act is amended—

Amendment
of Act No.
28, 1955.

(Part I—
Pre-
liminary.)

10 (a) (i) by omitting from subsection one of section two the matter relating to Division 3 of Part III; Sec. 2.
(Division
into Parts.)

(ii) by inserting in the same subsection next after the matter relating to Division 4 the following new matter :—

15

DIVISION 4A.—Royalties.

(b) (i) by omitting from subsection one of section three the definition of “Bore-hole”; Sec. 3.
(Interpre-
tation.)

20 (ii) by omitting from the same subsection the definition of “Casinghead petroleum spirit”;

(iii) by omitting from the same subsection the definition of “Crude oil”;

25 (iv) by omitting from the definition of “‘Drilling’ or ‘boring’” in the same subsection the words “or ‘boring’”;

(v) by omitting from the definition of “Mining surveyor” in the same subsection the words “Surveyors Act, 1929–1946, and specially appointed under the Mining Act, 1906–1952, to

Petroleum (Amendment).

to carry out surveys under that Act” and by inserting in lieu thereof the words “Surveyors Act, 1929, as amended by subsequent Acts”;

5 (vi) by omitting from the same subsection the definition of “Natural gas”;

(vii) by omitting from the same subsection the definition of “Petroleum” and by inserting in lieu thereof the following definition :—

“Petroleum” means—

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

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

20 (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,

25 and includes any substance referred to in paragraph (a), (b) or (c) of this definition that has been returned to a natural reservoir.

(viii) by omitting from the same subsection the definition of “Scout drilling”;

30 (ix) by omitting from the same subsection the definition of “Shut off”;

(x)

Petroleum (Amendment).

- (x) by omitting from the same subsection the definition of "Test well";
- (xi) by inserting in the same subsection after the definition of "Under Secretary" the following definition :—
- "Well" means a hole made by drilling in connection with exploration for petroleum or operations for the recovery of petroleum, but does not include a seismic shot hole.
- (c) (i) by omitting from subsection one of section four the words "Mining Act, 1906–1952" and by inserting in lieu thereof the words "Mining Act, 1906, as amended by subsequent Acts";
- (ii) by omitting from the same subsection the words "Mines Inspection Act, 1901–1945" and by inserting in lieu thereof the words "Mines Inspection Act, 1901, as amended by subsequent Acts";
- (d) by omitting from section five the words " , petroleum prospecting licence".
3. Part II of the Principal Act is amended by omitting from subsection two of section six the words " , petroleum prospecting licences".
- 4.

Sec. 4.
(Officers appointed under certain Acts deemed to be officers under this Act.)

Sec. 5.
(Minister or officer not to be interested in licence or lease.)

Further amendment of Act No. 28, 1955.
(Part II—Rights of the Crown as to Petroleum and Helium.)

Sec. 6.
(Petroleum and helium the property of the Crown.)

Petroleum (Amendment).

4. Part III of the Principal Act is amended—

Further amendment of Act No. 28, 1955.

(Part III—Licences and Leases Under This Act.)

- (a) (i) by omitting from section seven the words “or a petroleum prospecting licence”;
- (ii) by omitting from paragraph (b) of the proviso to the same section the words “, petroleum prospecting licence” wherever occurring;
- (b) by omitting section eight;
- (c) (i) by omitting from paragraph (a) of subsection one of section nine the words “and petroleum prospecting licences”;
- (ii) by omitting from subparagraph (ii) of the same subsection the words “, petroleum prospecting licence”;
- (d) (i) by inserting at the end of subparagraph (i) of paragraph (a) of subsection two of section ten the word “and”;
- (ii) by omitting subparagraph (ii) of the same paragraph;
- (iii) by inserting in paragraph (a) of subsection four of the same section after the word “Act” where firstly occurring the words “, and every request referred to in section fifteen of this Act,”;
- (iv) by inserting in the same subsection after the word “applicant” wherever occurring the words “or person nominated by the applicant”;

Sec. 7.

(No prospecting or mining for petroleum except in pursuance of licence or lease.)

Sec. 8.

(Protection of rights under certain agreements.)

Sec. 9.

(Licences or leases may be granted.)

Sec. 10.

(Lodgment of applications.)

(e)

Petroleum (Amendment).

- (e) by omitting from paragraph (b) of section
seventeen the words "one thousand" and by
inserting in lieu thereof the word "twenty-five";
- (f) by omitting from subsection two of section eighteen
the words ", and subject to section forty-three of
this Act";
- (g) by omitting section twenty;
- (h) (i) by omitting from paragraph (b) of subsection
two of section twenty-one the words "the
scout" and by inserting in lieu thereof the
word "of";
- (ii) by omitting from paragraph (c) of the same
subsection the word "scout";
- (iii) by inserting next after the same subsection the
following new subsections :—
- (2A) The Minister may, on an application
in writing made to him by the holder of a
petroleum exploration licence, exempt the
holder from compliance with the requirement
of this section that he furnish to the Minister
a proposed scheme providing for a geological
survey or other survey of the land comprised
in the licence to be carried out if the Minister
is satisfied that an adequate geological survey
or other survey of the land has been carried
out and that further such surveys are not
necessary.
- (2B) The holder of a petroleum explora-
tion licence who has been so exempted shall,
notwithstanding any other provision of this
section, not be liable to comply with any
requirement from which he has been so
exempted.
- (iv)

Sec. 17.
(Area of
petroleum
exploration
licence.)

Sec. 18.
(Term of
petroleum
exploration
licence and
renewal.)

Sec. 20.
(Drilling
other than
scout drill-
ing pro-
hibited.)

Sec. 21.
(Holder to
furnish
exploration
scheme.)

Petroleum (Amendment).

(iv) by omitting from paragraphs (a), (b) and (c) of subsection six of the same section the word "scout" wherever occurring;

5 (i) by inserting next after section twenty-one the following new sections :— New secs. 21A-21D.

21A. The holder of a petroleum exploration licence shall, as from the commencement by him of prospecting operations on the land comprised in the licence, diligently and continuously carry on those operations in a workmanlike manner and in accordance with—

- (a) good oilfield practice;
- (b) the terms and conditions subject to which the licence was granted; and
- 15 (c) any directions relating to the carrying on of those operations given to him by the Minister.

21B. (1) Where petroleum is discovered in land comprised in a petroleum exploration licence, the holder of the licence— Discovery of petroleum to be notified.

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

(2) Where petroleum is discovered in land comprised in a petroleum exploration licence, the Minister may, from time to time, by instrument in writing served on the holder of the licence, direct the holder 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 the physical properties of the petroleum;

(b)

Petroleum (Amendment).

(b) the nature of the stratum in which the petroleum occurs; and

(c) any other matters relating to the discovery that are specified by the Minister in the instrument.

5

21c. Where petroleum is discovered in land comprised in a petroleum exploration licence, the Minister may, by instrument in writing served on the holder of the licence, direct the holder to do, within the period specified in the instrument, such things as the Minister thinks necessary and specifies in the instrument to determine the chemical composition and physical properties of that petroleum and to determine the quantity of petroleum in the petroleum deposit to which the discovery relates or, if part only of that petroleum deposit is within the land comprised in the petroleum exploration licence, in such part of that petroleum deposit as is within that land.

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15

20

21d. (1) Where petroleum is discovered in land comprised in a petroleum exploration licence the Minister may, by instrument in writing, direct the holder of the licence to apply, within such period as may be specified in the direction, for a petroleum mining lease of so much of that land as is so specified.

25

30

(2) If the holder of a petroleum exploration licence does not apply for a lease in accordance with directions given to him under subsection one of this section the Minister may cancel the licence.

(j) by omitting Division 3;

Part III,
Division 3.
(Petroleum
Prospecting
Licences.)

(k) by omitting from section twenty-eight the words "or a petroleum prospecting licence";

Sec. 28.
(Grant of
petroleum
mining
lease.)

(1)

Petroleum (Amendment).

- (l) by omitting from paragraph (a) of section twenty-nine the words "one hundred" and by inserting in lieu thereof the word "twenty-five"; Sec. 29.
(Area of petroleum mining lease.)
- 5 (m) by inserting in subsection two of section thirty after the word "Act" the words "in respect of leases, other than renewals of leases,"; Sec. 30.
(Term of petroleum mining lease and renewal.)
- (n) by omitting section thirty-two; Sec. 32.
(Royalty on petroleum, etc.)
- (o) by inserting next after section thirty-four the following new Division :— New
Division 4A.

10

DIVISION 4A.—*Royalties.*

34A. In this Division "royalty period", in relation to a petroleum exploration licence or a petroleum mining lease, means— Interpre-
tation.

15

(a) the period from and including the date of the licence or lease to the end of the month of the year during which that date occurs; and

(b) each month of the year thereafter.

20

34B. (1) The conditions subject to which a petroleum exploration licence or petroleum mining lease is granted shall include a condition that the holder of the licence or lease shall pay to the Minister a royalty at the prescribed rate in respect of all petroleum recovered under the licence or lease. Royalty.

25

(2) The prescribed rate in respect of petroleum—

30

(a) recovered under a petroleum exploration licence is such percentage, not exceeding ten per centum of the value at the well-head of the

Petroleum (Amendment).

the petroleum as may be determined by the Minister and notified by instrument in writing served on the holder of the licence;

- 5 (b) recovered under a petroleum mining lease, not being a renewal of a petroleum mining lease, is the rate of ten per centum of the value at the well-head of the petroleum;
- 10 (c) recovered under a petroleum mining lease, being a renewal of such a lease, is such rate as may be approved by the Governor under paragraph (b) of subsection two of section thirty of this Act; or
- 15 (d) recovered under a petroleum mining lease, as deemed to be extended by section 30A of this Act, is the rate as varied under that section.

34c. (1) Royalty under this Act—

- 20 (a) is not payable in respect of petroleum that the Minister is satisfied was unavoidably lost before the quantity of that petroleum was ascertained;
- 25 (b) is not payable in respect of petroleum that is used by the holder of the petroleum exploration licence or the petroleum mining lease, as approved by the Minister, for the purposes of operations authorised by the licence or lease, as the case may be; and
- 30 (c) is not payable in respect of petroleum that, with the approval of the Minister, is flared or vented in connection with operations for the recovery of petroleum.

35 (2) Where petroleum that has been recovered by the holder of a petroleum exploration licence or petroleum mining lease is, with the approval of the Minister, returned to a natural reservoir, royalty under this Act is not payable in respect

Royalty not payable in certain cases.

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5 respect of that petroleum by reason of that recovery but this subsection does not affect the liability of that or any other holder of a petroleum exploration licence or petroleum mining lease to pay royalty in respect of petroleum that is recovered from that natural reservoir.

10 34D. For the purposes of this Act, the well-head, in relation to any petroleum, is such equipment used for the recovery of the petroleum as is agreed between the holder of the exploration licence or petroleum mining lease and the Minister, or, in default of agreement within such period as the Minister allows, is such equipment used for the recovery of petroleum by that holder as is determined by the Minister as being that well-head. Ascertain-
ment of
well-head.

20 34E. For the purposes of this Act, the value at the well-head of any petroleum is such amount as is agreed between the holder of the petroleum exploration licence or petroleum mining lease and the Minister, or, in default of agreement within such period as the Minister allows, as is determined by the Minister as being that value. Ascertain-
ment of
value.

25 34F. For the purposes of this Act, the quantity of petroleum recovered by the holder of a petroleum exploration licence or petroleum mining lease during a period shall be taken to be— Ascertain-
ment of
quantity of
petroleum
recovered.

- 30 (a) the quantity measured during that period by a measuring device approved by the Minister and installed at the well-head or at such other place as the Minister approves; or
- (b) where no such measuring device is so installed, or the Minister is not satisfied that the quantity of petroleum recovered by the holder

Petroleum (Amendment).

5 holder of the licence or lease has been properly or accurately measured by such a measuring device—the quantity determined by the Minister as being the quantity recovered by the holder of the licence or lease during that period.

10 34G. (1) Royalty under this Act in respect of ^{Payment} petroleum recovered during a royalty period is ^{of royalty.} payable not later than the last day of the next succeeding royalty period.

15 (2) Where an amount of royalty under this Act is not paid as provided by subsection one of this section, there is payable to the Minister by the holder of the petroleum exploration licence or the petroleum mining lease an additional amount
20 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.

25 (3) An additional amount is not payable under subsection two 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 34E of this Act.

30 34H. Royalty under section 34B of this Act and an amount payable under section 34G of this Act ^{Royalty and penalties debts due to the Crown.} are debts due by the holder of the petroleum exploration licence or petroleum mining lease to the Crown and are recoverable in a court of competent jurisdiction.

(p)

Petroleum (Amendment).

- (p) by omitting section thirty-eight and by inserting in lieu thereof the following section :—

Subst.
sec. 38.

5 38. (1) Every licence or lease under this Act shall be registered with the Registrar, Department of Mines, Sydney.

Registration.
cf. Act No.
49, 1906,
s. 109.

10 (2) Every transfer or assignment (except an assignment by operation of law) of, and every instrument (whether a sublease, tribute agreement, option contract, mortgage, deed of trust, partnership agreement, working agreement, or any other instrument) affecting, any licence or lease under this Act, together with a copy of every such instrument certified by any two persons to be a true copy of the original, shall be lodged within the time and in the manner prescribed for the concurrence of the Minister and for registration by the Registrar, Department of Mines, Sydney, under the provisions of this section.

20 The Minister may refuse such concurrence or may grant it absolutely or subject to such amendments, modifications, stipulations or conditions as he may think necessary in the public interest to make or impose.

25 Any person who neglects or fails to comply with any such amendment, modification, stipulation or condition so imposed upon him shall be liable to a penalty not exceeding one hundred dollars and to a further penalty not exceeding ten dollars for each and every day such neglect or failure continues.

30 Any transfer, assignment or other instrument required to be lodged for registration under this subsection, which is not lodged within the time and in the manner prescribed, shall not be registered unless the Minister so approves.

(3)

Petroleum (Amendment).

(3) Every transfer, assignment or instrument which by this section is required to be lodged for registration shall be lodged by such person as may be prescribed.

5 Any person so prescribed who neglects or fails to lodge any transfer, assignment or instrument in accordance with the requirements of subsection two of this section shall be liable upon conviction to a
10 penalty not exceeding one hundred dollars and to a further penalty not exceeding ten dollars for each and every day such neglect or failure continues.

(4) (a) No transfer or assignment (except an assignment by operation of law) of, and no instrument (whether a sublease, tribute agreement,
15 option contract, mortgage, deed of trust, partnership agreement, working agreement or any other instrument) affecting, any licence or lease under this Act shall have any force or effect unless it is in writing and is signed by the parties thereto.

20 Nothing in this paragraph applies to any transfer or assignment or instrument made before the commencement of this section.

(b) Any transfer, assignment or other instrument required to be lodged for registration
25 under subsection two of this section shall not have any force or effect until it is registered under the provisions of this section.

30 Nothing in this paragraph applies to any transfer, assignment or other instrument made before the commencement of this section.

(5) Any person claiming interest in any licence or lease under this Act may, before the registration of any instrument required by subsection one or two of this section to be registered,
35 lodge with the Minister a caveat in the prescribed form,

Petroleum (Amendment).

5 form, and accompanied by the prescribed fee, against such registration. On receipt of such caveat the Minister shall stay registration for twenty-eight days, unless the caveat is sooner withdrawn, but may then register the instrument, unless the person lodging the caveat has obtained and served upon him an order of some competent court forbidding such registration.

10 (6) Every licence or lease or transfer, assignment or instrument registered, or submitted for registration, and every caveat lodged, under and in accordance with this section as in force before the substitution of this section by the Petroleum
15 (Amendment) Act, 1967, shall be deemed to have been registered, or lodged for registration, or lodged, as the case may be, under and in accordance with this section as so substituted.

20 (7) Any amendments, modifications, stipulations or conditions made or imposed by the Minister at the time of his granting his concurrence or sanction under this section as in force before the substitution of this section by the Petroleum
25 (Amendment) Act, 1967, shall be deemed to be amendments, modifications, stipulations or conditions imposed by the Minister under this section as so substituted.

30 (8) Subject to subsection four of this section this section shall apply to licences, leases, transfers, assignments and instruments executed or made before the substitution of this section by the Petroleum (Amendment) Act, 1967, except instruments not required to be registered under this section before such substitution.

35 (9) The functions of the Registrar under this section may be performed by the Deputy Registrar, Department of Mines, Sydney.

(q)

Petroleum (Amendment).

- 5 (q) (i) by omitting from paragraph (a) of subsection one of section forty-one the words "Mining Act, 1906-1952" and by inserting in lieu thereof the words "Mining Act, 1906, as amended by subsequent Acts";
- (ii) by omitting from paragraph (d) of the same subsection the word "minerals," and by inserting in lieu thereof the words "minerals; or";
- 10 (iii) by inserting next after the same paragraph the following new paragraph :—
- (e) the provisions of the State Coal Mines Act, 1912, as amended by subsequent Acts,
- 15 (r) by omitting from paragraph (a) of subsection two of section forty-two the word "bore-holes" and by inserting in lieu thereof the word "wells";
- (s) by inserting next after section forty-two the following new section :—
- 20 42A. (1) The holder of a licence or lease under this Act who has commenced drilling operations on the land comprised in the licence or demised by the lease shall not, without the consent of the Minister, cease those operations or remove any drilling rig from the site of those operations.
- 25 (2) A holder of a licence or lease under this Act who contravenes any of the provisions of subsection one of this section is guilty of an offence against this Act.
- 30 (3) A consent given by the Minister under this section may be subject to such conditions and requirements as are specified in the consent.
- (4)

Sec. 41.
(Disputes between holders of licences or leases and other persons carrying on operations on land under licence or lease.)

Sec. 42.
(Suspension of conditions of licence or lease.)

New sec. 42A.

Drilling operations to be carried on continuously.

Petroleum (Amendment).

5 (4) The holder of a licence or lease under this Act who fails to comply with, or contravenes, any condition or requirement subject to which a consent was given to him under this section is guilty of an offence against this Act.

(t) by omitting section forty-three;

Sec. 43.
(Power of
Minister on
application
for re-
newal.)

(u) (i) by inserting in section forty-five after the word "lease" where firstly occurring the words
" , or in any easement or right of way,";

Sec. 45.
(Saving of
powers to
dispose of
land.)

10 (ii) by inserting in the same section after the word "lease" where fourthly occurring the words
" , or any easement or right of way,";

(v) (i) by inserting in section forty-seven after the word "lease" where firstly occurring the words
" , or the subject of an easement or right of way,";

Sec. 47.
(Operations
on private
land.)

15 (ii) by inserting in the same section after the word "conducted" the words " , and the easement or right of way shall be used,";

20 (w) (i) by inserting in section forty-eight after the word "lease" where firstly occurring the words
" , or a person to whom an easement or right of way has been granted,";

Sec. 48.
(Liability to
compensate
owner or
occupier.)

25 (ii) by inserting in the same section after the word "lease" where secondly occurring the words
" , or the subject of the easement or right of way,";

(iii) by omitting from the same section the words
"scout drilling,";

30 (iv) by inserting in the same section after the word "holder" where lastly occurring the words
"or by reason of the use of the easement or right of way";

Petroleum (Amendment).

- (x) (i) by omitting from subsection one of section fifty-one the words "scout drilling or" wherever occurring; Sec. 51. (Compensation before commencement of scout drilling or drilling on private land covered by licence.)
- 5 (ii) by inserting in the same subsection after the word "operations" where secondly occurring the words "notify the owner and occupier, if any, of the private lands of his intention to carry out the operations and";
- 10 (y) (i) by inserting in subsection one of section fifty-three after the word "lease" where firstly occurring the words ", or a person to whom an easement or right of way has been granted,"; Sec. 53. (Compensation.)
- (ii) by inserting in the same subsection after the word "holder" where secondly occurring the words "or person, as the case may be,";
- 15 (iii) by inserting in the same subsection after the word "lease" where secondly occurring the words "or such easement or right of way";
- (iv) by inserting next after the same subsection the following new subsection :—
- 20 (1A) The holder of a licence or lease under this Act shall be liable to compensate in accordance with this Act any other holder of a licence or lease whose operations under the
- 25 licence or lease are detrimentally affected by the grant under this Act of an easement or right of way through, upon or in the land comprised in the licence, or demised by the lease, held by that other holder or by the use
- 30 of any such easement or right of way.
- (v) by omitting from subsection two of the same section the word "Compensation" and by inserting in lieu thereof the words "Subject to subsection (1A) of this section, compensation";
- 35

(vi)

Petroleum (Amendment).

- (vi) by inserting in the same subsection after the word "lease" the words ", or a person to whom an easement or right of way has been granted,";
- 5 (vii) by inserting in the same subsection after the word "holder" where secondly occurring the words "or person, as the case may be,";
- (z) by inserting next after paragraph (b) of subsection Sec. 55.
one of section fifty-five the following new (Measure of
10 paragraph :— compensation
tion.)
- (bi) any loss occasioned to the holder of a licence or lease by reason of that holder's operations under the licence or lease being detrimentally affected by the grant under
15 this Act, to the holder of another licence or lease, of an easement or right of way through, upon or in the land comprised in the licence, or demised by the lease, held by that firstmentioned holder, or by the
20 use of any such easement or right of way;
- (aa) (i) by omitting from subsection one of section Sec. 56.
fifty-six the words "Mining Act, 1906-1952" (How com-
and by inserting in lieu thereof the words pensation
25 "Mining Act, 1906, as amended by sub- assessed.)
sequent Acts";
- (ii) by inserting in subsection three of the same section after the word "lease" the words ", or by the person to whom the easement or right of way has been granted,";
- 30 (iii) by inserting in subsection four of the same section after the word "holder" the words ", or the easement or right of way granted to the person,";
- 35 (iv) by inserting in the same subsection after the word "cancelled" the words "or revoked, as the case may be";

(v)

Petroleum (Amendment).

- (v) by inserting in subsection five of the same section after the word "lease" the words " , or the revocation of an easement or right of way,";
- 5 (ab) by omitting from section fifty-seven the words "Mining Act, 1906-1952" and by inserting in lieu thereof the words "Mining Act, 1906, as amended by subsequent Acts"; Sec. 57.
(Application of certain provisions of Act No. 49, 1906.)
- (ac) by omitting subsection three of section sixty-one; Sec. 61.
(Drilling of wells with respect to wells on other land.)
- 10 (ad) by omitting section sixty-three and by inserting in lieu thereof the following section :— Subst. sec. 63.
63. (1) The holder of a petroleum exploration licence or a petroleum mining lease shall before abandoning a well— Abandonment of wells.
- 15 (a) give to the Minister or an inspector under this Act at least twenty-four hours' notice of his intention to abandon the well and shall specify in the notice particulars of the method proposed to be used, and the works
- 20 proposed to be carried out, by the holder in connection with the abandonment of the well; and
- (b) comply with any directions given to him by the Minister or an inspector with respect to
- 25 the abandonment of the well.
- (2) Forthwith after the receipt of any such notice the Minister or inspector shall cause particulars thereof to be transmitted to the Secretary of the Water Conservation and Irrigation
- 30 Commission.
- (3)

Petroleum (Amendment).

(3) Any such holder shall not, without the prior consent of the Minister and except in accordance with any directions given to him by the Minister, withdraw or cause to be withdrawn any casing from a well.

(ae) by omitting from subsection three of section sixty-seven the words "sections twenty-seven and" and by inserting in lieu thereof the word "section";

Sec. 67.
(Agreements for joint drilling of wells.)

(af) by omitting section sixty-eight and by inserting in lieu thereof the following section : —

Subst. sec. 68.

68. (1) In this section, "unit development", in relation to a petroleum deposit, means the co-ordination of operations for the recovery of petroleum being carried on or to be carried on in land demised by a lease under this Act in which there is part of that deposit with other operations for the recovery of petroleum being carried on or to be carried on in any other area, whether within the State of New South Wales or not, in which there is part of that deposit.

Unit development.

(2) The holder of a lease under this Act may from time to time enter into an agreement in writing for or in relation to the unit development of a petroleum deposit.

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

(a) the holder of a lease under this Act where there is part of a particular petroleum deposit in the land demised by the lease held by that lessee; or

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

may,

Petroleum (Amendment).

may, for the purpose of securing the more effective recovery of petroleum from the petroleum deposit, direct the holder of any lease under this Act of land that includes part of the petroleum deposit to enter
5 into an agreement in writing, within the period specified in the instrument, for or in relation to the unit development of the petroleum deposit and to lodge the agreement with him forthwith in accordance with section thirty-eight of this Act.

10 (4) Where—

(a) the holder of a lease under this Act who is directed under subsection three of this section to enter into an agreement for or in relation to the unit development of a
15 petroleum deposit does not enter into such an agreement within the specified period;
or

(b) the holder of a lease under this Act enters into such an agreement but the agreement is not lodged for the concurrence of the
20 Minister and for registration in accordance with subsection three of this section or, if so lodged, does not receive the Minister's concurrence under section thirty-eight of
25 this Act,

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

(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 deposit is to be submitted by the holder of a lease under this
35 Act under subsection four of this section the Minister may, by instrument in writing served on
the

Petroleum (Amendment).

the holder of the lease, give to the holder such directions as the Minister thinks necessary for the purpose of securing the more effective recovery of petroleum from the petroleum deposit.

5 (6) Where there is part of a particular petroleum deposit in lands demised by two or more leases under this Act held by the same person, the Minister may, after consultation with the holder of the leases, by instrument in writing served on the
10 holder, give to the holder such directions as the Minister thinks necessary for the purpose of securing the more effective recovery of petroleum from the petroleum deposit.

15 (7) Where an agreement under this section is in force or the Minister has given directions under subsection five or six of this section, the Minister may, having regard to additional information that has become available, and after consultation with the holder of the lease or the holders of the leases
20 concerned, by instrument in writing served on the holder or holders, give to the holder or holders 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
25 petroleum deposit.

(8) Directions under subsection five, six or seven of this section may include directions as to the rate at which petroleum is to be recovered.

30 (9) An agreement under this section is an instrument to which section thirty-eight of this Act applies.

(ag) by omitting from section sixty-nine the word "bore- Sec. 69.
hole" wherever occurring and by inserting in lieu (Notification
thereof the word "well"; of intention
to drill.)

(ah)

Petroleum (Amendment).

- (ah) (i) by omitting from subsection one of section seventy-two the words "bore cores" wherever occurring and by inserting in lieu thereof the word "cores"; Sec. 72.
(Samples of strata, petroleum and water.)
- 5 (ii) by omitting from paragraph (a) of the same subsection the word "bore-hole" wherever occurring and by inserting in lieu thereof the word "well".
5. Part IV of the Principal Act is amended—
- Further amendment of Act No. 28, 1955.
(Part IV—Inspection and Control.)
- 10 (a) (i) by inserting in section seventy-four after the word "lease" where firstly occurring the words " , or the subject of an easement or right of way,"; Sec. 74.
(Authority to enter on land.)
- 15 (ii) by inserting in the same section after the word "lease" where secondly occurring the words "or easement or right of way";
- (b) by omitting from subsection one of section seventy-five the words "scout drilling or"; Sec. 75.
(Appointment of manager.)
- 20 (c) by inserting in paragraph (a) of section seventy-six after the word "lease" the words " , or on any land the subject of an easement or right of way granted to him under this Act,"; Sec. 76.
(Health and safety.)
- 25 (d) (i) by inserting in subsection one of section seventy-seven after the word "lease" where firstly occurring the words " , or with the use of any easement or right of way"; Sec. 77.
(Notice to be given of cause of danger.)
- 30 (ii) by inserting in the same section after the word "manager" the words "or to the person to whom the easement or right of way was granted"; (e)

Petroleum (Amendment).

- 5 (e) (i) by inserting in subsection one of section Sec. 78.
seventy-eight after the word "lease" where (Accidents.)
secondly occurring the words "; or with the
use of an easement or right of way under this
Act";
- (ii) by inserting in the same subsection after the
word "holder" where secondly occurring the
words "or the person to whom the easement or
right of way was granted";
- 10 (iii) by inserting in subsection two of the same
section after the word "manager" the words
"and the person to whom any easement or
right of way was granted";
- 15 (iv) by inserting in the same subsection after the
word "aforesaid" the words "or with the use
of the easement or right of way";
- (f) (i) by inserting next after subsection one of Sec. 79.
section seventy-nine the following new (Power of
subsection :— Minister to
do works
required by
this Act.)
- 20 (1A) If a person to whom an easement or
right of way has been granted under this Act
fails or refuses to comply with any lawful
instruction or direction given to him under this
Act or to carry out any operations or do any
25 act in accordance with the requirements of
any provision of this Act applicable to him, the
Minister may by his workmen or agents enter
on the land the subject of the easement or
right of way and carry out any works specified
30 in the instructions or direction, or carry out
those operations or do that act, at the expense
of that person.
- (ii) by inserting in subsection two of the same
section after the word "one" the word and
35 symbols "or (1A)";

(iii) by omitting from the same subsection the words "such holder" and by inserting in lieu thereof the words "the person to whom the instructions were or the direction was given".

**Further
amendment
of Act No.
28, 1955.
(Part V—
Miscel-
laneous.)**

- (a) by omitting from subsection one of section eighty-one the word “, royalties” wherever occurring; (Fees, etc., payable by due date.)
- (b) by omitting from subsection two of the same section the word “, royalty”.

V. C. N. BLIGHT, GOVERNMENT PRINTER, NEW SOUTH WALES—1967
[25c]

PETROLEUM (AMENDMENT) BILL, 1967

EXPLANATORY NOTE

THE objects of this Bill are—

- (a) to provide that petroleum prospecting licences shall no longer be issued under the Petroleum Act, 1955, as amended;
- (b) to define “petroleum” and a “well” in the same manner as those expressions will be defined in proposed legislation to deal with mining for petroleum off-shore;
- (c) to apply to nominees of applicants for licences and leases certain provisions of the Petroleum Act, 1955, as amended, that apply to applicants for licences and leases;
- (d) to provide that the area comprised in a petroleum exploration licence shall be not less than 25 square miles instead of 1,000 square miles, except with the Minister’s approval;
- (e) to enable the Minister to exempt the holder of a petroleum exploration licence from the requirement to furnish a scheme providing for a geological or other survey of land comprised in the licence in certain circumstances;
- (f) to re-define the obligations of a holder of a petroleum exploration licence with respect to the operations being carried on by him and with respect to the action to be taken by him upon the discovery by him of petroleum;
- (g) to require every petroleum exploration licence or petroleum mining lease to contain a condition for the payment of royalty and to specify the circumstances in which royalty is payable;
- (h) to substitute for the existing provisions of the Petroleum Act, 1955, as amended, relating to the registration of instruments, provisions corresponding to those contained in the Mining Act, 1906, as amended;
- (i) to extend the provisions of section 41 of the Petroleum Act, 1955, as amended, relating to the settlement of disputes, to disputes between the holder of a title under that Act and a person authorised to prospect or mine for minerals under the State Coal Mines Act, 1912, as amended;
- (j) to require the holder of a petroleum exploration licence or a petroleum mining lease who has commenced drilling operations to carry on those operations continuously and not to remove any drilling rig from the site of those operations, unless he has obtained the consent of the Minister;
- (k) to require certain persons who are granted easements or rights of way under the Petroleum Act, 1955, as amended, to pay compensation in certain circumstances;
- (l) to require the holder of a petroleum exploration licence to notify the owner and occupier of any private lands before commencing any drilling operations on that land;
- (m) to specify the obligations of the holder of a petroleum exploration licence or a petroleum mining lease with respect to the abandonment of a well;
- (n) to make further provisions with respect to the unit development of petroleum deposits;
- (o) to make other provisions of a minor or ancillary character.

PROOF

No. , 1967.

A BILL

To make further provisions with respect to exploration for, and the exploitation of, petroleum; for this purpose to amend the Petroleum Act, 1955, as amended by subsequent Acts; and for purposes connected therewith.

[MR FIFE—19 September, 1967.]

BE it 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 :—

1. (1) This Act may be cited as the "Petroleum (Amendment) Act, 1967".
- (2) Short title, citation and commencement.

Petroleum (Amendment).

(2) The Petroleum Act, 1955, as amended by subsequent Acts and by this Act, may be cited as the Petroleum Act, 1955–1967.

(3) The Petroleum Act, 1955, as amended by subsequent Acts, is in this Act referred to as the Principal Act.

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

2. Part I of the Principal Act is amended—

Amendment
of Act No.
28, 1955.

(Part I—
Pre-
liminary.)

10 (a) (i) by omitting from subsection one of section two the matter relating to Division 3 of Part III;

Sec. 2.
(Division
into Parts.)

(ii) by inserting in the same subsection next after the matter relating to Division 4 the following new matter :—

15

DIVISION 4A.—*Royalties.*

(b) (i) by omitting from subsection one of section three the definition of “Bore-hole”;

Sec. 3.
(Interpre-
tation.)

20 (ii) by omitting from the same subsection the definition of “Casinghead petroleum spirit”;

(iii) by omitting from the same subsection the definition of “Crude oil”;

25 (iv) by omitting from the definition of “‘Drilling’ or ‘boring’” in the same subsection the words “or ‘boring’”;

(v) by omitting from the definition of “Mining surveyor” in the same subsection the words “Surveyors Act, 1929–1946, and specially appointed under the Mining Act, 1906–1952, to

Petroleum (Amendment).

to carry out surveys under that Act” and by inserting in lieu thereof the words “Surveyors Act, 1929, as amended by subsequent Acts”;

5 (vi) by omitting from the same subsection the definition of “Natural gas”;

(vii) by omitting from the same subsection the definition of “Petroleum” and by inserting in lieu thereof the following definition :—

“Petroleum” means—

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

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

20 (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,

25 and includes any substance referred to in paragraph (a), (b) or (c) of this definition that has been returned to a natural reservoir.

(viii) by omitting from the same subsection the definition of “Scout drilling”;

30 (ix) by omitting from the same subsection the definition of “Shut off”;

(x)

Petroleum (Amendment).

- (x) by omitting from the same subsection the definition of "Test well";
- (xi) by inserting in the same subsection after the definition of "Under Secretary" the following definition : —
- "Well" means a hole made by drilling in connection with exploration for petroleum or operations for the recovery of petroleum, but does not include a seismic shot hole.
- (c) (i) by omitting from subsection one of section four the words "Mining Act, 1906–1952" and by inserting in lieu thereof the words "Mining Act, 1906, as amended by subsequent Acts";
- (ii) by omitting from the same subsection the words "Mines Inspection Act, 1901–1945" and by inserting in lieu thereof the words "Mines Inspection Act, 1901, as amended by subsequent Acts";
- (d) by omitting from section five the words ", petroleum prospecting licence".
3. Part II of the Principal Act is amended by omitting from subsection two of section six the words ", petroleum prospecting licences".

Sec. 4.
(Officers appointed under certain Acts deemed to be officers under this Act.)

Sec. 5.
(Minister or officer not to be interested in licence or lease.)

Further amendment of Act No. 28, 1955.
(Part II—Rights of the Crown as to Petroleum and Helium.)

Sec. 6.
(Petroleum and helium the property of the Crown.)

Petroleum (Amendment).

4. Part III of the Principal Act is amended—

- | | | |
|----|--|---|
| | | Further amendment of Act No. 28, 1955. (Part III—Licences and Leases Under This Act.) |
| | (a) (i) by omitting from section seven the words “or a petroleum prospecting licence”; | Sec. 7. (No prospecting or mining for petroleum except in pursuance of licence or lease.) |
| 5 | (ii) by omitting from paragraph (b) of the proviso to the same section the words “, petroleum prospecting licence” wherever occurring; | |
| | (b) by omitting section eight; | Sec. 8. (Protection of rights under certain agreements.) |
| 10 | (c) (i) by omitting from paragraph (a) of subsection one of section nine the words “and petroleum prospecting licences”; | Sec. 9. (Licences or leases may be granted.) |
| | (ii) by omitting from subparagraph (ii) of the same subsection the words “, petroleum prospecting licence”; | |
| 15 | (d) (i) by inserting at the end of subparagraph (i) of paragraph (a) of subsection two of section ten the word “and”; | Sec. 10. (Lodgment of applications.) |
| | (ii) by omitting subparagraph (ii) of the same paragraph; | |
| 20 | (iii) by inserting in paragraph (a) of subsection four of the same section after the word “Act” where firstly occurring the words “, and every request referred to in section fifteen of this Act,”; | |
| 25 | (iv) by inserting in the same subsection after the word “applicant” wherever occurring the words “or person nominated by the applicant”; | |
| | (e) | |

Petroleum (Amendment).

- (e) by omitting from paragraph (b) of section seventeen the words "one thousand" and by inserting in lieu thereof the word "twenty-five"; Sec. 17.
(Area of petroleum exploration licence.)
- 5 (f) by omitting from subsection two of section eighteen the words ", and subject to section forty-three of this Act"; Sec. 18.
(Term of petroleum exploration licence and renewal.)
- (g) by omitting section twenty; Sec. 20.
(Drilling other than scout drilling prohibited.)
- 10 (h) (i) by omitting from paragraph (b) of subsection two of section twenty-one the words "the scout" and by inserting in lieu thereof the word "of"; Sec. 21.
(Holder to furnish exploration scheme.)
- 15 (ii) by omitting from paragraph (c) of the same subsection the word "scout";
- (iii) by inserting next after the same subsection the following new subsections :—
- 20 (2A) The Minister may, on an application in writing made to him by the holder of a petroleum exploration licence, exempt the holder from compliance with the requirement of this section that he furnish to the Minister a proposed scheme providing for a geological survey or other survey of the land comprised in the licence to be carried out if the Minister is satisfied that an adequate geological survey or other survey of the land has been carried out and that further such surveys are not necessary.
- 25 (2B) The holder of a petroleum exploration licence who has been so exempted shall, notwithstanding any other provision of this section, not be liable to comply with any requirement from which he has been so exempted.
- 30 (iv)

Petroleum (Amendment).

(iv) by omitting from paragraphs (a), (b) and (c) of subsection six of the same section the word "scout" wherever occurring;

5 (i) by inserting next after section twenty-one the following new sections :— New secs.
21A-21D.

10 21A. The holder of a petroleum exploration licence shall, as from the commencement by him of prospecting operations on the land comprised in the licence, diligently and continuously carry on those operations in a workmanlike manner and in accordance with—

- (a) good oilfield practice;
- (b) the terms and conditions subject to which the licence was granted; and
- 15 (c) any directions relating to the carrying on of those operations given to him by the Minister.

20 21B. (1) Where petroleum is discovered in land comprised in a petroleum exploration licence, the holder of the licence— Discovery
of petro-
leum to be
notified.

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

30 (2) Where petroleum is discovered in land comprised in a petroleum exploration licence, the Minister may, from time to time, by instrument in writing served on the holder of the licence, direct the holder to furnish to him, within the period specified in the instrument, particulars in writing of any one or more of the following :—

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

Petroleum (Amendment).

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

5

21c. Where petroleum is discovered in land comprised in a petroleum exploration licence, the Minister may, by instrument in writing served on the holder of the licence, direct the holder to do, within the period specified in the instrument, such things as the Minister thinks necessary and specifies in the instrument to determine the chemical composition and physical properties of that petroleum and to determine the quantity of petroleum in the petroleum deposit to which the discovery relates or, if part only of that petroleum deposit is within the land comprised in the petroleum exploration licence, in such part of that petroleum deposit as is within that land.

10

15

20

21d. (1) Where petroleum is discovered in land comprised in a petroleum exploration licence the Minister may, by instrument in writing, direct the holder of the licence to apply, within such period as may be specified in the direction, for a petroleum mining lease of so much of that land as is so specified.

25

(2) If the holder of a petroleum exploration licence does not apply for a lease in accordance with directions given to him under subsection one of this section the Minister may cancel the licence.

30

- (j) by omitting Division 3;

Part III,
Division 3.
(Petroleum
Prospecting
Licences.)

- (k) by omitting from section twenty-eight the words "or a petroleum prospecting licence";

Sec. 28.
(Grant of
petroleum
mining
lease.)

(1)

Petroleum (Amendment).

- (l) by omitting from paragraph (a) of section twenty-nine the words "one hundred" and by inserting in lieu thereof the word "twenty-five"; Sec. 29.
(Area of petroleum mining lease.)
- 5 (m) by inserting in subsection two of section thirty after the word "Act" the words "in respect of leases, other than renewals of leases,"; Sec. 30.
(Term of petroleum mining lease and renewal.)
- (n) by omitting section thirty-two; Sec. 32.
(Royalty on petroleum, etc.)
- (o) by inserting next after section thirty-four the following new Division :— New Division 4A.

10 DIVISION 4A.—*Royalties.*

34A. In this Division "royalty period", in relation to a petroleum exploration licence or a petroleum mining lease, means— Interpretation.

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

20 34B. (1) The conditions subject to which a petroleum exploration licence or petroleum mining lease is granted shall include a condition that the holder of the licence or lease shall pay to the Minister a royalty at the prescribed rate in respect of all petroleum recovered under the licence or lease. Royalty.

25 (2) The prescribed rate in respect of petroleum—

- (a) recovered under a petroleum exploration licence is such percentage, not exceeding ten per centum of the value at the well-head of the
- 30

Petroleum (Amendment).

the petroleum as may be determined by the Minister and notified by instrument in writing served on the holder of the licence;

- 5 (b) recovered under a petroleum mining lease, not being a renewal of a petroleum mining lease, is the rate of ten per centum of the value at the well-head of the petroleum;
- 10 (c) recovered under a petroleum mining lease, being a renewal of such a lease, is such rate as may be approved by the Governor under paragraph (b) of subsection two of section thirty of this Act; or
- 15 (d) recovered under a petroleum mining lease, as deemed to be extended by section 30A of this Act, is the rate as varied under that section.

34C. (1) Royalty under this Act—

- 20 (a) is not payable in respect of petroleum that the Minister is satisfied was unavoidably lost before the quantity of that petroleum was ascertained;
- 25 (b) is not payable in respect of petroleum that is used by the holder of the petroleum exploration licence or the petroleum mining lease, as approved by the Minister, for the purposes of operations authorised by the licence or lease, as the case may be; and
- 30 (c) is not payable in respect of petroleum that, with the approval of the Minister, is flared or vented in connection with operations for the recovery of petroleum.

- 35 (2) Where petroleum that has been recovered by the holder of a petroleum exploration licence or petroleum mining lease is, with the approval of the Minister, returned to a natural reservoir, royalty under this Act is not payable in respect

Royalty not payable in certain cases.

Petroleum (Amendment).

5 respect of that petroleum by reason of that recovery but this subsection does not affect the liability of that or any other holder of a petroleum exploration licence or petroleum mining lease to pay royalty in respect of petroleum that is recovered from that natural reservoir.

10 34D. For the purposes of this Act, the well-head, Ascertain-
ment of
well-head. in relation to any petroleum, is such equipment used for the recovery of the petroleum as is agreed between the holder of the exploration licence or petroleum mining lease and the Minister, or, in default of agreement within such period as the Minister allows, is such equipment used for the recovery of petroleum by that holder as is deter-
15 mined by the Minister as being that well-head.

20 34E. For the purposes of this Act, the value at the well-head of any petroleum is such amount as is agreed between the holder of the petroleum exploration licence or petroleum mining lease and the Minister, or, in default of agreement within such period as the Minister allows, as is determined by the Minister as being that value. Ascertain-
ment of
value.

25 34F. For the purposes of this Act, the quantity of petroleum recovered by the holder of a petroleum exploration licence or petroleum mining lease during a period shall be taken to be— Ascertain-
ment of
quantity of
petroleum
recovered.

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

(b) where no such measuring device is so installed, or the Minister is not satisfied that the quantity of petroleum recovered by the holder

Petroleum (Amendment).

5 holder of the licence or lease has been properly or accurately measured by such a measuring device—the quantity determined by the Minister as being the quantity recovered by the holder of the licence or lease during that period.

10 34G. (1) Royalty under this Act in respect of ^{Payment} petroleum recovered during a royalty period is ^{of royalty.} payable not later than the last day of the next succeeding royalty period.

15 (2) Where an amount of royalty under this Act is not paid as provided by subsection one of this section, there is payable to the Minister by the holder of the petroleum exploration licence or the petroleum mining lease 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.

20

25 (3) An additional amount is not payable under subsection two 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 34E of this Act.

30 34H. Royalty under section 34B of this Act and an amount payable under section 34G of this Act ^{Royalty and penalties debts due to the Crown.} are debts due by the holder of the petroleum exploration licence or petroleum mining lease to the Crown and are recoverable in a court of competent jurisdiction.

(p)

Petroleum (Amendment).

- (p) by omitting section thirty-eight and by inserting in lieu thereof the following section :—

Subst.
sec. 38.

5 38. (1) Every licence or lease under this Act shall be registered with the Registrar, Department of Mines, Sydney.

Registra-
tion.
cf. Act No.
49, 1906,
s. 109.

10 (2) Every transfer or assignment (except an assignment by operation of law) of, and every instrument (whether a sublease, tribute agreement, option contract, mortgage, deed of trust, partnership agreement, working agreement, or any other instrument) affecting, any licence or lease under this Act, together with a copy of every such instrument certified by any two persons to be a true copy of the original, shall be lodged within the time and in the manner prescribed for the concurrence of the Minister and for registration by the Registrar, Department of Mines, Sydney, under the provisions of this section.

20 The Minister may refuse such concurrence or may grant it absolutely or subject to such amendments, modifications, stipulations or conditions as he may think necessary in the public interest to make or impose.

25 Any person who neglects or fails to comply with any such amendment, modification, stipulation or condition so imposed upon him shall be liable to a penalty not exceeding one hundred dollars and to a further penalty not exceeding ten dollars for each and every day such neglect or failure continues.

30 Any transfer, assignment or other instrument required to be lodged for registration under this subsection, which is not lodged within the time and in the manner prescribed, shall not be registered unless the Minister so approves.

(3)

Petroleum (Amendment).

(3) Every transfer, assignment or instrument which by this section is required to be lodged for registration shall be lodged by such person as may be prescribed.

5 Any person so prescribed who neglects or fails to lodge any transfer, assignment or instrument in accordance with the requirements of subsection two of this section shall be liable upon conviction to a
10 penalty not exceeding one hundred dollars and to a further penalty not exceeding ten dollars for each and every day such neglect or failure continues.

(4) (a) No transfer or assignment (except an assignment by operation of law) of, and no instrument (whether a sublease, tribute agreement,
15 option contract, mortgage, deed of trust, partnership agreement, working agreement or any other instrument) affecting, any licence or lease under this Act shall have any force or effect unless it is in writing and is signed by the parties thereto.

20 Nothing in this paragraph applies to any transfer or assignment or instrument made before the commencement of this section.

(b) Any transfer, assignment or other instrument required to be lodged for registration
25 under subsection two of this section shall not have any force or effect until it is registered under the provisions of this section.

30 Nothing in this paragraph applies to any transfer, assignment or other instrument made before the commencement of this section.

(5) Any person claiming interest in any licence or lease under this Act may, before the registration of any instrument required by subsection one or two of this section to be registered,
35 lodge with the Minister a caveat in the prescribed form,

Petroleum (Amendment).

form, and accompanied by the prescribed fee, against such registration. On receipt of such caveat the Minister shall stay registration for twenty-eight days, unless the caveat is sooner withdrawn, but
5 may then register the instrument, unless the person lodging the caveat has obtained and served upon him an order of some competent court forbidding such registration.

10 (6) Every licence or lease or transfer, assignment or instrument registered, or submitted for registration, and every caveat lodged, under and in accordance with this section as in force before the substitution of this section by the Petroleum
15 (Amendment) Act, 1967, shall be deemed to have been registered, or lodged for registration, or lodged, as the case may be, under and in accordance with this section as so substituted.

20 (7) Any amendments, modifications, stipulations or conditions made or imposed by the Minister at the time of his granting his concurrence or sanction under this section as in force before the substitution of this section by the Petroleum
25 (Amendment) Act, 1967, shall be deemed to be amendments, modifications, stipulations or conditions imposed by the Minister under this section as so substituted.

30 (8) Subject to subsection four of this section this section shall apply to licences, leases, transfers, assignments and instruments executed or made before the substitution of this section by the Petroleum (Amendment) Act, 1967, except instruments not required to be registered under this section before such substitution.

35 (9) The functions of the Registrar under this section may be performed by the Deputy Registrar, Department of Mines, Sydney.

(q)

Petroleum (Amendment).

- (q) (i) by omitting from paragraph (a) of subsection one of section forty-one the words "Mining Act, 1906-1952" and by inserting in lieu thereof the words "Mining Act, 1906, as amended by subsequent Acts"; Sec. 41. (Disputes between holders of licences or leases and other persons carrying on operations on land under licence or lease.)
- (ii) by omitting from paragraph (d) of the same subsection the word "minerals," and by inserting in lieu thereof the words "minerals; or";
- (iii) by inserting next after the same paragraph the following new paragraph :—
- (e) the provisions of the State Coal Mines Act, 1912, as amended by subsequent Acts,
- (r) by omitting from paragraph (a) of subsection two of section forty-two the word "bore-holes" and by inserting in lieu thereof the word "wells"; Sec. 42. (Suspension of conditions of licence or lease.)
- (s) by inserting next after section forty-two the following new section :— New sec. 42A.
- 42A. (1) The holder of a licence or lease under this Act who has commenced drilling operations on the land comprised in the licence or demised by the lease shall not, without the consent of the Minister, cease those operations or remove any drilling rig from the site of those operations. Drilling operations to be carried on continuously.
- (2) A holder of a licence or lease under this Act who contravenes any of the provisions of subsection one of this section is guilty of an offence against this Act.
- (3) A consent given by the Minister under this section may be subject to such conditions and requirements as are specified in the consent.

(4)

Petroleum (Amendment).

- (4) The holder of a licence or lease under this Act who fails to comply with, or contravenes, any condition or requirement subject to which a consent was given to him under this section is guilty of an offence against this Act.
- 5 (t) by omitting section forty-three; Sec. 43.
(Power of Minister on application for re-
newal.)
- (u) (i) by inserting in section forty-five after the word "lease" where firstly occurring the words Sec. 45.
(Saving of powers to dispose of land.)
" , or in any easement or right of way,";
- 10 (ii) by inserting in the same section after the word "lease" where fourthly occurring the words
" , or any easement or right of way,";
- (v) (i) by inserting in section forty-seven after the word "lease" where firstly occurring the words Sec. 47.
(Operations on private land.)
" , or the subject of an easement or right of way,";
- 15 (ii) by inserting in the same section after the word "conducted" the words " , and the easement or right of way shall be used,";
- 20 (w) (i) by inserting in section forty-eight after the word "lease" where firstly occurring the words Sec. 48.
(Liability to compensate owner or occupier.)
" , or a person to whom an easement or right of way has been granted,";
- 25 (ii) by inserting in the same section after the word "lease" where secondly occurring the words " , or the subject of the easement or right of way,";
- (iii) by omitting from the same section the words "scout drilling,";
- 30 (iv) by inserting in the same section after the word "holder" where lastly occurring the words "or by reason of the use of the easement or right of way";

Petroleum (Amendment).

- (x) (i) by omitting from subsection one of section fifty-one the words "scout drilling or" wherever occurring; Sec. 51. (Compensation before commencement of scout drilling or drilling on private land covered by licence.)
- 5 (ii) by inserting in the same subsection after the word "operations" where secondly occurring the words "notify the owner and occupier, if any, of the private lands of his intention to carry out the operations and";
- 10 (y) (i) by inserting in subsection one of section fifty-three after the word "lease" where firstly occurring the words ", or a person to whom an easement or right of way has been granted,"; Sec. 53. (Compensation.)
- 15 (ii) by inserting in the same subsection after the word "holder" where secondly occurring the words "or person, as the case may be,";
- (iii) by inserting in the same subsection after the word "lease" where secondly occurring the words "or such easement or right of way";
- 20 (iv) by inserting next after the same subsection the following new subsection :—
- (1A) The holder of a licence or lease under this Act shall be liable to compensate in accordance with this Act any other holder of a licence or lease whose operations under the licence or lease are detrimentally affected by the grant under this Act of an easement or right of way through, upon or in the land comprised in the licence, or demised by the lease, held by that other holder or by the use of any such easement or right of way.
- 25
- 30
- (v) by omitting from subsection two of the same section the word "Compensation" and by inserting in lieu thereof the words "Subject to subsection (1A) of this section, compensation";
- 35

(vi)

Petroleum (Amendment).

- (vi) by inserting in the same subsection after the word "lease" the words ", or a person to whom an easement or right of way has been granted,";
- 5 (vii) by inserting in the same subsection after the word "holder" where secondly occurring the words "or person, as the case may be,";
- (z) by inserting next after paragraph (b) of subsection Sec. 55.
one of section fifty-five the following new (Measure of
10 paragraph :— compensation.)
- (bi) any loss occasioned to the holder of a licence or lease by reason of that holder's operations under the licence or lease being detrimentally affected by the grant under
15 this Act, to the holder of another licence or lease, of an easement or right of way through, upon or in the land comprised in the licence, or demised by the lease, held by that firstmentioned holder, or by the
20 use of any such easement or right of way;
- (aa) (i) by omitting from subsection one of section Sec. 56.
fifty-six the words "Mining Act, 1906–1952" (How com-
and by inserting in lieu thereof the words pensation
25 "Mining Act, 1906, as amended by sub- assessed.)
sequent Acts";
- (ii) by inserting in subsection three of the same section after the word "lease" the words ", or by the person to whom the easement or right of way has been granted,";
- 30 (iii) by inserting in subsection four of the same section after the word "holder" the words
" , or the easement or right of way granted to the person,";
- 35 (iv) by inserting in the same subsection after the word "cancelled" the words "or revoked, as the case may be";

(v)

Petroleum (Amendment).

(v) by inserting in subsection five of the same section after the word "lease" the words ", or the revocation of an easement or right of way,";

5 (ab) by omitting from section fifty-seven the words "Mining Act, 1906-1952" and by inserting in lieu thereof the words "Mining Act, 1906, as amended by subsequent Acts"; Sec. 57.
(Application of certain provisions of Act No. 49, 1906.)

(ac) by omitting subsection three of section sixty-one; Sec. 61.
(Drilling of wells with respect to wells on other land.)

10 (ad) by omitting section sixty-three and by inserting in lieu thereof the following section :— Subst.
sec. 63.

63. (1) The holder of a petroleum exploration licence or a petroleum mining lease shall before abandoning a well— Abandonment of wells.

15 (a) give to the Minister or an inspector under this Act at least twenty-four hours' notice of his intention to abandon the well and shall specify in the notice particulars of the method proposed to be used, and the works
20 proposed to be carried out, by the holder in connection with the abandonment of the well; and

(b) comply with any directions given to him by the Minister or an inspector with respect to
25 the abandonment of the well.

(2) Forthwith after the receipt of any such notice the Minister or inspector shall cause particulars thereof to be transmitted to the Secretary of the Water Conservation and Irrigation
30 Commission.

(3)

Petroleum (Amendment).

5 (3) Any such holder shall not, without the prior consent of the Minister and except in accordance with any directions given to him by the Minister, withdraw or cause to be withdrawn any casing from a well.

(ae) by omitting from subsection three of section sixty-seven the words "sections twenty-seven and" and by inserting in lieu thereof the word "section";

Sec. 67.
(Agreements for joint drilling of wells.)

10 (af) by omitting section sixty-eight and by inserting in lieu thereof the following section : —

Subst. sec. 68.

15 68. (1) In this section, "unit development", in relation to a petroleum deposit, means the co-ordination of operations for the recovery of petroleum being carried on or to be carried on in land demised by a lease under this Act in which there is part of that deposit with other operations for the recovery of petroleum being carried on or to be carried on in any other area, whether within the State of New South Wales or not, in which there is part of that deposit.

Unit develop-ment.

(2) The holder of a lease under this Act may from time to time enter into an agreement in writing for or in relation to the unit development of a petroleum deposit.

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

30 (a) the holder of a lease under this Act where there is part of a particular petroleum deposit in the land demised by the lease held by that lessee; or

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

may,

Petroleum (Amendment).

may, for the purpose of securing the more effective recovery of petroleum from the petroleum deposit, direct the holder of any lease under this Act of land that includes part of the petroleum deposit to enter
5 into an agreement in writing, within the period specified in the instrument, for or in relation to the unit development of the petroleum deposit and to lodge the agreement with him forthwith in accordance with section thirty-eight of this Act.

10 (4) Where—

(a) the holder of a lease under this Act who is directed under subsection three of this section to enter into an agreement for or in relation to the unit development of a
15 petroleum deposit does not enter into such an agreement within the specified period;
or

(b) the holder of a lease under this Act enters into such an agreement but the agreement is not lodged for the concurrence of the
20 Minister and for registration in accordance with subsection three of this section or, if so lodged, does not receive the Minister's concurrence under section thirty-eight of
25 this Act,

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

(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 deposit is to be submitted by the holder of a lease under this
35 Act under subsection four of this section the Minister may, by instrument in writing served on
the

Petroleum (Amendment).

the holder of the lease, give to the holder such directions as the Minister thinks necessary for the purpose of securing the more effective recovery of petroleum from the petroleum deposit.

5 (6) Where there is part of a particular petroleum deposit in lands demised by two or more leases under this Act held by the same person, the Minister may, after consultation with the holder of the leases, by instrument in writing served on the holder, give to the holder such directions as the Minister thinks necessary for the purpose of securing the more effective recovery of petroleum from the petroleum deposit.

15 (7) Where an agreement under this section is in force or the Minister has given directions under subsection five or six of this section, the Minister may, having regard to additional information that has become available, and after consultation with the holder of the lease or the holders of the leases concerned, by instrument in writing served on the holder or holders, give to the holder or holders 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 deposit.

(8) Directions under subsection five, six or seven of this section may include directions as to the rate at which petroleum is to be recovered.

30 (9) An agreement under this section is an instrument to which section thirty-eight of this Act applies.

(ag) by omitting from section sixty-nine the word "bore-hole" wherever occurring and by inserting in lieu thereof the word "well";

Sec. 69.
(Notification of intention to drill.)

(ah)

Petroleum (Amendment).

- (ah) (i) by omitting from subsection one of section seventy-two the words "bore cores" wherever occurring and by inserting in lieu thereof the word "cores"; Sec. 72. (Samples of strata, petroleum and water.)
- 5 (ii) by omitting from paragraph (a) of the same subsection the word "bore-hole" wherever occurring and by inserting in lieu thereof the word "well".
5. Part IV of the Principal Act is amended—
- 10 (a) (i) by inserting in section seventy-four after the word "lease" where firstly occurring the words "; or the subject of an easement or right of way,"; Sec. 74. (Authority to enter on land.)
- 15 (ii) by inserting in the same section after the word "lease" where secondly occurring the words "or easement or right of way";
- (b) by omitting from subsection one of section seventy-five the words "scout drilling or"; Sec. 75. (Appointment of manager.)
- 20 (c) by inserting in paragraph (a) of section seventy-six after the word "lease" the words ", or on any land the subject of an easement or right of way granted to him under this Act,"; Sec. 76. (Health and safety.)
- 25 (d) (i) by inserting in subsection one of section seventy-seven after the word "lease" where firstly occurring the words ", or with the use of any easement or right of way"; Sec. 77. (Notice to be given of cause of danger.)
- 30 (ii) by inserting in the same section after the word "manager" the words "or to the person to whom the easement or right of way was granted"; (e)

Petroleum (Amendment).

- (e) (i) by inserting in subsection one of section Sec. 78.
 seventy-eight after the word "lease" where (Accidents.)
 secondly occurring the words "; or with the
 use of an easement or right of way under this
 Act";
- (ii) by inserting in the same subsection after the
 word "holder" where secondly occurring the
 words "or the person to whom the easement or
 right of way was granted";
- (iii) by inserting in subsection two of the same
 section after the word "manager" the words
 "and the person to whom any easement or
 right of way was granted";
- (iv) by inserting in the same subsection after the
 word "aforesaid" the words "or with the use
 of the easement or right of way";
- (f) (i) by inserting next after subsection one of Sec. 79.
 section seventy-nine the following new (Power of
 subsection :— Minister to
 (1A) If a person to whom an easement or do works
 right of way has been granted under this Act required by
 fails or refuses to comply with any lawful this Act.)
 instruction or direction given to him under this
 Act or to carry out any operations or do any
 act in accordance with the requirements of
 any provision of this Act applicable to him, the
 Minister may by his workmen or agents enter
 on the land the subject of the easement or
 right of way and carry out any works specified
 in the instructions or direction, or carry out
 those operations or do that act, at the expense
 of that person.
- (ii) by inserting in subsection two of the same
 section after the word "one" the word and
 symbols "or (1A)";

Petroleum (Amendment).

- (iii) by omitting from the same subsection the words "such holder" and by inserting in lieu thereof the words "the person to whom the instructions were or the direction was given".

5 6. Part V of the Principal Act is amended—

Further
amendment
of Act No.
28, 1955.

(Part V—
Miscel-
laneous.)

- (a) by omitting from subsection one of section eighty- Sec. 81.
one the word ", royalties" wherever occurring; (Fees, etc.,
(b) by omitting from subsection two of the same section payable by
the word ", royalty". due date.)

BY AUTHORITY:

V. C. N. BLIGHT, GOVERNMENT PRINTER, NEW SOUTH WALES—1967

New South Wales



ANNO SEXTO DECIMO

ELIZABETHÆ II REGINÆ

Act No. 55, 1967.

An Act to make further provisions with respect to exploration for, and the exploitation of, petroleum; for this purpose to amend the Petroleum Act, 1955, as amended by subsequent Acts; and for purposes connected therewith. [Assented to, 21st November, 1967.]

BE it 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 :—

1. (1) This Act may be cited as the "Petroleum (Amendment) Act, 1967".
- (2) Short title, citation and commencement.

Petroleum (Amendment).

(2) The Petroleum Act, 1955, as amended by subsequent Acts and by this Act, may be cited as the Petroleum Act, 1955–1967.

(3) The Petroleum Act, 1955, as amended by subsequent Acts, is in this Act referred to as the Principal Act.

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

Amendment
of Act No.
28, 1955.

(Part I—
Pre-
liminary.)

Sec. 2.
(Division
into Parts.)

2. Part I of the Principal Act is amended—

- (a) (i) by omitting from subsection one of section two the matter relating to Division 3 of Part III;
- (ii) by inserting in the same subsection next after the matter relating to Division 4 the following new matter :—

DIVISION 4A.—*Royalties.*

Sec. 3.
(Interpre-
tation.)

- (b) (i) by omitting from subsection one of section three the definition of “Bore-hole”;
- (ii) by omitting from the same subsection the definition of “Casinghead petroleum spirit”;
- (iii) by omitting from the same subsection the definition of “Crude oil”;
- (iv) by omitting from the definition of “‘Drilling’ or ‘boring’” in the same subsection the words “or ‘boring’”;
- (v) by omitting from the definition of “Mining surveyor” in the same subsection the words “Surveyors Act, 1929–1946, and specially appointed under the Mining Act, 1906–1952,

to

Petroleum (Amendment).

to carry out surveys under that Act” and by inserting in lieu thereof the words “Surveyors Act, 1929, as amended by subsequent Acts”;

(vi) by omitting from the same subsection the definition of “Natural gas”;

(vii) by omitting from the same subsection the definition of “Petroleum” and by inserting in lieu thereof the following definition :—

“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 substance referred to in paragraph (a), (b) or (c) of this definition that has been returned to a natural reservoir.

(viii) by omitting from the same subsection the definition of “Scout drilling”;

(ix) by omitting from the same subsection the definition of “Shut off”;

(x)

Petroleum (Amendment).

- (x) by omitting from the same subsection the definition of "Test well";
- (xi) by inserting in the same subsection after the definition of "Under Secretary" the following definition : —

"Well" means a hole made by drilling in connection with exploration for petroleum or operations for the recovery of petroleum, but does not include a seismic shot hole.

Sec. 4.
(Officers appointed under certain Acts deemed to be officers under this Act.)

- (c) (i) by omitting from subsection one of section four the words "Mining Act, 1906–1952" and by inserting in lieu thereof the words "Mining Act, 1906, as amended by subsequent Acts";
- (ii) by omitting from the same subsection the words "Mines Inspection Act, 1901–1945" and by inserting in lieu thereof the words "Mines Inspection Act, 1901, as amended by subsequent Acts";

Sec. 5.
(Minister or officer not to be interested in licence or lease.)

- (d) by omitting from section five the words ", petroleum prospecting licence".

Further amendment of Act No. 28, 1955.
(Part II—Rights of the Crown as to Petroleum and Helium.)

3. Part II of the Principal Act is amended by omitting from subsection two of section six the words ", petroleum prospecting licences".

Sec. 6.
(Petroleum and helium the property of the Crown.)

Petroleum (Amendment).

4. Part III of the Principal Act is amended—

- (a) (i) by omitting from section seven the words “or a petroleum prospecting licence”;
- (ii) by omitting from paragraph (b) of the proviso to the same section the words “, petroleum prospecting licence” wherever occurring;
- (b) by omitting section eight;
- (c) (i) by omitting from paragraph (a) of subsection one of section nine the words “and petroleum prospecting licences”;
- (ii) by omitting from subparagraph (ii) of the same subsection the words “, petroleum prospecting licence”;
- (d) (i) by inserting at the end of subparagraph (i) of paragraph (a) of subsection two of section ten the word “and”;
- (ii) by omitting subparagraph (ii) of the same paragraph;
- (iii) by inserting in paragraph (a) of subsection four of the same section after the word “Act” where firstly occurring the words “, and every request referred to in section fifteen of this Act,”;
- (iv) by inserting in the same subsection after the word “applicant” wherever occurring the words “or person nominated by the applicant”;

Further amendment of Act No. 28, 1955.
(Part III—Licences and Leases Under This Act.)

Sec. 7.

(No prospecting or mining for petroleum except in pursuance of licence or lease.)

Sec. 8.

(Protection of rights under certain agreements.)

Sec. 9.

(Licences or leases may be granted.)

Sec. 10.

(Lodgment of applications.)

(e)

Petroleum (Amendment).

Sec. 17.

(Area of petroleum exploration licence.)

- (e) by omitting from paragraph (b) of section seventeen the words "one thousand" and by inserting in lieu thereof the word "twenty-five";

Sec. 18.

(Term of petroleum exploration licence and renewal.)

- (f) by omitting from subsection two of section eighteen the words "and subject to section forty-three of this Act";

Sec. 20.

(Drilling other than scout drilling prohibited.)

- (g) by omitting section twenty;

Sec. 21.

(Holder to furnish exploration scheme.)

- (h) (i) by omitting from paragraph (b) of subsection two of section twenty-one the words "the scout" and by inserting in lieu thereof the word "of";
- (ii) by omitting from paragraph (c) of the same subsection the word "scout";
- (iii) by inserting next after the same subsection the following new subsections:—

(2A) The Minister may, on an application in writing made to him by the holder of a petroleum exploration licence, exempt the holder from compliance with the requirement of this section that he furnish to the Minister a proposed scheme providing for a geological survey or other survey of the land comprised in the licence to be carried out if the Minister is satisfied that an adequate geological survey or other survey of the land has been carried out and that further such surveys are not necessary.

(2B) The holder of a petroleum exploration licence who has been so exempted shall, notwithstanding any other provision of this section, not be liable to comply with any requirement from which he has been so exempted.

(iv)

Petroleum (Amendment).

- (iv) by omitting from paragraphs (a), (b) and (c) of subsection six of the same section the word "scout" wherever occurring;
- (i) by inserting next after section twenty-one the following new sections :—

New secs.
21A-21D.

21A. The holder of a petroleum exploration licence shall, as from the commencement by him of prospecting operations on the land comprised in the licence, diligently and continuously carry on those operations in a workmanlike manner and in accordance with—

Work to be carried out by holder of petroleum exploration licence.

- (a) good oilfield practice;
- (b) the terms and conditions subject to which the licence was granted; and
- (c) any directions relating to the carrying on of those operations given to him by the Minister.

21B. (1) Where petroleum is discovered in land comprised in a petroleum exploration licence, the holder of the licence—

Discovery of petroleum to be notified.

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

(2) Where petroleum is discovered in land comprised in a petroleum exploration licence, the Minister may, from time to time, by instrument in writing served on the holder of the licence, direct the holder 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 the physical properties of the petroleum;

(b)

Petroleum (Amendment).

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

Directions
by Minister
on discovery
of
petroleum.

21c. Where petroleum is discovered in land comprised in a petroleum exploration licence, the Minister may, by instrument in writing served on the holder of the licence, direct the holder to do, within the period specified in the instrument, such things as the Minister thinks necessary and specifies in the instrument to determine the chemical composition and physical properties of that petroleum and to determine the quantity of petroleum in the petroleum deposit to which the discovery relates or, if part only of that petroleum deposit is within the land comprised in the petroleum exploration licence, in such part of that petroleum deposit as is within that land.

Direction
to holder of
petroleum
exploration
licence to
apply for
lease.

21d. (1) Where petroleum is discovered in land comprised in a petroleum exploration licence the Minister may, by instrument in writing, direct the holder of the licence to apply, within such period as may be specified in the direction, for a petroleum mining lease of so much of that land as is so specified.

(2) If the holder of a petroleum exploration licence does not apply for a lease in accordance with directions given to him under subsection one of this section the Minister may cancel the licence.

Part III,
Division 3.
(Petroleum
Prospecting
Licences.)

- (j) by omitting Division 3;

Sec. 28.
(Grant of
petroleum
mining
lease.)

- (k) by omitting from section twenty-eight the words "or a petroleum prospecting licence";

(1)

Petroleum (Amendment).

- | | |
|---|---|
| (l) by omitting from paragraph (a) of section twenty-nine the words "one hundred" and by inserting in lieu thereof the word "twenty-five"; | Sec. 29.
(Area of petroleum mining lease.) |
| (m) by inserting in subsection two of section thirty after the word "Act" the words "in respect of leases, other than renewals of leases,"; | Sec. 30.
(Term of petroleum mining lease and renewal.) |
| (n) by omitting section thirty-two; | Sec. 32.
(Royalty on petroleum, etc.) |
| (o) by inserting next after section thirty-four the following new Division :— | New
Division 4A. |

DIVISION 4A.—Royalties.

34A. In this Division "royalty period", in relation to a petroleum exploration licence or a petroleum mining lease, means—

Interpre-
tation.

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

34B. (1) The conditions subject to which a petroleum exploration licence or petroleum mining lease is granted shall include a condition that the holder of the licence or lease shall pay to the Minister a royalty at the prescribed rate in respect of all petroleum recovered under the licence or lease.

(2) The prescribed rate in respect of petroleum—

- (a) recovered under a petroleum exploration licence is such percentage, not exceeding ten per centum of the value at the well-head of
the

Petroleum (Amendment).

the petroleum as may be determined by the Minister and notified by instrument in writing served on the holder of the licence;

- (b) recovered under a petroleum mining lease, not being a renewal of a petroleum mining lease, is the rate of ten per centum of the value at the well-head of the petroleum;
- (c) recovered under a petroleum mining lease, being a renewal of such a lease, is such rate as may be approved by the Governor under paragraph (b) of subsection two of section thirty of this Act; or
- (d) recovered under a petroleum mining lease, as deemed to be extended by section 30A of this Act, is the rate as varied under that section.

Royalty not payable in certain cases.

34C. (1) Royalty under this Act—

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

(2) Where petroleum that has been recovered by the holder of a petroleum exploration licence or petroleum mining lease is, with the approval of the Minister, returned to a natural reservoir, royalty under this Act is not payable in respect

Petroleum (Amendment).

respect of that petroleum by reason of that recovery but this subsection does not affect the liability of that or any other holder of a petroleum exploration licence or petroleum mining lease to pay royalty in respect of petroleum that is recovered from that natural reservoir.

34D. For the purposes of this Act, the well-head, Ascertainment of well-head. in relation to any petroleum, is such equipment used for the recovery of the petroleum as is agreed between the holder of the exploration licence or petroleum mining lease and the Minister, or, in default of agreement within such period as the Minister allows, is such equipment used for the recovery of petroleum by that holder as is determined by the Minister as being that well-head.

34E. For the purposes of this Act, the value at Ascertainment of value. the well-head of any petroleum is such amount as is agreed between the holder of the petroleum exploration licence or petroleum mining lease and the Minister, or, in default of agreement within such period as the Minister allows, as is determined by the Minister as being that value.

34F. For the purposes of this Act, the quantity Ascertainment of quantity of petroleum recovered. of petroleum recovered by the holder of a petroleum exploration licence or petroleum mining lease during a period shall be taken to be—

- (a) the quantity measured during that period by a measuring device approved by the Minister and installed at the well-head or at such other place as the Minister approves; or
- (b) where no such measuring device is so installed, or the Minister is not satisfied that the quantity of petroleum recovered by the holder

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holder of the licence or lease has been properly or accurately measured by such a measuring device—the quantity determined by the Minister as being the quantity recovered by the holder of the licence or lease during that period.

Payment
of royalty.

34G. (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 one of this section, there is payable to the Minister by the holder of the petroleum exploration licence or the petroleum mining lease 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 two 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 34E of this Act.

Royalty
and penal-
ties debts
due to
the Crown.

34H. Royalty under section 34B of this Act and an amount payable under section 34G of this Act are debts due by the holder of the petroleum exploration licence or petroleum mining lease to the Crown and are recoverable in a court of competent jurisdiction.

(p)

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- (p) by omitting section thirty-eight and by inserting in lieu thereof the following section :— Subst.
sec. 38.

38. (1) Every licence or lease under this Act shall be registered with the Registrar, Department of Mines, Sydney. Registra-
tion.
cf. Act No.
49, 1906,
s. 109.

(2) Every transfer or assignment (except an assignment by operation of law) of, and every instrument (whether a sublease, tribute agreement, option contract, mortgage, deed of trust, partnership agreement, working agreement, or any other instrument) affecting, any licence or lease under this Act, together with a copy of every such instrument certified by any two persons to be a true copy of the original, shall be lodged within the time and in the manner prescribed for the concurrence of the Minister and for registration by the Registrar, Department of Mines, Sydney, under the provisions of this section.

The Minister may refuse such concurrence or may grant it absolutely or subject to such amendments, modifications, stipulations or conditions as he may think necessary in the public interest to make or impose.

Any person who neglects or fails to comply with any such amendment, modification, stipulation or condition so imposed upon him shall be liable to a penalty not exceeding one hundred dollars and to a further penalty not exceeding ten dollars for each and every day such neglect or failure continues.

Any transfer, assignment or other instrument required to be lodged for registration under this subsection, which is not lodged within the time and in the manner prescribed, shall not be registered unless the Minister so approves.

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(3) Every transfer, assignment or instrument which by this section is required to be lodged for registration shall be lodged by such person as may be prescribed.

Any person so prescribed who neglects or fails to lodge any transfer, assignment or instrument in accordance with the requirements of subsection two of this section shall be liable upon conviction to a penalty not exceeding one hundred dollars and to a further penalty not exceeding ten dollars for each and every day such neglect or failure continues.

(4) (a) No transfer or assignment (except an assignment by operation of law) of, and no instrument (whether a sublease, tribute agreement, option contract, mortgage, deed of trust, partnership agreement, working agreement or any other instrument) affecting, any licence or lease under this Act shall have any force or effect unless it is in writing and is signed by the parties thereto.

Nothing in this paragraph applies to any transfer or assignment or instrument made before the commencement of this section.

(b) Any transfer, assignment or other instrument required to be lodged for registration under subsection two of this section shall not have any force or effect until it is registered under the provisions of this section.

Nothing in this paragraph applies to any transfer, assignment or other instrument made before the commencement of this section.

(5) Any person claiming interest in any licence or lease under this Act may, before the registration of any instrument required by subsection one or two of this section to be registered, lodge with the Minister a caveat in the prescribed form,

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form, and accompanied by the prescribed fee, against such registration. On receipt of such caveat the Minister shall stay registration for twenty-eight days, unless the caveat is sooner withdrawn, but may then register the instrument, unless the person lodging the caveat has obtained and served upon him an order of some competent court forbidding such registration.

(6) Every licence or lease or transfer, assignment or instrument registered, or submitted for registration, and every caveat lodged, under and in accordance with this section as in force before the substitution of this section by the Petroleum (Amendment) Act, 1967, shall be deemed to have been registered, or lodged for registration, or lodged, as the case may be, under and in accordance with this section as so substituted.

(7) Any amendments, modifications, stipulations or conditions made or imposed by the Minister at the time of his granting his concurrence or sanction under this section as in force before the substitution of this section by the Petroleum (Amendment) Act, 1967, shall be deemed to be amendments, modifications, stipulations or conditions imposed by the Minister under this section as so substituted.

(8) Subject to subsection four of this section this section shall apply to licences, leases, transfers, assignments and instruments executed or made before the substitution of this section by the Petroleum (Amendment) Act, 1967, except instruments not required to be registered under this section before such substitution.

(9) The functions of the Registrar under this section may be performed by the Deputy Registrar, Department of Mines, Sydney.

(q)

Petroleum (Amendment).

Sec. 41.

(Disputes between holders of licences or leases and other persons carrying on operations on land under licence or lease.)

- (q) (i) by omitting from paragraph (a) of subsection one of section forty-one the words "Mining Act, 1906-1952" and by inserting in lieu thereof the words "Mining Act, 1906, as amended by subsequent Acts";
- (ii) by omitting from paragraph (d) of the same subsection the word "minerals," and by inserting in lieu thereof the words "minerals; or";
- (iii) by inserting next after the same paragraph the following new paragraph :—

(e) the provisions of the State Coal Mines Act, 1912, as amended by subsequent Acts,

Sec. 42.

(Suspension of conditions of licence or lease.)

- (r) by omitting from paragraph (a) of subsection two of section forty-two the word "bore-holes" and by inserting in lieu thereof the word "wells";

New sec. 42A.

- (s) by inserting next after section forty-two the following new section :—

Drilling operations to be carried on continuously.

42A. (1) The holder of a licence or lease under this Act who has commenced drilling operations on the land comprised in the licence or demised by the lease shall not, without the consent of the Minister, cease those operations or remove any drilling rig from the site of those operations.

(2) A holder of a licence or lease under this Act who contravenes any of the provisions of subsection one of this section is guilty of an offence against this Act.

(3) A consent given by the Minister under this section may be subject to such conditions and requirements as are specified in the consent.

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(4) The holder of a licence or lease under this Act who fails to comply with, or contravenes, any condition or requirement subject to which a consent was given to him under this section is guilty of an offence against this Act.

- (t) by omitting section forty-three;

Sec. 43.
(Power of
Minister on
application
for re-
newal.)

- (u) (i) by inserting in section forty-five after the word "lease" where firstly occurring the words
" , or in any easement or right of way,";

Sec. 45.
(Saving of
powers to
dispose of
land.)

- (ii) by inserting in the same section after the word "lease" where fourthly occurring the words
" , or any easement or right of way,";

- (v) (i) by inserting in section forty-seven after the word "lease" where firstly occurring the words
" , or the subject of an easement or right of way,";

Sec. 47.
(Operations
on private
land.)

- (ii) by inserting in the same section after the word "conducted" the words
" , and the easement or right of way shall be used,";

- (w) (i) by inserting in section forty-eight after the word "lease" where firstly occurring the words
" , or a person to whom an easement or right of way has been granted,";

Sec. 48.
(Liability to
compensate
owner or
occupier.)

- (ii) by inserting in the same section after the word "lease" where secondly occurring the words
" , or the subject of the easement or right of way,";

- (iii) by omitting from the same section the words
"scout drilling,";

- (iv) by inserting in the same section after the word "holder" where lastly occurring the words
"or by reason of the use of the easement or right of way";

(x)

Petroleum (Amendment).

Sec. 51.

(Compensation before commencement of scout drilling or drilling on private land covered by licence.)

- (x) (i) by omitting from subsection one of section fifty-one the words "scout drilling or" wherever occurring;
- (ii) by inserting in the same subsection after the word "operations" where secondly occurring the words "notify the owner and occupier, if any, of the private lands of his intention to carry out the operations and";

Sec. 53.

(Compensation.)

- (y) (i) by inserting in subsection one of section fifty-three after the word "lease" where firstly occurring the words "or a person to whom an easement or right of way has been granted,";
- (ii) by inserting in the same subsection after the word "holder" where secondly occurring the words "or person, as the case may be,";
- (iii) by inserting in the same subsection after the word "lease" where secondly occurring the words "or such easement or right of way";
- (iv) by inserting next after the same subsection the following new subsection :—

(1A) The holder of a licence or lease under this Act shall be liable to compensate in accordance with this Act any other holder of a licence or lease whose operations under the licence or lease are detrimentally affected by the grant under this Act of an easement or right of way through, upon or in the land comprised in the licence, or demised by the lease, held by that other holder or by the use of any such easement or right of way.

- (v) by omitting from subsection two of the same section the word "Compensation" and by inserting in lieu thereof the words "Subject to subsection (1A) of this section, compensation";

(vi)

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- (vi) by inserting in the same subsection after the word "lease" the words ", or a person to whom an easement or right of way has been granted,";
- (vii) by inserting in the same subsection after the word "holder" where secondly occurring the words "or person, as the case may be,";
- (z) by inserting next after paragraph (b) of subsection one of section fifty-five the following new paragraph :—

Sec. 55.
(Measure of
compensa-
tion.)

 - (bi) any loss occasioned to the holder of a licence or lease by reason of that holder's operations under the licence or lease being detrimentally affected by the grant under this Act, to the holder of another licence or lease, of an easement or right of way through, upon or in the land comprised in the licence, or demised by the lease, held by that firstmentioned holder, or by the use of any such easement or right of way;
- (aa) (i) by omitting from subsection one of section fifty-six the words "Mining Act, 1906–1952" and by inserting in lieu thereof the words "Mining Act, 1906, as amended by subsequent Acts";

Sec. 56.
(How com-
pensation
assessed.)

 - (ii) by inserting in subsection three of the same section after the word "lease" the words ", or by the person to whom the easement or right of way has been granted,";
 - (iii) by inserting in subsection four of the same section after the word "holder" the words ", or the easement or right of way granted to the person,";
 - (iv) by inserting in the same subsection after the word "cancelled" the words "or revoked, as the case may be";

(v)

Petroleum (Amendment).

(v) by inserting in subsection five of the same section after the word "lease" the words " , or the revocation of an easement or right of way,";

Sec. 57.
(Application
of certain
provisions
of Act No.
49, 1906.)

(ab) by omitting from section fifty-seven the words "Mining Act, 1906-1952" and by inserting in lieu thereof the words "Mining Act, 1906, as amended by subsequent Acts";

Sec. 61.
(Drilling of
wells with
respect to
wells on
other land.)

(ac) by omitting subsection three of section sixty-one;

Subst.
sec. 63.

(ad) by omitting section sixty-three and by inserting in lieu thereof the following section :—

Abandon-
ment of
wells.

63. (1) The holder of a petroleum exploration licence or a petroleum mining lease shall before abandoning a well—

(a) give to the Minister or an inspector under this Act at least twenty-four hours' notice of his intention to abandon the well and shall specify in the notice particulars of the method proposed to be used, and the works proposed to be carried out, by the holder in connection with the abandonment of the well; and

(b) comply with any directions given to him by the Minister or an inspector with respect to the abandonment of the well.

(2) Forthwith after the receipt of any such notice the Minister or inspector shall cause particulars thereof to be transmitted to the Secretary of the Water Conservation and Irrigation Commission.

(3)

Petroleum (Amendment).

(3) Any such holder shall not, without the prior consent of the Minister and except in accordance with any directions given to him by the Minister, withdraw or cause to be withdrawn any casing from a well.

- (ae) by omitting from subsection three of section sixty-seven the words "sections twenty-seven and" and by inserting in lieu thereof the word "section"; Sec. 67. (Agreements for joint drilling of wells.)
- (af) by omitting section sixty-eight and by inserting in lieu thereof the following section :— Subst. sec. 68.

68. (1) In this section, "unit development", in relation to a petroleum deposit, means the co-ordination of operations for the recovery of petroleum being carried on or to be carried on in land demised by a lease under this Act in which there is part of that deposit with other operations for the recovery of petroleum being carried on or to be carried on in any other area, whether within the State of New South Wales or not, in which there is part of that deposit. Unit development.

(2) The holder of a lease under this Act may from time to time enter into an agreement in writing for or in relation to the unit development of a petroleum deposit.

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

- (a) the holder of a lease under this Act where there is part of a particular petroleum deposit in the land demised by the lease held by that lessee; or
- (b) a person who is lawfully entitled to carry on operations for the recovery of petroleum in an area outside the State of New South Wales that includes part of a particular petroleum deposit that extends into the State of New South Wales,

may,

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may, for the purpose of securing the more effective recovery of petroleum from the petroleum deposit, direct the holder of any lease under this Act of land that includes part of the petroleum deposit 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 deposit and to lodge the agreement with him forthwith in accordance with section thirty-eight of this Act.

(4) Where—

- (a) the holder of a lease under this Act who is directed under subsection three of this section to enter into an agreement for or in relation to the unit development of a petroleum deposit does not enter into such an agreement within the specified period; or
- (b) the holder of a lease under this Act enters into such an agreement but the agreement is not lodged for the concurrence of the Minister and for registration in accordance with subsection three of this section or, if so lodged, does not receive the Minister's concurrence under section thirty-eight of this Act,

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

(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 deposit is to be submitted by the holder of a lease under this Act under subsection four of this section the Minister may, by instrument in writing served on the

the

Petroleum (Amendment).

the holder of the lease, give to the holder such directions as the Minister thinks necessary for the purpose of securing the more effective recovery of petroleum from the petroleum deposit.

(6) Where there is part of a particular petroleum deposit in lands demised by two or more leases under this Act held by the same person, the Minister may, after consultation with the holder of the leases, by instrument in writing served on the holder, give to the holder such directions as the Minister thinks necessary for the purpose of securing the more effective recovery of petroleum from the petroleum deposit.

(7) Where an agreement under this section is in force or the Minister has given directions under subsection five or six of this section, the Minister may, having regard to additional information that has become available, and after consultation with the holder of the lease or the holders of the leases concerned, by instrument in writing served on the holder or holders, give to the holder or holders 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 deposit.

(8) Directions under subsection five, six or seven of this section may include directions as to the rate at which petroleum is to be recovered.

(9) An agreement under this section is an instrument to which section thirty-eight of this Act applies.

(ag) by omitting from section sixty-nine the word "bore-hole" wherever occurring and by inserting in lieu thereof the word "well";

Sec. 69.
(Notification
of intention
to drill.)

(ah)

Petroleum (Amendment).

Sec. 72.
(Samples
of strata,
petroleum
and water.)

- (ah) (i) by omitting from subsection one of section seventy-two the words "bore cores" wherever occurring and by inserting in lieu thereof the word "cores";
- (ii) by omitting from paragraph (a) of the same subsection the word "bore-hole" wherever occurring and by inserting in lieu thereof the word "well".

Further
amendment
of Act No.
28, 1955.
(Part IV—
Inspection
and
Control.)

5. Part IV of the Principal Act is amended—

Sec. 74.
(Authority
to enter
on land.)

- (a) (i) by inserting in section seventy-four after the word "lease" where firstly occurring the words " , or the subject of an easement or right of way,";
- (ii) by inserting in the same section after the word "lease" where secondly occurring the words "or easement or right of way";

Sec. 75.
(Appoint-
ment of
manager.)

- (b) by omitting from subsection one of section seventy-five the words "scout drilling or";

Sec. 76.
(Health
and
safety.)

- (c) by inserting in paragraph (a) of section seventy-six after the word "lease" the words " , or on any land the subject of an easement or right of way granted to him under this Act,";

Sec. 77.
(Notice
to be
given of
cause of
danger.)

- (d) (i) by inserting in subsection one of section seventy-seven after the word "lease" where firstly occurring the words " , or with the use of any easement or right of way";
- (ii) by inserting in the same section after the word "manager" the words "or to the person to whom the easement or right of way was granted";
- (e)

Petroleum (Amendment).

- (e) (i) by inserting in subsection one of section 78. seventy-eight after the word "lease" where (Accidents.) secondly occurring the words "or with the use of an easement or right of way under this Act";
- (ii) by inserting in the same subsection after the word "holder" where secondly occurring the words "or the person to whom the easement or right of way was granted";
- (iii) by inserting in subsection two of the same section after the word "manager" the words "and the person to whom any easement or right of way was granted";
- (iv) by inserting in the same subsection after the word "aforesaid" the words "or with the use of the easement or right of way";
- (f) (i) by inserting next after subsection one of section seventy-nine the following new subsection :— (Power of Minister to do works required by this Act.)
- (1A) If a person to whom an easement or right of way has been granted under this Act fails or refuses to comply with any lawful instruction or direction given to him under this Act or to carry out any operations or do any act in accordance with the requirements of any provision of this Act applicable to him, the Minister may by his workmen or agents enter on the land the subject of the easement or right of way and carry out any works specified in the instructions or direction, or carry out those operations or do that act, at the expense of that person.
- (ii) by inserting in subsection two of the same section after the word "one" the word and symbols "or (1A)";

(iii)

Petroleum (Amendment).

- (iii) by omitting from the same subsection the words "such holder" and by inserting in lieu thereof the words "the person to whom the instructions were or the direction was given".

Further
amendment
of Act No.
28, 1955.

(Part V—
Miscel-
laneous.)

6. Part V of the Principal Act is amended—

Sec. 81.
(Fees, etc.,
payable by
due date.)

- (a) by omitting from subsection one of section eighty-one the word " , royalties" wherever occurring;
- (b) by omitting from subsection two of the same section the word " , royalty".

BY AUTHORITY:

V. C. N. BLIGHT, GOVERNMENT PRINTER, NEW SOUTH WALES—1967

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, 14 November, 1967.*

New South Wales



ANNO SEXTO DECIMO

ELIZABETHÆ II REGINÆ

Act No. 55, 1967.

An Act to make further provisions with respect to exploration for, and the exploitation of, petroleum; for this purpose to amend the Petroleum Act, 1955, as amended by subsequent Acts; and for purposes connected therewith. [Assented to, 21st November, 1967.]

BE it 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 :—

1. (1) This Act may be cited as the "Petroleum (Amendment) Act, 1967".
- (2) Short title,
citation
and com-
mencement.

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.

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(2) The Petroleum Act, 1955, as amended by subsequent Acts and by this Act, may be cited as the Petroleum Act, 1955–1967.

(3) The Petroleum Act, 1955, as amended by subsequent Acts, is in this Act referred to as the Principal Act.

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

Amendment
of Act No.
28, 1955.
(Part I—
Pre-
liminary.)

2. Part I of the Principal Act is amended—

Sec. 2.
(Division
into Parts.)

- (a) (i) by omitting from subsection one of section two the matter relating to Division 3 of Part III;
- (ii) by inserting in the same subsection next after the matter relating to Division 4 the following new matter :—

DIVISION 4A.—*Royalties.*

Sec. 3.
(Interpre-
tation.)

- (b) (i) by omitting from subsection one of section three the definition of “Bore-hole”;
- (ii) by omitting from the same subsection the definition of “Casinghead petroleum spirit”;
- (iii) by omitting from the same subsection the definition of “Crude oil”;
- (iv) by omitting from the definition of “‘Drilling’ or ‘boring’” in the same subsection the words “or ‘boring’”;
- (v) by omitting from the definition of “Mining surveyor” in the same subsection the words “Surveyors Act, 1929–1946, and specially appointed under the Mining Act, 1906–1952,
to

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to carry out surveys under that Act” and by inserting in lieu thereof the words “Surveyors Act, 1929, as amended by subsequent Acts”;

- (vi) by omitting from the same subsection the definition of “Natural gas”;
- (vii) by omitting from the same subsection the definition of “Petroleum” and by inserting in lieu thereof the following definition :—

“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 substance referred to in paragraph (a), (b) or (c) of this definition that has been returned to a natural reservoir.

- (viii) by omitting from the same subsection the definition of “Scout drilling”;
- (ix) by omitting from the same subsection the definition of “Shut off”;

(x)

Petroleum (Amendment).

(x) by omitting from the same subsection the definition of "Test well";

(xi) by inserting in the same subsection after the definition of "Under Secretary" the following definition :—

"Well" means a hole made by drilling in connection with exploration for petroleum or operations for the recovery of petroleum, but does not include a seismic shot hole.

Sec. 4.
(Officers appointed under certain Acts deemed to be officers under this Act.)

(c) (i) by omitting from subsection one of section four the words "Mining Act, 1906–1952" and by inserting in lieu thereof the words "Mining Act, 1906, as amended by subsequent Acts";

(ii) by omitting from the same subsection the words "Mines Inspection Act, 1901–1945" and by inserting in lieu thereof the words "Mines Inspection Act, 1901, as amended by subsequent Acts";

Sec. 5.
(Minister or officer not to be interested in licence or lease.)

(d) by omitting from section five the words " , petroleum prospecting licence".

Further amendment of Act No. 28, 1955.

(Part II—Rights of the Crown as to Petroleum and Helium.)

Sec. 6.

(Petroleum and helium the property of the Crown.)

3. Part II of the Principal Act is amended by omitting from subsection two of section six the words " , petroleum prospecting licences".

Petroleum (Amendment).

4. Part III of the Principal Act is amended—

Further amendment of Act No. 28, 1955.

(Part III—Licences and Leases Under This Act.)

- (a) (i) by omitting from section seven the words “or a petroleum prospecting licence”;
- (ii) by omitting from paragraph (b) of the proviso to the same section the words “, petroleum prospecting licence” wherever occurring;
- (b) by omitting section eight;
- (c) (i) by omitting from paragraph (a) of subsection one of section nine the words “and petroleum prospecting licences”;
- (ii) by omitting from subparagraph (ii) of the same subsection the words “, petroleum prospecting licence”;
- (d) (i) by inserting at the end of subparagraph (i) of paragraph (a) of subsection two of section ten the word “and”;
- (ii) by omitting subparagraph (ii) of the same paragraph;
- (iii) by inserting in paragraph (a) of subsection four of the same section after the word “Act” where firstly occurring the words “, and every request referred to in section fifteen of this Act,”;
- (iv) by inserting in the same subsection after the word “applicant” wherever occurring the words “or person nominated by the applicant”;

Sec. 7.

(No prospecting or mining for petroleum except in pursuance of licence or lease.)

Sec. 8.

(Protection of rights under certain agreements.)

Sec. 9.

(Licences or leases may be granted.)

Sec. 10.

(Lodgment of applications.)

(e)

Petroleum (Amendment).

Sec. 17.
(Area of
petroleum
exploration
licence.)

- (e) by omitting from paragraph (b) of section seventeen the words "one thousand" and by inserting in lieu thereof the word "twenty-five";

Sec. 18.
(Term of
petroleum
exploration
licence and
renewal.)

- (f) by omitting from subsection two of section eighteen the words "and subject to section forty-three of this Act";

Sec. 20.
(Drilling
other than
scout drill-
ing pro-
hibited.)

- (g) by omitting section twenty;

Sec. 21.
(Holder to
furnish
exploration
scheme.)

- (h) (i) by omitting from paragraph (b) of subsection two of section twenty-one the words "the scout" and by inserting in lieu thereof the word "of";
- (ii) by omitting from paragraph (c) of the same subsection the word "scout";
- (iii) by inserting next after the same subsection the following new subsections :—

(2A) The Minister may, on an application in writing made to him by the holder of a petroleum exploration licence, exempt the holder from compliance with the requirement of this section that he furnish to the Minister a proposed scheme providing for a geological survey or other survey of the land comprised in the licence to be carried out if the Minister is satisfied that an adequate geological survey or other survey of the land has been carried out and that further such surveys are not necessary.

(2B) The holder of a petroleum exploration licence who has been so exempted shall, notwithstanding any other provision of this section, not be liable to comply with any requirement from which he has been so exempted.

(iv)

Petroleum (Amendment).

- (iv) by omitting from paragraphs (a), (b) and (c) of subsection six of the same section the word "scout" wherever occurring;
- (i) by inserting next after section twenty-one the following new sections :—

New secs.
21A-21D.

21A. The holder of a petroleum exploration licence shall, as from the commencement by him of prospecting operations on the land comprised in the licence, diligently and continuously carry on those operations in a workmanlike manner and in accordance with—

Work to be carried out by holder of petroleum exploration licence.

- (a) good oilfield practice;
- (b) the terms and conditions subject to which the licence was granted; and
- (c) any directions relating to the carrying on of those operations given to him by the Minister.

21B. (1) Where petroleum is discovered in land comprised in a petroleum exploration licence, the holder of the licence—

Discovery of petroleum to be notified.

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

(2) Where petroleum is discovered in land comprised in a petroleum exploration licence, the Minister may, from time to time, by instrument in writing served on the holder of the licence, direct the holder 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 the physical properties of the petroleum;

(b)

Petroleum (Amendment).

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

Directions
by Minister
on discovery
of
petroleum.

21C. Where petroleum is discovered in land comprised in a petroleum exploration licence, the Minister may, by instrument in writing served on the holder of the licence, direct the holder to do, within the period specified in the instrument, such things as the Minister thinks necessary and specifies in the instrument to determine the chemical composition and physical properties of that petroleum and to determine the quantity of petroleum in the petroleum deposit to which the discovery relates or, if part only of that petroleum deposit is within the land comprised in the petroleum exploration licence, in such part of that petroleum deposit as is within that land.

Direction
to holder of
petroleum
exploration
licence to
apply for
lease.

21D. (1) Where petroleum is discovered in land comprised in a petroleum exploration licence the Minister may, by instrument in writing, direct the holder of the licence to apply, within such period as may be specified in the direction, for a petroleum mining lease of so much of that land as is so specified.

(2) If the holder of a petroleum exploration licence does not apply for a lease in accordance with directions given to him under subsection one of this section the Minister may cancel the licence.

Part III,
Division 3.
(Petroleum
Prospecting
Licences.)

(j) by omitting Division 3;

Sec. 28.
(Grant of
petroleum
mining
lease.)

(k) by omitting from section twenty-eight the words "or a petroleum prospecting licence";

(1)

Petroleum (Amendment).

- (l) by omitting from paragraph (a) of section twenty-nine the words "one hundred" and by inserting in lieu thereof the word "twenty-five"; Sec. 29.
(Area of petroleum mining lease.)
- (m) by inserting in subsection two of section thirty after the word "Act" the words "in respect of leases, other than renewals of leases,"; Sec. 30.
(Term of petroleum mining lease and renewal.)
- (n) by omitting section thirty-two; Sec. 32.
(Royalty on petroleum, etc.)
- (o) by inserting next after section thirty-four the following new Division :— New
Division 4A.

DIVISION 4A.—Royalties.

34A. In this Division "royalty period", in relation to a petroleum exploration licence or a petroleum mining lease, means— Interpre-
tation.

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

34B. (1) The conditions subject to which a petroleum exploration licence or petroleum mining lease is granted shall include a condition that the holder of the licence or lease shall pay to the Minister a royalty at the prescribed rate in respect of all petroleum recovered under the licence or lease. Royalty.

(2) The prescribed rate in respect of petroleum—

- (a) recovered under a petroleum exploration licence is such percentage, not exceeding ten per centum of the value at the well-head of the

Petroleum (Amendment).

the petroleum as may be determined by the Minister and notified by instrument in writing served on the holder of the licence;

- (b) recovered under a petroleum mining lease, not being a renewal of a petroleum mining lease, is the rate of ten per centum of the value at the well-head of the petroleum;
- (c) recovered under a petroleum mining lease, being a renewal of such a lease, is such rate as may be approved by the Governor under paragraph (b) of subsection two of section thirty of this Act; or
- (d) recovered under a petroleum mining lease, as deemed to be extended by section 30A of this Act, is the rate as varied under that section.

Royalty not payable in certain cases.

34c. (1) Royalty under this Act—

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

(2) Where petroleum that has been recovered by the holder of a petroleum exploration licence or petroleum mining lease is, with the approval of the Minister, returned to a natural reservoir, royalty under this Act is not payable in respect

Petroleum (Amendment).

respect of that petroleum by reason of that recovery but this subsection does not affect the liability of that or any other holder of a petroleum exploration licence or petroleum mining lease to pay royalty in respect of petroleum that is recovered from that natural reservoir.

34D. For the purposes of this Act, the well-head, Ascertain-
ment of
well-head. in relation to any petroleum, is such equipment used for the recovery of the petroleum as is agreed between the holder of the exploration licence or petroleum mining lease and the Minister, or, in default of agreement within such period as the Minister allows, is such equipment used for the recovery of petroleum by that holder as is determined by the Minister as being that well-head.

34E. For the purposes of this Act, the value at Ascertain-
ment of
value. the well-head of any petroleum is such amount as is agreed between the holder of the petroleum exploration licence or petroleum mining lease and the Minister, or, in default of agreement within such period as the Minister allows, as is determined by the Minister as being that value.

34F. For the purposes of this Act, the quantity Ascertain-
ment of
quantity of
petroleum
recovered. of petroleum recovered by the holder of a petroleum exploration licence or petroleum mining lease during a period shall be taken to be—

- (a) the quantity measured during that period by a measuring device approved by the Minister and installed at the well-head or at such other place as the Minister approves; or
- (b) where no such measuring device is so installed, or the Minister is not satisfied that the quantity of petroleum recovered by the holder

Petroleum (Amendment).

holder of the licence or lease has been properly or accurately measured by such a measuring device—the quantity determined by the Minister as being the quantity recovered by the holder of the licence or lease during that period.

Payment
of royalty.

34G. (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 one of this section, there is payable to the Minister by the holder of the petroleum exploration licence or the petroleum mining lease 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 two 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 34E of this Act.

Royalty
and penal-
ties debts
due to
the Crown.

34H. Royalty under section 34B of this Act and an amount payable under section 34G of this Act are debts due by the holder of the petroleum exploration licence or petroleum mining lease to the Crown and are recoverable in a court of competent jurisdiction.

(p)

Petroleum (Amendment).

- (p) by omitting section thirty-eight and by inserting in lieu thereof the following section :—

Subst.
sec. 38.

38. (1) Every licence or lease under this Act shall be registered with the Registrar, Department of Mines, Sydney.

Registration.
cf. Act No.
49, 1906,
s. 109.

(2) Every transfer or assignment (except an assignment by operation of law) of, and every instrument (whether a sublease, tribute agreement, option contract, mortgage, deed of trust, partnership agreement, working agreement, or any other instrument) affecting, any licence or lease under this Act, together with a copy of every such instrument certified by any two persons to be a true copy of the original, shall be lodged within the time and in the manner prescribed for the concurrence of the Minister and for registration by the Registrar, Department of Mines, Sydney, under the provisions of this section.

The Minister may refuse such concurrence or may grant it absolutely or subject to such amendments, modifications, stipulations or conditions as he may think necessary in the public interest to make or impose.

Any person who neglects or fails to comply with any such amendment, modification, stipulation or condition so imposed upon him shall be liable to a penalty not exceeding one hundred dollars and to a further penalty not exceeding ten dollars for each and every day such neglect or failure continues.

Any transfer, assignment or other instrument required to be lodged for registration under this subsection, which is not lodged within the time and in the manner prescribed, shall not be registered unless the Minister so approves.

(3)

Petroleum (Amendment).

(3) Every transfer, assignment or instrument which by this section is required to be lodged for registration shall be lodged by such person as may be prescribed.

Any person so prescribed who neglects or fails to lodge any transfer, assignment or instrument in accordance with the requirements of subsection two of this section shall be liable upon conviction to a penalty not exceeding one hundred dollars and to a further penalty not exceeding ten dollars for each and every day such neglect or failure continues.

(4) (a) No transfer or assignment (except an assignment by operation of law) of, and no instrument (whether a sublease, tribute agreement, option contract, mortgage, deed of trust, partnership agreement, working agreement or any other instrument) affecting, any licence or lease under this Act shall have any force or effect unless it is in writing and is signed by the parties thereto.

Nothing in this paragraph applies to any transfer or assignment or instrument made before the commencement of this section.

(b) Any transfer, assignment or other instrument required to be lodged for registration under subsection two of this section shall not have any force or effect until it is registered under the provisions of this section.

Nothing in this paragraph applies to any transfer, assignment or other instrument made before the commencement of this section.

(5) Any person claiming interest in any licence or lease under this Act may, before the registration of any instrument required by subsection one or two of this section to be registered, lodge with the Minister a caveat in the prescribed form,

Petroleum (Amendment).

form, and accompanied by the prescribed fee, against such registration. On receipt of such caveat the Minister shall stay registration for twenty-eight days, unless the caveat is sooner withdrawn, but may then register the instrument, unless the person lodging the caveat has obtained and served upon him an order of some competent court forbidding such registration.

(6) Every licence or lease or transfer, assignment or instrument registered, or submitted for registration, and every caveat lodged, under and in accordance with this section as in force before the substitution of this section by the Petroleum (Amendment) Act, 1967, shall be deemed to have been registered, or lodged for registration, or lodged, as the case may be, under and in accordance with this section as so substituted.

(7) Any amendments, modifications, stipulations or conditions made or imposed by the Minister at the time of his granting his concurrence or sanction under this section as in force before the substitution of this section by the Petroleum (Amendment) Act, 1967, shall be deemed to be amendments, modifications, stipulations or conditions imposed by the Minister under this section as so substituted.

(8) Subject to subsection four of this section this section shall apply to licences, leases, transfers, assignments and instruments executed or made before the substitution of this section by the Petroleum (Amendment) Act, 1967, except instruments not required to be registered under this section before such substitution.

(9) The functions of the Registrar under this section may be performed by the Deputy Registrar, Department of Mines, Sydney.

(q)

Petroleum (Amendment).

Sec. 41.
(Disputes
between
holders of
licences or
leases
and other
persons
carrying on
operations
on land
under
licence
or lease.)

(q) (i) by omitting from paragraph (a) of subsection one of section forty-one the words "Mining Act, 1906-1952" and by inserting in lieu thereof the words "Mining Act, 1906, as amended by subsequent Acts";

(ii) by omitting from paragraph (d) of the same subsection the word "minerals," and by inserting in lieu thereof the words "minerals; or";

(iii) by inserting next after the same paragraph the following new paragraph :—

(e) the provisions of the State Coal Mines Act, 1912, as amended by subsequent Acts,

Sec. 42.
(Suspension
of condi-
tions of
licence or
lease.)

(r) by omitting from paragraph (a) of subsection two of section forty-two the word "bore-holes" and by inserting in lieu thereof the word "wells";

New sec.
42A.

(s) by inserting next after section forty-two the following new section :—

Drilling
operations
to be carried
on con-
tinuously.

42A. (1) The holder of a licence or lease under this Act who has commenced drilling operations on the land comprised in the licence or demised by the lease shall not, without the consent of the Minister, cease those operations or remove any drilling rig from the site of those operations.

(2) A holder of a licence or lease under this Act who contravenes any of the provisions of subsection one of this section is guilty of an offence against this Act.

(3) A consent given by the Minister under this section may be subject to such conditions and requirements as are specified in the consent.

(4)

Petroleum (Amendment).

(4) The holder of a licence or lease under this Act who fails to comply with, or contravenes, any condition or requirement subject to which a consent was given to him under this section is guilty of an offence against this Act.

- (t) by omitting section forty-three; Sec. 43.
(Power of Minister on application for re-newal.)
- (u) (i) by inserting in section forty-five after the word "lease" where firstly occurring the words " , or in any easement or right of way,"; Sec. 45.
(Saving of powers to dispose of land.)
- (ii) by inserting in the same section after the word "lease" where fourthly occurring the words " , or any easement or right of way,";
- (v) (i) by inserting in section forty-seven after the word "lease" where firstly occurring the words " , or the subject of an easement or right of way,"; Sec. 47.
(Operations on private land.)
- (ii) by inserting in the same section after the word "conducted" the words " , and the easement or right of way shall be used,";
- (w) (i) by inserting in section forty-eight after the word "lease" where firstly occurring the words " , or a person to whom an easement or right of way has been granted,"; Sec. 48.
(Liability to compensate owner or occupier.)
- (ii) by inserting in the same section after the word "lease" where secondly occurring the words " , or the subject of the easement or right of way,";
- (iii) by omitting from the same section the words "scout drilling,";
- (iv) by inserting in the same section after the word "holder" where lastly occurring the words "or by reason of the use of the easement or right of way";

(x)

Petroleum (Amendment).

Sec. 51.

(Compensation before commencement of scout drilling or drilling on private land covered by licence.)

- (x) (i) by omitting from subsection one of section fifty-one the words "scout drilling or" wherever occurring;
- (ii) by inserting in the same subsection after the word "operations" where secondly occurring the words "notify the owner and occupier, if any, of the private lands of his intention to carry out the operations and";

Sec. 53.

(Compensation.)

- (y) (i) by inserting in subsection one of section fifty-three after the word "lease" where firstly occurring the words ", or a person to whom an easement or right of way has been granted,";
- (ii) by inserting in the same subsection after the word "holder" where secondly occurring the words "or person, as the case may be,";
- (iii) by inserting in the same subsection after the word "lease" where secondly occurring the words "or such easement or right of way";
- (iv) by inserting next after the same subsection the following new subsection :—

(1A) The holder of a licence or lease under this Act shall be liable to compensate in accordance with this Act any other holder of a licence or lease whose operations under the licence or lease are detrimentally affected by the grant under this Act of an easement or right of way through, upon or in the land comprised in the licence, or demised by the lease, held by that other holder or by the use of any such easement or right of way.

- (v) by omitting from subsection two of the same section the word "Compensation" and by inserting in lieu thereof the words "Subject to subsection (1A) of this section, compensation";

(vi)

Petroleum (Amendment).

- (vi) by inserting in the same subsection after the word "lease" the words " , or a person to whom an easement or right of way has been granted,";
- (vii) by inserting in the same subsection after the word "holder" where secondly occurring the words "or person, as the case may be,";
- (z) by inserting next after paragraph (b) of subsection one of section fifty-five the following new paragraph :—
 - (bi) any loss occasioned to the holder of a licence or lease by reason of that holder's operations under the licence or lease being detrimentally affected by the grant under this Act, to the holder of another licence or lease, of an easement or right of way through, upon or in the land comprised in the licence, or demised by the lease, held by that firstmentioned holder, or by the use of any such easement or right of way;
- (aa) (i) by omitting from subsection one of section fifty-six the words "Mining Act, 1906–1952" and by inserting in lieu thereof the words "Mining Act, 1906, as amended by subsequent Acts";
 - (ii) by inserting in subsection three of the same section after the word "lease" the words " , or by the person to whom the easement or right of way has been granted,";
 - (iii) by inserting in subsection four of the same section after the word "holder" the words " , or the easement or right of way granted to the person,";
 - (iv) by inserting in the same subsection after the word "cancelled" the words "or revoked, as the case may be";

Sec. 55.
(Measure of compensation.)

Sec. 56.
(How compensation assessed.)

(2)

(v)

Petroleum (Amendment).

(v) by inserting in subsection five of the same section after the word "lease" the words " , or the revocation of an easement or right of way,";

Sec. 57.
(Application
of certain
provisions
of Act No.
49, 1906.)

(ab) by omitting from section fifty-seven the words "Mining Act, 1906-1952" and by inserting in lieu thereof the words "Mining Act, 1906, as amended by subsequent Acts";

Sec. 61.
(Drilling of
wells with
respect to
wells on
other land.)

(ac) by omitting subsection three of section sixty-one;

Subst.
sec. 63.

(ad) by omitting section sixty-three and by inserting in lieu thereof the following section :—

Abandon-
ment of
wells.

63. (1) The holder of a petroleum exploration licence or a petroleum mining lease shall before abandoning a well—

(a) give to the Minister or an inspector under this Act at least twenty-four hours' notice of his intention to abandon the well and shall specify in the notice particulars of the method proposed to be used, and the works proposed to be carried out, by the holder in connection with the abandonment of the well; and

(b) comply with any directions given to him by the Minister or an inspector with respect to the abandonment of the well.

(2) Forthwith after the receipt of any such notice the Minister or inspector shall cause particulars thereof to be transmitted to the Secretary of the Water Conservation and Irrigation Commission.

(3)

Petroleum (Amendment).

(3) Any such holder shall not, without the prior consent of the Minister and except in accordance with any directions given to him by the Minister, withdraw or cause to be withdrawn any casing from a well.

- (ae) by omitting from subsection three of section sixty-seven the words "sections twenty-seven and" and by inserting in lieu thereof the word "section"; Sec. 67.
(Agreements for joint drilling of wells.)
- (af) by omitting section sixty-eight and by inserting in lieu thereof the following section :— Subst.
sec. 68.

68. (1) In this section, "unit development", in relation to a petroleum deposit, means the co-ordination of operations for the recovery of petroleum being carried on or to be carried on in land demised by a lease under this Act in which there is part of that deposit with other operations for the recovery of petroleum being carried on or to be carried on in any other area, whether within the State of New South Wales or not, in which there is part of that deposit. Unit develop-
ment.

(2) The holder of a lease under this Act may from time to time enter into an agreement in writing for or in relation to the unit development of a petroleum deposit.

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

- (a) the holder of a lease under this Act where there is part of a particular petroleum deposit in the land demised by the lease held by that lessee; or
- (b) a person who is lawfully entitled to carry on operations for the recovery of petroleum in an area outside the State of New South Wales that includes part of a particular petroleum deposit that extends into the State of New South Wales,

may,

Petroleum (Amendment).

may, for the purpose of securing the more effective recovery of petroleum from the petroleum deposit, direct the holder of any lease under this Act of land that includes part of the petroleum deposit 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 deposit and to lodge the agreement with him forthwith in accordance with section thirty-eight of this Act.

(4) Where—

- (a) the holder of a lease under this Act who is directed under subsection three of this section to enter into an agreement for or in relation to the unit development of a petroleum deposit does not enter into such an agreement within the specified period; or
- (b) the holder of a lease under this Act enters into such an agreement but the agreement is not lodged for the concurrence of the Minister and for registration in accordance with subsection three of this section or, if so lodged, does not receive the Minister's concurrence under section thirty-eight of this Act,

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

(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 deposit is to be submitted by the holder of a lease under this Act under subsection four of this section the Minister may, by instrument in writing served on
the

Petroleum (Amendment).

the holder of the lease, give to the holder such directions as the Minister thinks necessary for the purpose of securing the more effective recovery of petroleum from the petroleum deposit.

(6) Where there is part of a particular petroleum deposit in lands demised by two or more leases under this Act held by the same person, the Minister may, after consultation with the holder of the leases, by instrument in writing served on the holder, give to the holder such directions as the Minister thinks necessary for the purpose of securing the more effective recovery of petroleum from the petroleum deposit.

(7) Where an agreement under this section is in force or the Minister has given directions under subsection five or six of this section, the Minister may, having regard to additional information that has become available, and after consultation with the holder of the lease or the holders of the leases concerned, by instrument in writing served on the holder or holders, give to the holder or holders 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 deposit.

(8) Directions under subsection five, six or seven of this section may include directions as to the rate at which petroleum is to be recovered.

(9) An agreement under this section is an instrument to which section thirty-eight of this Act applies.

(ag) by omitting from section sixty-nine the word "bore-hole" wherever occurring and by inserting in lieu thereof the word "well";

Sec. 69.
(Notification
of intention
to drill.)

(ah)

Petroleum (Amendment).

Sec. 72.
(Samples
of strata,
petroleum
and water.)

- (ah) (i) by omitting from subsection one of section seventy-two the words "bore cores" wherever occurring and by inserting in lieu thereof the word "cores";
- (ii) by omitting from paragraph (a) of the same subsection the word "bore-hole" wherever occurring and by inserting in lieu thereof the word "well".

Further
amendment
of Act No.
28, 1955.
(Part IV—
Inspection
and
Control.)

5. Part IV of the Principal Act is amended—

Sec. 74.
(Authority
to enter
on land.)

- (a) (i) by inserting in section seventy-four after the word "lease" where firstly occurring the words " , or the subject of an easement or right of way, " ;
- (ii) by inserting in the same section after the word "lease" where secondly occurring the words "or easement or right of way" ;

Sec. 75.
(Appoint-
ment of
manager.)

- (b) by omitting from subsection one of section seventy-five the words "scout drilling or" ;

Sec. 76.
(Health
and
safety.)

- (c) by inserting in paragraph (a) of section seventy-six after the word "lease" the words " , or on any land the subject of an easement or right of way granted to him under this Act, " ;

Sec. 77.
(Notice
to be
given of
cause of
danger.)

- (d) (i) by inserting in subsection one of section seventy-seven after the word "lease" where firstly occurring the words " , or with the use of any easement or right of way " ;
- (ii) by inserting in the same section after the word "manager" the words "or to the person to whom the easement or right of way was granted" ;

(e)

Petroleum (Amendment).

- (e) (i) by inserting in subsection one of section Sec. 78. seventy-eight after the word "lease" where (Accidents.) secondly occurring the words "or with the use of an easement or right of way under this Act";
- (ii) by inserting in the same subsection after the word "holder" where secondly occurring the words "or the person to whom the easement or right of way was granted";
- (iii) by inserting in subsection two of the same section after the word "manager" the words "and the person to whom any easement or right of way was granted";
- (iv) by inserting in the same subsection after the word "aforesaid" the words "or with the use of the easement or right of way";
- (f) (i) by inserting next after subsection one of Sec. 79. section seventy-nine the following new (Power of Minister to do works required by this Act.) subsection :—
- (1A) If a person to whom an easement or right of way has been granted under this Act fails or refuses to comply with any lawful instruction or direction given to him under this Act or to carry out any operations or do any act in accordance with the requirements of any provision of this Act applicable to him, the Minister may by his workmen or agents enter on the land the subject of the easement or right of way and carry out any works specified in the instructions or direction, or carry out those operations or do that act, at the expense of that person.
- (ii) by inserting in subsection two of the same section after the word "one" the word and symbols "or (1A)";

(iii)

Petroleum (Amendment).

- (iii) by omitting from the same subsection the words "such holder" and by inserting in lieu thereof the words "the person to whom the instructions were or the direction was given".

Further
amendment
of Act No.
28, 1955.

(Part V—
Miscel-
laneous.)

Sec. 81.
(Fees, etc.,
payable by
due date.)

6. Part V of the Principal Act is amended—

- (a) by omitting from subsection one of section eighty-one the word ", royalties" wherever occurring;
- (b) by omitting from subsection two of the same section the word ", royalty".

*In the name and on behalf of Her Majesty I assent to
this Act.*

A. R. CUTLER,
Governor.

*Government House,
Sydney, 21st November, 1967.*