



ANNO TRICESIMO TERTIO

**ELIZABETHAE II REGINAE**

A.D. 1984

\*\*\*\*\*

**No. 40 of 1984**

**An Act to amend the Petroleum Act, 1940.**

*[Assented to 24 May 1984]*

BE IT ENACTED by the Governor of the State of South Australia, with the advice and consent of the Parliament thereof, as follows:

Short title.

1. (1) This Act may be cited as the "Petroleum Act Amendment Act, 1984".

(2) The Petroleum Act, 1940, is in this Act referred to as "the principal Act".

Commencement.

2. (1) Subject to section 3, this Act shall come into operation on a day to be fixed by proclamation.

(2) The Governor may, in a proclamation fixing a day for this Act to come into operation, suspend the operation of specified provisions of this Act until a subsequent day fixed in the proclamation, or a day to be fixed by subsequent proclamation.

Amendment of  
s. 6—  
Persons who may  
apply for licence.

3. (1) Section 6 of the principal Act is amended by striking out paragraphs (i), (ii) and (iii) and substituting the passage "a natural person or a body corporate that may lawfully carry on business in the State".

(2) This section shall be deemed to have come into operation at the commencement of the Companies (Application of Laws) Act, 1982.

Amendment of  
s. 7—  
Application for  
licence.

4. Section 7 of the principal Act is amended—

(a) by striking out subsection (2) and substituting the following subsection:

(2) An application must be accompanied by a fee of four hundred dollars.;

and

(b) by inserting after subsection (3) the following subsection:

(3a) In the case of an application for a petroleum exploration licence, the applicant shall submit with his application a

statement outlining the exploratory operations that he proposes to carry out in each year of the term of the licence with an estimate of the expenditure to be incurred in each year in carrying out those operations.

5. Section 8a of the principal Act is repealed and the following section is substituted:

Repeal of s. 8a and substitution of new section.

8a. A licence may be granted in respect of two or more separate areas of land only—

Grant of licence in respect of two or more areas.

(a) if the licence is granted in renewal of a licence that applied in respect of two or more separate areas of land;

or

(b) if, in the opinion of the Minister, exceptional circumstances exist justifying the inclusion in the same licence of those separate areas.

6. Section 16 of the principal Act is repealed.

Repeal of s. 16.

7. Section 17 of the principal Act is amended—

Amendment of s. 17—

(a) by striking out all the words preceding paragraph (a) of subsection (1) and substituting the following passage:

Expenditure in relation to initial term.

It shall be a condition of a petroleum exploration licence during its initial term that the licensee must, in carrying out the exploratory operations required by the licence, expend not less than the following amounts: ;

(b) by inserting after subsection (1) the following subsection:

(1a) The Minister may, when granting a petroleum exploration licence—

(a) attach to the licence conditions prescribing the exploratory operations to be carried out by the licensee in each year of the term of the licence;

(b) vary the condition referred to in subsection (1).;

and

(c) by striking out subsections (3) and (4) and substituting the following subsection:

(3) On application by the licensee, the Minister may, at any time during the term of a licence, vary or revoke a condition of the licence (including the condition referred to in subsection (1)) or attach new conditions to the licence.

8. Section 18 of the principal Act is amended—

Amendment of s. 18—

(a) by striking out subsection (1) and substituting the following subsections:

Renewal of petroleum exploration licence.

(1) The holder of a petroleum exploration licence may apply to the Minister for the renewal of the licence.

(1a) The applicant shall submit with his application a statement outlining the exploratory operations that he proposes to carry out in each year of the renewed term of the licence with an estimate of the expenditure to be incurred, in each year, in carrying out those operations.

(1b) If the licensee has carried out his obligations under the licence and under this Act to the satisfaction of the Minister and if the Minister is satisfied that the licensee has the technical and financial resources to comply with this Act and the conditions that will be attached to the renewed licence, he shall renew the licence for a further term.;

and

(b) by striking out subsections (3), (4) and (5) and substituting the following subsections:

(3) If the licensee does not include in his application for renewal of a licence a description of the area or areas that he selects for excision pursuant to subsection (2), the Minister may select the area or areas to be excised.

(4) The area or areas to be excised shall be selected so as to satisfy the following requirements:

(a) the area or areas excised and the area retained shall be bounded by straight lines and, where the boundary does not coincide with the boundary of the area comprised in the existing licence, the boundary shall be comprised, as far as possible, of parallels of latitude or meridians of longitude or both parallels of latitude and meridians of longitude;

(b) where possible no point on a straight line that forms part of the boundary of an excised area or the retained area shall lie closer than ten minutes of latitude or ten minutes of longitude to any point on any other straight line that forms part of the boundary of that area except the straight lines with which that line forms a junction;

(c) where two or more areas are excised, each of them shall comprise at least two thousand square kilometres.

(5) Subsection (4) shall not apply in relation to the renewal of petroleum exploration licences numbers 5 and 6 but the areas to be excised from those licences upon renewal shall be within an area that would have been excised, pursuant to this section, from an area that is the sum of the areas of each of those licences, if a licence comprising that total area had been renewed pursuant to this section.

(5a) If the holders of petroleum exploration licences number 5 and 6 cannot agree on the areas to be excised from their licences, the Minister may select the areas for excision pursuant to this section.

(5b) An application for the renewal of a licence under this section must be made not less than three months before the existing licence is due to expire.

(6) Where a licensee applies for the renewal of his licence in accordance with this section, the existing licence shall remain in force until the application is finally determined.

(7) If the licence is renewed and the previous term of the licence has been extended pursuant to subsection (6), the renewed term shall be deemed to have commenced at the time that the previous term would, but for subsection (6), have expired.

(8) Where, by virtue of subsection (7), the notional commencement of the renewed term of a licence is likely to precede the final determination of the application for renewal by three months or more, the Minister shall, when determining the conditions with which the licensee must comply in the first year of the renewed term, take into account the reduced period during which the licensee will have to comply with those conditions.

9. Section 18a of the principal Act is amended—

- (a) by striking out all the words preceding paragraph (a) of subsection (1) and substituting the following passage:

After the renewal of a petroleum exploration licence for a second or subsequent term, it shall be a condition of the licence that the licensee must, in carrying out the exploratory operations required by the licence, expend not less than the following amounts in each year of the term of the licence: ;

- (b) by striking out from paragraph (a) of subsection (1) the passage “thirty-one dollars” and substituting the passage “sixty-two dollars”;
- (c) by striking out from paragraph (b) of subsection (1) the passage “forty dollars” and substituting the passage “eighty dollars”;
- (d) by striking out from paragraph (c) of subsection (1) the passage “forty-seven dollars” and substituting the passage “ninety-four dollars”;
- (e) by inserting after subsection (1) the following subsections:

(1a) Subject to subsection (1b), the Minister may, when renewing a petroleum exploration licence—

(a) attach to the licence conditions prescribing the exploratory operations to be carried out by the licensee in each year of the renewed term of the licence;

(b) vary the condition referred to in subsection (1).

(1b) Unless the Minister has the approval of the licensee concerned, he shall not—

Amendment of s. 18a—  
Expenditure to be incurred by licensee upon renewal of petroleum exploration licence.

(a) pursuant to subsection (1a), attach a condition to a licence that is inconsistent with an agreement subsisting between him and the licensee;

or

(b) vary the condition referred to in subsection (1) in a manner that is inconsistent with that agreement.;

and

(f) by striking out subsections (3) and (4) and substituting the following subsection:

(3) On application by the licensee, the Minister may, at any time during the renewed term of the licence, vary or revoke a condition of the licence (including the condition referred to in subsection (1)) or attach new conditions to the licence.

Insertion of new ss. 18ab and 18ac.

**10.** The following section is inserted after section 18a of the principal Act:

Unauthorized operations not to be carried out.

18ab. The holder of a petroleum exploration licence shall not carry out any operations on the land subject to the licence unless those operations have been approved by the Minister.

Amendment of s. 18c—  
Fees.

**11.** Section 18c of the principal Act is amended—

(a) by striking out from paragraph (a) the passage “eight cents” and substituting the passage “sixteen cents”;

(b) by striking out from paragraph (b) the passage “twelve cents” and substituting the passage “twenty-four cents”;

(c) by striking out from paragraph (c) the passage “sixteen cents” and substituting the passage “thirty-two cents”;

and

(d) by striking out from paragraph (d) the passage “twenty cents” and substituting the passage “forty cents”.

Amendment of s. 27—  
Right to petroleum production licence.

**12.** Section 27 of the principal Act is amended—

(a) by striking out from subsection (1) the passage “A licensee” and substituting the passage “Subject to subsection (1a), a licensee”;

and

(b) by inserting after subsection (1) the following subsection:

(1a) A licence shall not be granted under subsection (1) if the quantity or quality of the petroleum is not sufficient to warrant production.

Repeal of s. 28 and substitution of new section.

**13.** Section 28 of the principal Act is repealed and the following section is substituted:

28. A petroleum production licence shall not be granted in respect of an area that exceeds—

Area of petroleum production licence.

(a) twice the area of the field concerned;

or

(b) two hundred and sixty square kilometres,

whichever is smaller.

14. Section 32 of the principal Act is amended by striking out from paragraph (c) of subsection (2) the passage “two hundred dollars” and substituting the passage “four hundred dollars”.

Amendment of s. 32—  
Term and renewal of petroleum production licence.

15. Section 34 of the principal Act is amended by striking out the passage “fifty cents” and substituting the passage “one dollar”.

Amendment of s. 34—  
Fees.

16. Section 38 of the principal Act is amended—

Amendment of s. 38—  
Surrender of licence.

(a) by striking out subsection (2a) and substituting the following subsections:

(2a) The Minister shall grant an application under this section if the licensee has complied with the requirements of subsections (1) and (2) and has complied with the conditions of his licence.

(2b) The surrender of a licence shall take effect at the end of the year of the term of the licence in which the application for permission to surrender was granted or, if the application is made in one year of the term of the licence but is granted in the following year, the surrender shall be deemed to have taken effect, if the Minister so directs, at the end of the year in which the application was made.;

and

(b) by striking out from subsection (3) the passage “Upon the surrender of a licence under this section” and substituting the passage “When the surrender of a licence takes effect under this section,”.

17. Section 42 of the principal Act is amended by striking out from subsection (3) the passage “two hundred dollars” and substituting the passage “four hundred dollars”.

Amendment of s. 42—  
Consent to dealings with licences.

18. Section 80o of the principal Act is amended by striking out the passage “twenty-five dollars” and substituting the passage “fifty dollars”.

Amendment of s. 80o—  
Fees.

19. Section 87 of the principal Act is amended—

Amendment of s. 87—  
Offences.

(a) by striking out from subsections (1) and (2) the passage “two hundred dollars” where it occurs in each subsection and substituting, in each case, the passage “four hundred dollars”;

(b) by striking out from subsections (1) and (2) the passage "two thousand dollars" where it occurs in each subsection and substituting, in each case, the passage "four thousand dollars";

(c) by striking out from subsection (2) the passage "one hundred dollars" and substituting the passage "two hundred dollars";

and

(d) by striking out from subsection (2) the passage "one thousand dollars" and substituting the passage "two thousand dollars".

In the name and on behalf of Her Majesty, I hereby assent to this Bill.

D. B. DUNSTAN, Governor