

No. 3 of 2006.

Oil and Gas (Amendment) Act 2006.

Certified on : 12 JUL 2006
operation : 22.7.2006
S 146/06



INDEPENDENT STATE OF PAPUA NEW GUINEA.

No. of 2006.

Oil and Gas (Amendment) Act 2006.

ARRANGEMENT OF SECTIONS.

1. Repeal and replacement of Section 48.
2. Coordination of development forum (Amendment of Section 52A).
3. Repeal and replacement of Section 60.
4. Application for extension of petroleum development licence (Amendment of Section 61).
5. Term of pipeline licence (Amendment of Section 77).
6. Extension of pipeline licence (Amendment of Section 78).
7. Additional rights of entry (Amendment to Section 116).
8. New Section 156A.

"156A. PRE-SUBMISSION OF INFORMATION."



INDEPENDENT STATE OF PAPUA NEW GUINEA.

No. of 2006.

AN ACT

entitled

Oil and Gas (Amendment) Act 2006,

Being an Act to amend the *Oil and Gas Act 1998,*

MADE by the National Parliament to come into operation in accordance with a notice in the National Gazette by the Head of State, acting with and in accordance with, the advice of the Minister.

1. **REPEAL AND REPLACEMENT OF SECTION 48.**

Section 48 of the Principal Act is repealed and is replaced with the following:-

"48. DEVELOPMENT FORUM.

(1) Subject to Section 169(8), prior to the first grant of a licence or licences in respect of a petroleum project, the Minister shall convene a development forum at a place close to the proposed licence area to provide ease of access, being a meeting to which are invited persons who, in the view of the Minister, will be affected by that petroleum project, including –

- (a) the applicant or intending applicant for the licence or licences; and
- (b) the project area landowners determined under Section 169(2) or their duly appointed or elected representatives; and
- (c) the Local-level Government or Governments who would be affected Local-level Governments of the project if the application is granted; and
- (d) the Provincial Government or Governments who would be affected Provincial Governments of the project if the application is granted; and
- (e) the State.

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"(2) If subsequent to the first grant of a licence or licences in respect of a petroleum project there is an application for a further licence or licences or the variation under Section 58(1) of a petroleum development licence in respect of that petroleum project, the Minister shall convene a further development forum in respect of that petroleum project to which are invited persons who, as a result of social mapping and landowner identification studies, in the view of the Minister, fairly represent those parties defined in Section 48(1)(a) to (e) inclusive.

"(3) The purpose of a development forum is to endeavour to reach agreement on matters on which agreement among those present is desirable, including the matters referred to in Part IV.

2. COORDINATION OF DEVELOPMENT FORUM (AMENDMENT OF SECTION 52A).

Section 52A of the Principal Act is amended –

(a) by repealing Subsection (1) and replacing it with the following :-

"(1) Where a licensee makes application under Section 53, or applies to vary a licence by the inclusion of additional blocks under Section 58, or where the State enters into a gas agreement under Section 184 with a licensee which defines the extent of the gas project to include all or part of the licence areas of a petroleum prospecting licence, a petroleum development licence or a petroleum retention licence, the licensee of any licence affected by such application, variation or gas agreement and the State shall agree upon a plan to coordinate convening a development forum pursuant to the provisions of Section 48."; and

(b) by inserting after Subsection (2) the following new subsection :-

"(3) Where a coordinated development pursuant to a gas agreement requires the grant of additional licences or the variation of licences, then that coordinated development will require only a development forum to be held in respect of that gas agreement and not for each individual licence or variation of a licence to be granted as part of the coordinated development represented in that gas agreement unless the Minister considers that those factors mentioned in Section 48(2) requires more than one development forum to be held in respect of that coordinated development."

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3. REPEAL AND REPLACEMENT OF SECTION 60.

Section 60 of the Principal Act is repealed and is replaced with the following:-

"60. TERM OF PETROLEUM DEVELOPMENT LICENCE.

Subject to this Act and any condition in the licence a petroleum development licence remains in force -

- (a) for a period of 25 years commencing on the day on which the licence takes effect; and
- (b) where the licence has been extended under Section 62 - for such further consecutive period or periods not exceeding 20 years as the Minister determines is reasonably required to recover from the licence area the maximum amount of petroleum the recovery of which is consistent with good oil field practice."

4. APPLICATION FOR EXTENSION OF PETROLEUM DEVELOPMENT LICENCE (AMENDMENT OF SECTION 61).

Section 61 of the Principal Act is amended by repealing Subsection (4) and replacing it with the following as a new subsection:-

"(4) The Minister may, after considering a report of the Board accept an application at any time prior to the last year of the current term of the licence where that application also relates to a variation of a petroleum development licence pursuant to Section 58(7) and the applicant can demonstrate that the remaining period of current term of licence is insufficient to permit the maximum recovery of the petroleum from the licence area."

5. TERM OF PIPELINE LICENCE (AMENDMENT OF SECTION 77).

Section 77 of the Principal Act is amended in Subsection (1)(b) by inserting after the words "such further" the following:-

"consecutive".

6. EXTENSION OF PIPELINE LICENCE (AMENDMENT OF SECTION 78).

Section 78 of the Principal Act is amended by inserting after Subsection (2) the following new subsection:-

"(3) The Minister may, after considering a report of the Board, accept an application at any time prior to the last year of the current term of the licence where that application also relates to a variation of a pipeline licence pursuant to Section 58(7) or an application for a new pipeline licence and the applicant can demonstrate that the remaining period of the current term of the licence is insufficient to permit the transportation of petroleum from the one or more petroleum development licence areas."

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7. ADDITIONAL RIGHTS OF ENTRY (AMENDMENT OF SECTION 116).

Section 116 of the Principal Act is amended by inserting immediately after Subsection (1) the following new subsection:-

"(1A) Where, in the opinion of the Minister, it is necessary or expedient for an applicant or an intending applicant for a licence to conduct activities in relation to or in preparation for construction works which are or will be proposed in the licence application of the applicant or intending applicant, the Minister may, on the application of that person and subject to Section 118, by instrument, authorize that person to enter on any land for that purpose for such period as may be reasonably required for the conduct of those activities as are specified in the instrument."

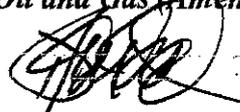
8. NEW SECTION 156A.

The Principal Act is amended by inserting immediately after Section 156 the following new section:-

"156A. PRE-SUBMISSION OF INFORMATION.

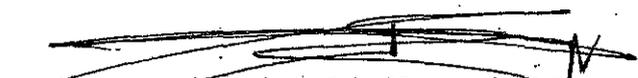
In this Act, where a section provides for information, particulars, proposals, studies, investigations, reports, accounts, documents or other like material to be furnished or provided to an inspector, the Director or the Minister for consideration in connection with that section, such information, particulars, proposals, studies, investigations, reports, accounts, documents or other like material may be submitted in a complete draft form for discussion purposes without prejudice to the rights of the submitting party or the State arising under the relevant section, to assist in the preparation and submission of a complete formal submission of that information, particulars, proposals, studies, investigations, reports, accounts, documents or other like material in due course and in accordance with the Act."

I hereby certify that the above is a fair print of the *Oil and Gas (Amendment) Act 2006* which has been made by the National Parliament.


Acting Clerk of the National Parliament.

12 JUL 2006

I hereby certify that the *Oil and Gas (Amendment) Act 2006* was made by the National Parliament on 3 May 2006.


Speaker of the National Parliament.

12 JUL 2006