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PETROLEUM (EXPLORATION) ACT

(Cap. 44)

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**THE PETROLEUM (EXPLORATION) ACT
(CAP.44)**

THE PETROLEUM (EXPLORATION) REGULATIONS 1999

In exercise of the powers conferred by Section 41 of the Petroleum (Exploration) Act, the Minister of Mines, Energy & Water hereby make the following Regulations:-

**PART 1
PRELIMINARY**

(1) These regulations may be cited as the Petroleum (Exploration) Regulations, 1999.

(2) In these Regulations, unless the context otherwise requires -

“accounting procedures” means the accounting procedure contained in the relevant petroleum agreement;

“affiliated company” means any shareholder of the licensee owning five (5) percent or more of its shares, or any entity controlling, controlled by or under common control with the contractor;

“appraisal well” means an exploration well drilled for the purposes of appraising the commerciality of the petroleum accumulation within a trap on which a petroleum accumulation found by a discovery well has been drilled;

“associated gas” means natural gas produced in association with crude oil and separated therefrom;

“block” means a section of the surface of the earth demarcated in accordance with regulation 5;

“Chief Inspector” means the Chief Inspector of Petroleum appointed under section 7;

“dealing” means any transaction, which involves the acquisition, registration or transfer of any interest related to petroleum operations;

“development area” means the portion of the licence area which is subject to a petroleum development licence;

“exploration” or “exploration operations” means all geological, geophysical and geochemical surveys and the drilling of exploration wells which are carried out in the petroleum licenced area during the exploration period, for the purpose of discovering petroleum-bearing traps and shall include any further exploration and relevant processing and appraisal work, including economic and technical feasibility studies, as may be carried out to determine whether such traps constitute commercial fields;

“exploration period” means the time period stipulated in the licence, during which the licensee is to carry out exploration operations;

“exploration well” means a well including a dry well, discovery well or an appraisal well, which is drilled during the exploration period for the purpose of discovering or appraising a petroleum field;

“Petroleum licence area” means the area covered by a licence excluding any portions as may be relinquished from time to time pursuant to the provisions of the relevant petroleum agreement;

“performance bond” means a bond for the satisfactory performance of licensee’s obligations pursuant to the provisions of the relevant petroleum agreement;

“petroleum operations” mean all exploration and other activities contemplated and authorised under the provisions of the relevant petroleum agreement;

“sub-contractor” means an entity which provides any services to the licensees in connection with petroleum operations; and

“work programme” means the annual plan for the conduct of petroleum operations, prepared in accordance with the provisions of the relevant petroleum agreement.

(3) These Regulations shall apply to exploration and drilling for, and production of petroleum in Solomon Islands, including its offshore area.

(4) The Minister may where the circumstances so require and with the recommendation of the Board, exempt from any of the requirements of these Regulations.

PART II.

LICENCE AND PETROLEUM AGREEMENTS

5. (1) For the purpose of dividing Solomon Islands into licenced areas, the surface of the earth shall be deemed to be divided -

(a) by the meridian of Greenwich and by the meridians that are at a distance from the meridian of six minutes of longitude or a multiple of six minutes of longitude;

(b) by the equator and parallels of latitude that are at a distance from the equator of six minutes or a multiple of six minutes of latitude, and,

(c) into graticular sections, each constituting a “block”, each of which is bounded by portions of -

(i) one of those meridians that are at distance from each other of six minutes of longitude; and,

(ii) one of those parallels of latitude that are at a distance from each other of six minutes of latitude

(2) The Chief Inspector shall prepare a reference map showing the division of Solomon Islands into blocks and the reference map shall be available for inspection at a place designated by the Minister.

(3) The Chief Inspector may certify a map to be a true copy of the reference map prepared pursuant to this regulation and any such copy shall be received in all proceedings as evidence of the contents of that reference map.

(4) A reference in a petroleum agreement or a licence to a number block, or to part of a numbered block, shall be treated as a reference to the block, or part of a block so numbered on the reference map prepared pursuant to this regulation.

6. (1) An application for a prospecting licence under this regulation shall -

(a) be made to the Chief Inspector in the form as prescribed in Form 1;

(b) subject to subregulation (2), be made in respect of not more than sixty (60) blocks;

(c) state the body corporate's name and place of incorporation, the names and nationality of the directors or equivalent officers and, if the body corporate has a share capital, the name of any person who is a beneficial owner of five percent or more of the issued share capital;

(d) identify the block or blocks in respect of which the application is made;

(e) be accompanied by particulars of -

(i) detailed and adequate proposals for work and minimum expenditure in respect of the block or blocks specified in the application for the first two years of the licence and an outline of proposals for work and expenditure for the remaining four years.

(ii) technical qualifications of the applicant where the applicant is not a corporate entity; and

(iii) financial resources, including capital, credit facilities and guarantees available to the applicant;

(f) such additional information as the Chief Inspector may require or as may be prescribed under these regulations or any other applicable law, and

(g) a receipt evidence payment of an applicant fee as prescribed in Schedule 3.

(2) The Chief Inspector may where the circumstances so require consider an application in respect of more than 60 blocks provided that the number of blocks shall not exceed two hundred.

(3) Adequate work and expenditure proposals are deemed to have been met in the case where proposals satisfy the requirements (if any) with respect to work and expenditure in a relevant agreement entered into pursuant to section 11 of the Act.

(4) Where an application relates to more than one block, the blocks applied for shall be -

(a) such that each block in the area has a side in common with at least one other block in the area;

and

(b) situated so as to form a single area.

(5) The Chief Inspector may, at any time, by notice in writing served on the applicant, require him to furnish, within the time indicated in the notice, further information as the Chief Inspector shall deem necessary.

7. (1) The Chief Inspector shall ensure that an application made under regulation 6 -

(a) is brought to the notice of Provincial Governments and landowners who are likely to be affected by the proposed activities;

(b) allow for a period of 30 days in which objections may be lodged, with the Chief Inspector.

(2) where in the opinion of the Chief Inspector, the applicant has not complied with the requirements of regulation 6, he may in writing request the applicant to comply within thirty (30) days of such notice, if the applicant fails to comply within the period, the Chief Inspector shall reject the application and advise the applicant accordingly in writing.

(3) Where the Chief Inspector is satisfy that the application is in order in terms of the Act and regulation 6, and that the instructions given in paragraph (2) has been complied with, he shall:-

(a) forward the application to the Board for its consideration; and

(b) cause the particulars of the application to be published in the Gazette.

(4) where the Board is of the opinion that the application is in order, it shall, within fourteen (14) days of making such opinion recommend to the Minister to approve the application and grant the Licence.

(5) Where an objection is received under subregulation (1) of this regulation and such objection is lodged by -

(a) a Provincial Government, the Chief Inspector shall refer such objection to the Board who shall take such measures as it thinks necessary in dealing with such objection;

(b) landowners or land holding groups, the Chief Inspector shall refer such objection to the Board and may -

(i) where it is satisfied that bona fide attempts have been made by the applicant to negotiate with the land owners or the land holding groups, extent the period prescribed under sub regulation (1)(b);

(ii) where it is satisfied that sufficient attempts to negotiate have not been made, inform the applicant that his application is unsuccessful.

(6) where an objection is raised in respect of a block or a part thereof that is subject of an application, the Board may recommend to the Minister to issue a prospecting licence restricting prospecting to be carried

out in areas that are not under dispute incurred by the holder in respect of the term of the licence at the date of the application;

(b) the proposals of the applicant for work and expenditure in respect of the blocks specified in the application;

(c) any other matters that the Chief Inspector may require; and

(d) the first year rental for the renewed period.

(5) No application for renewal shall be considered unless it is accompanied with the fee as prescribed in Schedule 2.

10. (1) The Chief Inspector on being satisfied that an application for the renewal of a petroleum prospecting licence is in order in terms of the Act, forward the application to the Board.

(2) Where the Board is satisfied that the application is accepted, shall within fourteenth (14) days advise the Minister who to renew the licence.

11. (1) A licensee whose petroleum prospecting licence is in force in respect of a block or blocks where a discovery has been comply with Division 3 of the Act.

(2) An application for a petroleum development licence shall be made in the form as prescribed Form 3 of Schedule 1 and shall include the following -

(a) the body corporate's name and place of incorporate, the names and nationality of the directors or equivalent officers and, if the body corporate has a share capital, the name of any person who is the beneficial owner of fifty per cent or more of the issued share capital;

(b) the block or blocks in respect of which is the application is made;

(c) the applicant's petroleum prospecting licence in respect of the blocks applied for;

(d) a comprehensive report of the petroleum deposit which report shall include a description of the petroleum reservoir or deposit, the form of the petroleum and an estimate of the petroleum reserves; and

(e) a proposed programme of production operations which shall include -

(i) the date of which the applicant intends to commence production;

(ii) the capacity of production and scale of operations;

(iii) the estimated overall recovery of petroleum and by-products;

(iv) the nature of the petroleum and by products;

(v) the production and processing possibilities and the intention of the applicant in relation thereto; and

(vi) the marketing arrangements made for the sale of the petroleum and by-products.

(f) particulars of the applicants qualifications and financial resources including capital, credit facilities and guarantees available to the applicant;

(g) detailed forecast of capital investment operating costs and sales revenues;

(h) proposals with respect to the employment and training of Solomon Islands citizens;

(i) a report of the goods and services require for the production and processing operations which can be obtained within Solomon Islands and the applicant's intention in relation thereto;

(j) details of expected infrastructure requirements; and

(k) any other matter that the Chief Inspector wishes reasonably require.

(2) An application for the grant of a petroleum development licence shall be accompanied by a receipt evidencing payment of an application fee as prescribed in schedule 2.

(3) where the Chief Inspector is satisfied that the application is in order, refer such application to the Board.

12. (1) If the Board is satisfied that the application is in order and all other requirements have been complied with by the applicant made recommendation to the Minister to approve such application and to issue the Petroleum Development Licence.

(2) If the Board is satisfied that the application is not in order and the applicant has not complied with all or any of the requirements, return the application to the applicant and state its reason for rejecting the application.

(3) the Chief Inspector shall within fourteen days of the Board decision inform the applicant of such decision.

13. Prior to the issuing of the Petroleum Development Licence under regulation 12(2), the applicant shall lodge a security deposit for compliance with regards to -

(a) the condition relating to the protection of the natural environment; and

(b) any requirement in any law relating to the protection and restoration of the environment, or any condition imposed on the licensee under such law.

14. (1) The holder of a Petroleum Development Licence may apply to the Chief Inspector for the renewal of his licence in the form as prescribed in Form 4 to Schedule 1.

(2) A Petroleum Development Licence shall only be renewed once, provided however, that where the Minister in consultation with the Board, is satisfied that a further renewal is in the national interest, he may approve a further renewal.

(3) In approving a further renewal under subregulation (2) the Minister shall in consultation with the Board impose such terms and conditions as he sees fit on the licensee.

15. (1) The holder of a Petroleum Development Licence may apply to the Chief Inspector for a variation of the licence by inclusion of an addition block or blocks having a side or sides in common or touching a block the subject of the Petroleum Development Licence.

(2) Upon receipt of an application under subregulation (1), the Chief Inspector shall, if the application is in order, forward such application to the Board.

(3) Upon receipt of an application under subregulation (2) the Board shall consider such application and shall recommend to the Minister to

(a) approve such variation; or

(b) reject it

(4) No variation shall be made to Petroleum Development Licence under this regulation if the block in respect of which an application is made, is already subject to another Petroleum Prospecting Licence or Petroleum Development Licence.

(5) A variation to a licence shall not affect the period for which it is granted.

16. (1) Where more than one application is received by the Chief Inspector of the same block or blocks, he shall forward those applications to the Board.

(2) Upon receipt of these applications the Board shall call for tenders for a petroleum prospecting licence over these respective blocks.

(3) Where the Board decides to call for tender, under this regulation, such tender shall be published in the gazette.

(4) A tender published under subregulation (2) shall -

(a) specify the period in which the applications must be made;

- (b) contain a summary of conditions that will apply;
- (c) prescribe detailed procedures by which such bids are to be conducted;
- (d) prescribe the criteria for determination of the winning bidder; and
- (e) any other relevant conditions which the Board may wish to impose.

(5) An application made under this regulation:-

- (a) shall be made in accordance with an approved form and manner;
- (b) shall be made in an approved manner;
- (c) shall be accompanied by particulars of:-
 - (i) technical qualifications of the applicant; and
 - (ii) technical advice available to the applicant;
- (d) may set-out any other information the applicant wishes to be considered, and
- (e) shall be accompanied by a tender application fee as prescribed in Schedule 2.

(6) where, on technical advice from the Chief Inspector the Board is satisfied that there is potential for petroleum to be found in a block or part of a block, and no application for a prospecting licence is pending in respect of such block or part thereof, it shall put such blocks or part thereof on tender.

17. Where an application is approved under regulation 16, the Board shall make recommendation to the Minister to approve the application and to issue the licence.

PART III
REGISTRATION OF GRANTS, TRANSFERS AND DEALINGS

18. (1) The Chief Inspector shall cause to be kept a Register of application, grants, renewals, transfers of licences.

(2) A copy of any entry in the register may be obtained on payment of the prescribed fee as prescribed in Schedule 2.

19. (1) Subject to the provision of this regulation no licence issued under these Regulations shall be transferred, sold, mortgaged or in any way disposed of without the written approval of the Minister after consultation with the Board.

(2) A licence holder who wished to transfer, sell, mortgage or in anyway dispose of his licence, shall in writing inform the Board stating -

(a) the reason for such transfer, sale or disposal; and

(b) the person to whom he intends to transfer or sell the licence;

(3) Any transfer of shareholding in the company, where the licence holder is a corporate entity, or other change of ownership which has the effect of substantially changing the identity of the licence holder shall be deemed to be transferred country to subregulation (1) and shall render that licence invalid.

(4) Where the Board is satisfy that a transfer, sale or disposal of a licence is in the national interest recommend to the Ministry to approve and transfer or sale provided that the Licence holder pays a transfer fee as prescribed in Schedule 2.

20. (1) Where a transfer of a licence has been approved, the following transfer of licence conditions shall apply -

(a) the Licence holder shall lodge with the Chief Inspector such security as the Chief Inspector may think fit for the transferee's compliance with the conditions of the licence.

(b) The transfer of the licence shall have no effect until it is approved and registered in accordance with this regulation.

(2) A holder of a licence who desires to transfer the licence to another person, or to himself and another person jointly, may lodge with the Chief Inspector, an application for approval of such transfer.

(3) The application shall be accompanied an instrument of transfer of the licence duly executed by the transferor and transferee, together with a copy of that instrument of transfer.

(4) If the Minister approves the application under regulation 19 subregulation (4), the Chief Inspector shall endorse on the instrument of transfer and on the copy, a memorandum of approval. The Chief Inspector shall keep a Register of licences that have been transferred.

21. (1) The register shall, at all times, be open for inspection by any person on the payment of the prescribed fee.

PART IV WORK OBLIGATION AND AREA RELINQUISHMENT

22. The licensee shall be required to undertake during the exploration period a minimum work obligation, including a minimum drilling commitment to be specified in the relevant petroleum agreement or prescribed as a condition of the licence.

23. The licensee shall be required to spend a minimum sum to be specified in the relevant petroleum agreement, to carry out the minimum work obligation undertaken by the licensee pursuant to this Part.

24. The licensee shall be required to provided to the Chief Inspector a bond or a banker's guarantee acceptable to the Chief Inspector for the total amount of the expenditure obligations stipulated under regulation 23.

25. (1) Each prospecting licence shall provide that the licensee must during phases of the exploration period relinquish specific portions of the Petroleum and licenced area.

(2) the licensee shall relinquish all of the area the subject of such licence except for any development or production Area not later than the expiration of the exploration period.

(3) to effect the relinquishment requirements of this regulation, a licensee shall give written notice to the Chief Inspector not less than ninety

(90) day prior to the date prescribed in the petroleum agreement for relinquishment, specifying the blocks or part thereof to be relinquished.

(4) a licensee may at any time voluntarily relinquish all or any part of a licence area, provided that at the time of such voluntary relinquishment, the licensee is not in arrears in fulfilling its financial and other obligations under any petroleum agreement relating to that licence area.

26. A y area relinquished pursuant to regulation 25, shall, unless the Chief Inspector otherwise determines:-

(a) consist of entire blocks or quarter blocks;

(b) in so far as is reasonably possible, be contiguous and compact and of sufficient size and suitable shape so as to permit the effective carrying out of exploration on the relinquished area;

(c) be such that the licence area remaining after relinquishment is as far as possible contiguous and compact; and,

(d) shall conform to such further specifications as may be included in any petroleum agreement or licence as the case maybe.

PART V DISCOVER AND DEVELOPMENT

27. Where petroleum is discovered in the Petroleum licenced licensee shall -

(a) immediately notify the Minister of the discovery and;

(b) within a period of three days after the date of discovery furnish the Minister written particulars of the discovery.

28. Unless the licensee when reporting the discovery under sub-regulation (1) of this regulation notifies the Minister that the discovery does not merit appraisal, the licensee shall within ninety days or such other period stipulated in the petroleum agreement for this purpose submit to the Minister, or such other Government agency as may be designated in the petroleum agreement, a work programme for appraisal of the discovery.

29. (1) Where petroleum has been discovered in a block within a petroleum prospecting licence area the Minister shall declare such discovery by notice in the Gazette -

(a) the discovery block and not more than eight adjoining blocks within the petroleum prospecting licenced area that are nominated by the licensee, or

(b) the discovery block and such adjoining blocks as the minister thinks proper to be a petroleum development area under this regulation.

30. Within the period of ninety days after the completion of the work programme submitted under regulation 6. The licensee shall submit to the Minister or such other Government agency as may be designated in the relevant petroleum agreement an Evaluation Report which shall include, but not be limited to the following information -

geological conditions such as structural configuration, physical properties and extent of reservoir rocks;

(a) productive volume and temperature analysis of the reservoir fluid;

(b) fluid characteristics including oil gravity, sulphur percentage, sediment and water percentage and product yield pattern;

(c) production forecasts (per well and per fluid); and

(d) evaluation of commerciality in accordance with criteria specified in a petroleum agreement.

31. Where the discovery is determined to be commercial in accordance with the criteria stipulated in the petroleum agreement, the licensee shall submit with the evaluation Report a General Development Plan which shall contain but not be limited to the following information:-

(a) a general description of the techniques and equipment that is intended to be used to develop the field;

(b) a general description of the goods, labour and services that could be obtained in Solomon Islands;

- (c) an environmental impact statement describing the possible environmental effects of the proposed development plan;
- (d) a description of the technical and economical feasibility of alternative methods of development;
- (e) where any pool extends beyond the Petroleum licenced area, the suggested unitization agreement in accordance with applicable law;
- (f) the manner in which the licensee proposes to finance the development of the petroleum field; and
- (g) a map delineating the proposed development area.

PART VI CONDUCT OF OPERATIONS

32. Exploration for and production of petroleum shall be carried out at all times in a safe manner in accordance with good oilfield practice and with the Act.

33. Licensee shall conduct its operations in accordance with work programmes approved pursuant to petroleum agreements to which they are party in a diligent, efficient and professional manner.

34. (1) The Minister may from time to time give a licensee directions not inconsistent with the terms of the petroleum agreement and the licensee shall carry out such directions with respect to the following -

- (a) the use of local goods, labour, and services in petroleum operations provided that such goods, labour and services are of adequate quality and can be supplied competitively;
- (b) the training and employment of local personnel;
- (c) the allowable rate of petroleum recovery; and
- (d) the unitization of oil fields extending beyond a single licence area.

(2) If a licensee at any time fails to carry out operations in a safe manner in accordance with good oilfield practice, the Minister may, after giving to the licensee reasonable notice, do any of the things which in the opinion of the Minister may be necessary to ensure safety and to recover the costs and expenses of so doing from the licensee.

35. (1) A licensee shall conduct its operations in accordance with the best conservation practices bearing in mind the long-term objective of maximising ultimate recovery of petroleum originally in place.

(2) A licensee shall take all reasonable measures after the discovery of petroleum in any well capable of producing in commercial quantities to put such well into operation without undue delay and in accordance with the terms of the petroleum agreement.

(3) A licensee shall not commence production from any field or well before testing and ascertaining to the satisfaction of the Minister the test has been properly completed in accordance with good oilfield practices. The licensee shall inform the Minister sufficiently in advance to enable him to send such representatives to be present at such tests.

36. (1) A daily log shall be kept of seismic surveys which shall be carried out at all times in accordance with good industry practice.

(2) The log shall include information on -

(a) the size of the charges and the number of explosions with an accurate indication of the shot points;

(b) charges which fail to fire or which misfire; and

(c) any observed effects of the surveys on marine life.

(3) The Minister may where the circumstances so require direct the log to be produced for inspection.

37. (1) No well shall be drilled -

(a) without the approval of the Chief Inspector, whose approval shall not be unreasonably withheld; and

(b) so as to deviate at any point out of the licence area.

(2) No well shall be sited within 200 meters of the boundary of any licence area.

(3) Each well shall be described by a certain number (which shall be notified to the Minister) in the records, maps and plans which the licensee is required to keep and any change in that number shall likewise be notified to the Minister.

(4) Where work at a well has been discontinued for more than three months, no work recommended on the said well (except for the purpose of cleaning out operations in a producing well) unless seven days' notice of the intended recommencement is given to the Minister.

38. (1) Before commencement of any drilling a organisation plan shall be submitted to the Chief Inspector, identifying the person in charge for supervision of the drilling.

(2) The plans referred to in paragraph (1) shall stipulate the abilities of the person in charge and such person must as far as possible have maritime experience or always have an assistant with sufficient maritime experience.

(3) The chief responsible individual or his deputy shall always be present on the drilling platform or rig.

39. (1) The licensee shall submit to the Minister a drilling programme which, shall inter alia, contain the following information:-

(a) a description of the construction and equipment used on the drilling platform, as well as information as to whether the drilling shall be carried out by persons other than the licensee;

(b) information on the geographical position of the well;

(c) the estimated total depth of the well;

(d) the geological strata which are expected to be penetrated;

(e) depth of the ocean at the well site;

(f) a programme for the installation of casing which shall give the necessary details as to diameter, weight and type of casing, whether new or used casing is to be employed, the depth the casing is intended to be installed; and

(g) a cementing programme.

(2) (a) Major changes in the drilling programme shall not be made without the written approval of the Chief Inspector.

(b) Provided however, that in an emergency the drilling programme may be changed without prior approval. The Chief Inspector shall in such cases be notified forthwith of the alterations and of the underlying circumstances requiring such change.

40. Before provisional or permanent installations including all types of drilling platforms are put in place the Chief Inspector written approval to the location or relocation must be obtained. The Licence shall within reasonable time inform the Chief Inspector about removals and movements of the said installations.

41. (1) Towing of drilling platforms shall not be carried out without prior written notification to the Chief Inspector. The towing shall be carried out at all times in accordance with the accepted international practices and the Act.

(2) During towing only essential personnel shall remain on the platform and all proper safety measures shall be taken during the operation.

(3) Towing shall be carried out in such a manner that it does not endanger lives and properties engaged in fishing or shipping in the area.

42. A licensee shall within reasonable time prior to the commencement of drilling operations, transmit to the Chief Inspector for his approval a description of the platform together with necessary drawings and specifications. No operation shall be undertaken without the written approval of the Chief Inspector.

43. (1) Prior to commencement of the initial drilling operations in a well all necessary safety devices for the proper control of the well

must be present and easily available on the platform. The said devices shall be installed in accordance with good oilfield practice.

(2) During drilling all necessary steps shall be taken to keep the well under full control to prevent the release of oil, gas, water or other substance which are likely to cause explosion, blowouts, pollution, destruction or accidents.

(3) In the event of an explosions, blow-out or other accidents in a well or platform, all necessary steps shall immediately be taken in accordance with good oilfield practice to re-establish safe working conditions and bring the well under control. All necessary measures must immediately be taken to repair as far as possible all damage sustained.

44. (1) Each well must be equipped with surface casing according to good oilfield practice. The surface casing shall be cemented at a depth justified by the geological conditions and with a view to maintaining complete control of the well at all times.

(2) The surface casing shall be properly cemented over its full length. The cement shall be given sufficient time to set prior to the commencement of further drilling.

45. Intermediate casing must be installed and cemented in such a manner and at such time as to ensure full control of the well at all times considering *inter alia*, the geological conditions of the sub-surface, the danger of blow-outs the protection of other resources in the sub-surface and the danger of pollution.

46. Production casing shall be installed and cemented in such a manner as to isolate all hydrocarbon-bearing strata.

47. (1) Drilling which intentionally deviates from the vertical line drawn from the centre of the well on the seabed shall not be done without the written consent of the Chief Inspector. Such consent is not required however, for deviations over short intervals, deviations to straighten out the well or to overcome difficulties encountered during drilling.

(2) The written consent of the Minister is required in cases of drilling multiple holes from the same location.

48. Where the licensee intends to temporarily discontinue drilling it shall inform the Minister twenty four (24) hours of such discontinuance and the date of resumption of drilling operation.

49. (1) A well shall not be abandoned without the consent of the Minister which shall not unreasonably be withheld. To obtain such consent a licensee shall notify the Minister in writing of the reasons for abandoning the well together with a plan setting out the manner in which the well will be plugged, secured and abandoned.

(2) The Chief Inspector may stipulate a time limit within which each installation in or above the well shall be removed.

50. (1) An abandoned well shall be plugged in accordance with good oilfield practice with top cement plugs and with additional cement plugs in such a number of flush length and with such spacing between the individual plugs as is required in order to maintain complete control of the well and prevent the penetration of salt water or other alien matter into the well.

(2) The well, including the interval between the cement plugs, shall be filled with drilling fluid or other fluid of sufficient density and with such other properties to safely withstand together with the plugs any pressure which may develop within the well.

51. Where a well is abandoned, parts of casing strings or other installations protruding from the seabed or all other materials used in the drilling operation shall, except as provided in regulation 35, be removed to such depth or other location to be approved by the Minister, so as not to cause danger or damage to fishing, shipping or other activities.

52. (1) Only essential personal shall be present during raising or lowering of the platform shall, as far as possible, be stationed on deck and be equipped with approved life vests. Suitable means for safe and immediate removal of personnel from the platform shall remain in readiness during the entire operation. In addition, a stand-by vessel with sufficient capacity and equipment shall be kept ready in the immediate vicinity of the platform.

(2) The raising and lowering maneuvers shall as far as possible be undertaken in daylight and only when rendered safe by wind and weather conditions.

53. (1) No person shall be allowed to enter the drilling platform without permission from the licensee or anyone authorised by him.

(2) During their stay on the platform, visitors shall comply with the safety rules applicable of the platform. Visitors shall upon arrival be instructed about safety regulations in force. Specific information shall be given about areas where smoking is permitted.

54. (1) Detailed safety instructions shall be prepared for each drilling platform. Each employee shall be required to sign a receipt for his individual copy of the safety instructions.

(2) The person in charge of each platform shall ascertain that the workers have understood all verbal and written instructions given for the execution of work operations.

(3) General instructions shall be prepared for each drilling platform with regard to measures to be taken in emergencies. These instructions shall likewise be handed to the personnel in the same manner as the safety instructions referred to above. At frequent intervals drill exercise shall be held with a view to coping with emergencies.

(4) A licensee shall comply with instructions given from time to time by the Chief Inspector for protecting the safety, health and welfare of persons in or around the licence area.

55. (1) The drilling platform shall be equipped with an adequate emergency lighting powered from an independent energy source. The emergency lighting system shall be switched on immediately should the ordinary lighting system fail.

(2) Flash lights of an approved type shall be easily available at appropriate places.

(3) The emergency lights and the flash lights shall be inspected at regular intervals as shall be determined by the Chief Inspector.

56. (1) The drilling platform shall be positioned so as to give maximum protection to operations performed thereon, including mooring of vessels, landing and take-off of helicopters.

(2) The lower deck of the drilling platform must be at a safe distance above the sea level.

57. Where circumstances so demand the licensee shall provide for a stand-by vessel which shall be stationed at the platform during drilling operations. This stand-by vessel shall have sufficient capacity and equipment to take on board and provide for the total crew of the platform in cases of emergencies.

58. (1) Gas detectors or explosion meters shall be readily available on the platform.

(2) The platform shall likewise be provided with sufficient oxygen apparatus for full breathing protection.

(3) If sulphurous or other poisonous gases are encountered during drilling all necessary safety precautions shall be taken to prevent accidents. The Chief Inspector shall be notified forthwith of any such event.

59. (1) Swabbing, formation testing, shooting, hydraulic fracturing, acidizing or other chemical treatment of a well shall take place by daylight and only when wind and weather conditions render it safe.

(2) The work referred to in paragraph (1) shall be performed in such a way that the well shall not be damaged or salt water or other alien matters shall not be allowed to penetrate into the well.

(3) Prior to the commencement of the activities mentioned in subregulation (1), the drilling platform shall be cleared of all unnecessary obstructions. Only personnel necessary for the operation shall be on or below the drilling floor, or in the immediate vicinity. All necessary precautions against fires shall be taken and firefighting equipment shall be ready for immediate use.

(4) During acidizing operations personnel who may come in contact with acid shall be provided with protective clothing including hoods, gloves and boots.

(5) Acid-containers shall be handled with care and shall during transport and use, be properly secured so as to prevent unnecessary movement, breakage or inflicting of damage to the surroundings.

(6) A sufficient amount of neutralising material shall be easily available for neutralizing any spillage of acid.

(7) After termination of the activities mentioned in subregulation (1), the well and the drilling platform shall immediately be cleaned.

60. (1) Personnel working on the drilling platform shall be equipped with safety helmets, safety boots, safety belts and other safety equipment which they are obliged to use when working conditions so require.

(2) No one shall be allowed in areas where there is lack of oxygen or where the air may be polluted by inflammable or poisonous gases or by other vapours or dust in such quantities as to endanger human life or health, unless that person is equipped with appropriate breathing apparatus.

61. (1) The licensee shall submit a diving operations plan for approval to the Minister before diving operations are commenced. The plan shall contain details concerning the equipment to be used and the safety precautions to be taken to protect the life and health of the diver.

(2) No diving operation shall commenced without the prior written approval of the Chief Inspector.

(3) Diving operations shall be carried out in a safe manner and in accordance with any directions which the Chief Inspector may from time to time give.

62. (1) Working areas shall at all times be keep as clean and free of obstacles as possible. Possible obstacles, protruding points, low ceiling etc, shall be properly marked.

(2) The drilling platform shall as far as possible be kept free of oil spillage.

(3) The living quarters shall at all times be properly cleaned and kept in good order.

63. (1) First aid and resuscitating equipment shall be available at all times on the platform.

(2) On each shift at least one member of the licensee's personnel shall have taken an approved first aid course.

(3) The aquate number of the personnel shall be taught an approved method of artificial respiration.

(4) Before commencing any drilling operations, arrangements shall be made to ensure that a medical practitioner is available at all times for transport to the platform at the shortest possible notice.

64. (1) If a disease is detected on the platform which may be of contagious nature or otherwise be a risk to the health of the personnel or others, a practitioner doctor shall be called to the platform at once.

(2) The licensee is obliged to arrange for and pay for transportation of a medical practitioner to and from the platform and of a sick or injured person to a shore facility.

65. (1) If fatalities or other serious accidents occur, on the platform, the licensee shall forthwith inform the Chief Inspector.

(2) Where such fatalities or accidents have resulted in a person being disabled or hospitalised for more than three (3) days, the Licensee shall prepare a report on the circumstances giving rise to such fatalities or accidents. Such report shall be forwarded to the Chief Inspector within seven (7) days from the day such fatalities or accident occurred.

66. (1) All electrical installations, wiring or electrical equipment installed or used on the platform shall be constructed, installed and maintained in such manner as to prevent accidents, fire, or explosions and shall at all times be maintained in accordance with good oil industry practice.

(2) Where the Chief Inspector thinks appropriate prescribed minimum standards by which electrical installation, or wiring should be installed and maintained on the platform.

(3) The main switch for all electrical installation shall be installed in a location on the platform that is safe and easily accessible and shall be equipped with a remote control that can be operated from the drillers stand.

67. (1) Persons engaged in petroleum operations shall carry-out their duties with care so as to avoid the occurrence of fire or explosion on the platform.

(2) The Licensee shall ensure that inflammable or explosive liquids, gases, materials or substances are safely handled and stored on the platform.

(3) The licensee shall ensure that persons who are trained in fire prevention and fire fighting are on the platform.

(4) Fire drills shall be held at such time as the Chief Inspector shall prescribe a record shall be made in the daily log concerning fire drills.

68. (1) The drilling platform and its installations and equipment shall as far as possible, be of fireproof material.

(2) The drilling platform shall be equipped with fighting equipment of an appropriate type and capacity for effective firefighting operations. Such equipment shall be located in suitable places and shall always be ready for immediate use.

(3) Fire pumps and their prime movers shall be so positioned that sufficient pressure can be maintained in the fire hoses anywhere on the drilling platform.

(4) The engine room of the drilling platform shall be equipped with a permanent main firefighting system or other firefighting equipment deemed satisfactory by the Chief Inspector.

(5) The drilling platform shall be equipped, with a sufficient number of approved mobile fire extinguishers. Such extinguishers shall be placed within easy reach in strategic positions on the platform and shall always be ready for immediate use.

(6) A sufficient quantity of refill material for the fire extinguishers shall be available on the platform at all times.

69. (1) Adequate procedures shall be established on the drilling platform to ensure immediate detection of fire.

(2) The platform shall be equipped with a fire alarm system and such system shall be checked regularly to ensure that it is functioned.

70. (1) Use of fire, naked light or working operations causing sparks shall be permitted only in places where such activities will not create danger of fire or explosions, and only with the consent of the Chief Fire Officer.

(2) Smoking is permitted only in the living quarters of the drilling platforms or in such areas and at such times when it can be safely

taken. Welding or cutting of metal by gas or electricity shall be carried out in a safe manner and in accordance with any directives issued by the Chief Inspector. Such directions shall ensure that -

(a) the welding and cutting equipment are in good operating condition;

(b) the place where welding is to be performed is free of gas and that as far as possible no inflammable material of any kind is present in the vicinity of the welding site; and

(c) Firefighting personnel and sufficient firefighting equipment are on hand..

(3) After completion of any welding or cutting work the work area shall be thoroughly checked so that sparks or glow will not cause fire.

71. On a drilling platform only types of explosive including detonators or boosters approved by the Chief Inspector shall be used. The explosives shall be of such type as to be rendered harmless after being in seawater for a period of 24 hours at the maximum.

Provided that such requirement shall not apply to perforating charges and charges used for casing cutting and similar operations.

(2) Explosives shall be kept on board the drilling platform only immediately prior to their use and only in such quantities as are required for the expected use.

72. (1) Explosives shall be stored in magazines which are specially approved for this purpose by the Chief Inspector. Detonators, boosters, and blasting charges shall be kept separated.

(2) The magazines shall be so placed and constructed so that the explosive can easily be thrown overhead in cases of emergency.

73. The transportation of explosives to and from the platform as well as loading and unloading, shall be undertaken with the care.

74. (1) Blasting shall not be carried out during thunderstorms or other unfavourable weather conditions. Blasting shall as far possible be carried out only during daylight.

(2) Radio equipment and other equipment which may interfere with blasting activities shall not be in operation while blasting is carried out.

(3) There shall be no landing and take off of helicopters and mooring of vessels during blasting operations.

75. In applying the provision of these Regulations all applicable laws dealing with the use, transportation and storage of explosives shall apply to any petroleum operations.

76. (1) Perforating of wells shall be carried out in accordance with good oilfield practice.

(2) During perforation work all necessary precautions shall be taken to prevent premature firing.

(3) Ammunition for perforating guns shall be stored in properly earthed metal containers.

77. (1) The drilling platform shall be equipped with a two way radio communication system and no platform shall be put into operation without such system approved by the Chief Inspector.

(2) The radio equipment shall be permanently installed in a suitable radio room so that it will not be damaged or displaced by sudden movements of the platform.

(3) The radio installation shall only operate on approved frequencies and with approved power output and in compliance with the conditions laid down in the radio communication licence issued for the said installation.

(4) Broadcasting from radio or television the platform is prohibited.

(5) The platform shall be equipped with sufficient number of approved portable radio receivers and transmitters for lifeboats and other survival craft.

78. (1) For proper and efficient operation, the drilling platform shall have at its disposal a vessel and a helicopter.

79. (1) The drilling platform shall be so constructed and have proper fender systems buoy systems or similar arrangements making safe to transfer persons and goods to or from the platform.

(2) Vessels shall not moor be moored or remain alongside the platform when weather conditions create danger for vessel or the platform.

(3) The drilling platform shall where appropriate, be equipped with an approved helicopter deck.

(4) The drilling platform shall be constructed in such a manner as to secure an unobstructed flight path to an from the helicopter deck.

(5) The drilling platform shall have such equipment and installations as are necessary for safe helicopter operation in accordance with the applicable laws.

PART VII
PROTECTION OF THE ENVIRONMENT, NAVIGATION, FISHING
AND MARINE AND OTHER RESOURCES

80. A licensee shall carry out operations in such manner that shall not interfere with navigation, fishing or the conservation of the living resources of the sea and shall take such steps as the Chief Inspector may reasonably direct to ensure that after the completion of petroleum operations in the licence area or any part thereof there shall be no such interference.

81. (1) Survey vessels and aircraft carrying out exploration shall comply with all applicable laws in force at the time or the aviation regulations particular location in connection with navigation and aviation respectively.

(2) Vessels used for seismic surveys shall be equipped with radar, echo sounder and sonar.

(3) No aircraft shall be used for seismic surveys without written permission from the Chief Inspector.

82. A licensee shall carry out petroleum operations in such a manner as to -

(a) ensure minimum ecological damage or destruction;

(b) control the flow and prevent the escape or avoidable waste of petroleum discovered in or produced from the licence area;

(c) prevent damage to petroleum-bearing strata;

(d) prevent the entrance of water through bore-holes and wells to petroleum-bearing strata, except for the purpose of secondary recovery;

(e) prevent damage to on-shore lands and to trees, crops, buildings and other structures; and

(f) avoid any actions which could endanger the health or safety of person.

83. (1) If a licensee's operations result in the uncontrolled release of petroleum or other materials on the seabed, land or in fresh water, or if a licensee's operations result in any other form of pollution or otherwise cause harm to fresh water, marine or animal life, the licensee shall -

(a) promptly take all necessary measures to control the pollution;

(b) clean up released petroleum or other materials;

(c) repair any damage resulting from such said release;

(d) pay adequate compensation for any damage caused to property or the environment.

(2) The control of such control, clean up or repair shall be borne by the licence.

84. (1) Where the Licensee fails to act promptly under sub-regulation (1) the Chief Inspector shall cause appropriate action to be pollution control taken under the said subregulation and the cost incurred in such action shall be borne by the licensee. The Chief Inspector may impose such penalty as seen to him appropriate on the licensee.

(2) Any penalties imposed under this regulation does not include any penalties which may be imposed under any Petroleum Agreement entered into between the Solomon Islands Government and the Licensee.

**PART VIII
RECORDS AND REPORTS**

85. Each licensee shall keep full and accurate records in a form as the Chief Inspector shall from time to time prescribe containing following

- (a) the drilling depth, plugging or abandonment of wells;
- (b) the strata and subsoil through which wells are drilled;
- (c) the casing inserted in wells and any alteration to such casing;
- (d) any petroleum water and other economic minerals encountered;
- (e) the areas in which any geological or geophysical work has been carried out; and
- (f) such other matters to the above as the Chief Inspector may from time to time reasonably require.

86. Each licensee shall keep in Solomon Islands full and correct accounts (in a form) as the Chief Inspector may from time approve which shall contain accurate entries of -

- (a) the gross quantity of crude oil and natural gas won and saved from the licence area;
- (b) the grades and gravity of the crude oil produced and the composition of natural gas produced;
- (c) the quantities sold of: -
 - (i) crude oil;
 - (ii) natural gas;
 - (iii) natural liquids;

(iv) each refined petroleum product including liquefied petroleum gases;

(v) sulphur in any form or any other minerals in any form, or any other gases, liquids or solids,

together with the names of the purchasers, the quantity purchased and the price paid by each purchaser;

(d) the quantity injected into the formation of -

(i) crude oil;

(ii) natural gas;

(iii) natural gas liquids;

(iv) each refined petroleum product, including liquefied petroleum gases; or

(v) water and other liquids or gases;

(e) the quantity consumed for drilling and other production operations (other than quantities reported under paragraph (d) of this regulation) and consumed in pumping -

(i) crude oil;

(ii) natural gas;

(iii) natural gas liquids; and

(iv) each refined petroleum product including liquefied petroleum gases;

(f) the quantity of crude oil refined in Solomon Islands;

(g) the quantity of natural gas treated in Solomon Islands for the removal of natural gas liquids and liquefied petroleum gases and the quantity of any liquids or gases or any solids obtained therefrom;

(h) the quantity of natural gas flared; and

(i) such further information as the Chief Inspector may from time to time require.

87. (1) The Licensee shall keep a Daily Log in a form approved by the Chief Inspector and shall ensure that -

(1) such Daily Log is kept on the platform at all times and shall be available for inspection by person authorised by the Chief Inspector; and

(2) a duplicate copy of the Daily Log is kept in the Licensee office in Solomon Islands.

(2) The daily log shall contain information and data on all operation during the day including -

(a) the depth of the well at the beginning of the day;

(b) the depth of the well at the end of the day;

(c) the diameter of the borehole;

(d) the geological formations encountered;

(e) characteristics of drilling fluid used;

(f) installation of casing;

(g) if casing is installed all relevant data concerning the installation indicating the diameter, type, weight together with information whether new or used casing is employed and to what depth the casing string has been installed;

(h) particulars concerning cementing;

(i) water, oil, gas etc. encountered;

(j) deviation measurements, formation tests, pressure tests, temperature measurements in the well as well as other tests undertaken; and

(k) any other operations carried out, such as the recovery of broken drill pipes from the borehole, shooting, perforating, fracturing or acidizing of the well, completion or abandonment of the well

(2) The daily log shall further contain information about accidents, damages, injuries and other occurrences and other information which may of interest to the Chief Inspector.

(3) The Chief Inspector may require further information concerning the activities carried out.

88. The licensee shall at all times, keep a record of all persons present on board the platform or on their way to and from the platform specifying the name of the individual and the name of the company or agency by whom he is employed. The record shall be available to the minister or anyone authorised by him at the licensee's office in Solomon Islands.

89. (1) The licensee shall, while drilling is in progress, collect from the drilling, fluid samples of all rock types in all the geological formations penetrated.

(2) All samples collected shall be washed, dried and preserved in bags suited for these purpose and shall be labelled with the name of the well and the date the samples were collected and depths of origin.

(3) The samples or thereof shall within three months after the completion or abandonment of the well be dispatched at the expenses of the licensee to the Chief Inspector or a location designated by the Chief Inspector.

(4) Persons authorised by the Chief Inspector shall at any time have access to the samples.

90. (1) The licensee shall, when it is deemed necessary take and keep cores of the various geological formations penetrated.

(2) Within three months of the termination of drilling, the licensee shall dispatch at his own expense, complete longitudinal sections of each core to the Chief Inspector or to a location designated by the Chief Inspector.

(3) The longitudinal section shall contain not less than one half of the core and the Chief Inspector shall receive copies of the descriptions and analyses made of the core.

(4) Person authorised by the Chief Inspector shall at any time have access to the core.

91. The licensee shall keep the Chief Inspector regularly and fully informed of operations being carried out by the licensee and shall promptly provide the Chief Inspector with information, data, samples, interpretations and progress and completion reports including:-

- (a) processed seismic data and interpretations thereof;
- (b) well data, including but not limited to electric logs and other wireline surveys, mud logging reports and logs, samples of cuttings and corings and analyses made therefrom;
- (c) special reports such as those prepared from drilling data, geological or geophysical data, including maps or illustrations derived there from;
- (d) well testing and well completion reports;
- (e) reports dealing with location surveys seabed conditions, and sea-floor hazards, or other reports dealing with the well, platform or pipeline locations;
- (f) reservoir investigations and estimates regarding reserves, field limits and economic evaluations relating to future operations;
- (g) daily report on the petroleum operations;
- (h) final reports upon the completion of each specific operation;
- (i) contingency programmes and reports on safety and accidents;
- (j) procurement plans, sub-contracts and service contracts;

(k) design drawings, design criteria or specifications, and construction records;

(l) reports of technical investigations relating to petroleum operations;

(m) reports of any other investigations based upon data from the agreement area; and

(n) such other reports as may be required by Accounting Procedures stipulated in the petroleum agreement.

92. (1) Within forty-five (45) days after the end of each quarter, each licensee shall prepare and deliver a quarterly progress report to the Chief Inspector which shall contain a narrative report of activities during such quarter under the Agreement with plans and maps showing the places where work was done. Such quarterly reports shall contain:

(a) a summary of all geological and geophysical work carried out;

(b) a summary of all drilling activity and results obtained; and,

(c) a list of maps, a list of reports and a list of other geological and geophysical data prepared by or for the licensee.

(2) Within four (4) months after end of each calendar year each licensee shall prepare and deliver to the Chief Inspector an annual report which shall consolidate the information contained in the quarterly progress reports furnished in respect of such calendar year.

(3) Each licensee shall also submit to the Chief Inspector the following reports:-

(a) within two (2) months after the first day of January and the first day of July in each year, estimates of crude oil and natural gas production and exports for each of the four (4) half years periods immediately following each of the said dates;

(b) within four (4) months after the end of each calendar year an estimate of economically recoverable reserves of crude oil and natural gas at the end of that year

(c) summaries of exploration well, (stating lithological groups, letter classification boundaries and hydrocarbon zone) within six (6) months of completion of drilling, provided that where such information cannot reasonably be obtained within this period, shall be submitted as soon as it is obtained;

(d) such other plans and information as to the progress and results of the licensee's operations as the minister may from time to time require; and

(e) upon relinquishment of any part of the agreement area, such maps, plans, reports, records, interpretations and data, made or obtained by or for the licensee relating to explorations development production and any operations, in the surrendered areas.

93. (1) A licensee shall report orally to the Chief Inspector within twenty-four (24) hours:-

(a) if a well shows the presence of hydrocarbons; or

(b) when a drill-stem test has been carried out on a well from which flows petroleum.

(2) Following the oral reports written reports prepared by the licensees must be submitted within seven (7) days to the Minister.

(3) The written reports under subregulation (2) shall, in the case where it shows the presence of hydrocarbon, contain *inter alia* relevant geological information and chemical analyses, and in the case of a drill stem test the written report shall contain *inter alia* -

(a) relevant geological information;

(b) conditions and results of drill-stem tests;

(c) chemical and physical analyses;

(d) any deductions therefrom as to the potential of the reservoir.

94. (1) Inspectors and other duly authorised persons

and auditors of the Government shall have access at all reasonable times to and to inspect, test and audit the works, equipment, operations and financial books records and registers of any contractor relating to his activities under any agreement including the transportation and marketing of petroleum.

(2) A licensee however, may with the approval of the Minister export magnetic tapes, core samples or other mineral samples when necessary and shall return such samples or tapes to Solomon Islands after completing evaluation.

95. A licensee may export any documents or data from Solomon Islands provided that a copy of such documents or data are kept in Solomon Islands.

PART IX MISCELLANEOUS

96. (1) The Minister shall appoint inspectors to supervise petroleum operations and to ensure that these operations are carried out in conformity with the applicable law; and conditions stipulated in the exploration licence or the petroleum agreement, as the case may be.

(2) The inspectors shall at all times have access to exploration vessels, drilling platforms, production facilities, installations for production of electricity, shipment facilities, and other installations, and to all data pertaining to petroleum operations. The Minister may authorise any public officer or other persons to exercise the powers of an inspector.

97. The Chief Inspector in exercising his power or carrying his responsibilities under these Regulation is answerable to the Board and the Board require the Chief Inspector to do anything not inconsistent with the Regulation but which will further advance the provision of these Regulation.

98. A person who contravenes or fails to comply with any of the provisions of these regulations is guilty of an offence and shall be liable on conviction to a fine not exceeding five hundred dollars and in the case of a continuing offence to a further fine not exceeding five hundred dollars for each day during which the offence continues after conviction therefor.

SCHEDULE 1

SOLOMON ISLANDS

Application for a Petroleum Prospecting Licence
(regulation 6)

TO: The Minister
Honiara, SOLOMON ISLANDS

- 1. Name of applicant:
- 2. Company registration No:.....
- 3. Date and place of incorporation:

Date:

Place:

- 4. Particulars of share capital issued

Class/type	No. of shares
.....
.....
.....

- 5. Directors of equivalent officers of the corporation

Name	Nationality	Occupation	Contact Address
------	-------------	------------	-----------------

1

2

3

4

- 6. Persons(s) who is/are the beneficial owner of more than five(5)

percent of the issued share capital (List on separate sheet if more space in required)

Name	Nationality	Contact address	Percentage of shares
------	-------------	-----------------	----------------------

1

2

3

4

5

7. Description of block or blocks in respect of which the application is made.

Quadrant Ref:	Block Nos:

8. Fees and annual charges paid in respect to the application

Application fee:

First year area rental:

GTR No.....

9. Please find attached herewith:

- (a) A detailed proposed work programme
- (b) Details of anticipated expenditures
- (c) A certified copy of the Certificate of incorporation of the applicant.

10. Name of and position of person and/or agent lodging the application

on behalf of the Applicant

Name (PRINT):

Position:

Dated this day of, 1999

<p><u>FOR OFFICE USE ONLY</u></p> <p>Date received:.....</p> <p>Receiving officer (PRINT NAME):.....</p> <p>Application registration no:.....</p> <p>Date approved by the Board:.....</p>

SOLOMON ISLANDS

**Application for the Renewal of a Petroleum Prospecting Licence
(regulation 9)**

TO: The Minister
Honiara, SOLOMON ISLANDS

1. Name of applicant:
2. Registered place of business:
3. Company registration no:
4. Place and date of incorporation

Date:.....

Place:

5. Particulars of share capital issued:

Class/type	No. of shares
.....
.....
.....

6. Directors or equivalent officers of the corporation

Name	Occupation	Nationality	Contact Address
1.			
2.			
3.			
4.			

7. Names of person (s) who are the beneficial owner of more than five (5) percent of issued share capital (List on separate sheets if additional space is required).

Name	Nationality	Contact address	Percentage of shares
1.			
2.			
3.			
4.			
5.			
6.			

7. No. of Petroleum existing Prospecting Licence

8. Date granted:.....

9. Date transfer or assignment (if applicable):.....

10. Description of block or blocks for which the renewal is sought

Quadrant ref: Block numbers

11. Description of blocks relinquished

Quadrant ref: Block numbers

12. Duration of renewal period being sought:.....

13. Fees paid in respect of this application

Application fee:.....

First year rental:

GRT No:.....

14. Please find attached herewith:-

(a) a copy of the detailed report on the work completed under Petroleum Prospecting Licence No:..... including a audited report on expenditures.

(b) Detailed description of the work programme to be completed within the period for which the renewal is sought.

15. Agent or person lodging the application:

Name (PRINT):.....

Position:.....

Signature:.....

Dated this day of 199.....

FOR OFFICE USE ONLY

Date and time application received:

Receiving officer (PRINT NAME):

Application registration No.:

Date submitted to the Board:

Date application approved/refused:

SOLOMON ISLANDS

Application for a Petroleum Development Licence

(regulation 11)

TO: The Minister
Honiara, SOLOMON ISLANDS

1. Petroleum Prospecting Licence No. (If any)

2. Name of Applicant:.....

3. Company Registration No:.....

4. Place and date of incorporation

Date:.....

Place:.....

5. Directors of Equivalent Officers of the Corporation

Name	Nationality	Occupation	Contact Address

6. Persons who are the beneficial owner of five (5) percent or more of the issued share capital.

Name	Nationality	Occupation	Contact Address

7. Blocks in respect of which this application is made

QUADRANT REF	BLOCK NO

8. Period for which the Petroleum Development Licence is sought:.....

9. Fees paid in respect of the application

Application fee:

Annual fee:

Deposit:.....

GTR NO:.....

10. Please find attached under separate cover the following:

- (a) Comprehensive Report on the Petroleum Deposit
- (b) Proposed programme of production operation.

11. Name of person lodging the application

Name: (Block Letters).....

Designation:.....

Signature:.....

Dated this day of

<p><u>FOR OFFICE USE ONLY</u></p> <p>Date received:.....</p> <p>Name of officer receiving:.....</p> <p>Date submitted to Board</p> <p>Date approved by Board</p>
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SOLOMON ISLANDS

Application for Renewal of a Petroleum Development Licence
(regulation 14)

TO: The Minister
Honiara, SOLOMON ISLANDS

1. Petroleum Development Licence No:.....

2. Date granted:

3. Name of Applicant

4. Company Registration No:

5. Place and date of incorporation

Date:.....

Place:.....

6. Directors of Equivalent Officers of the Corporation

Name	Occupation	Nationality	Contact Address
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7. Names of person(s) who is the beneficial owner of more than five (5) percentum of the issue share capital

Name	Occupation	Nationality	Contact Address
------	------------	-------------	-----------------

8. Description of block or blocks in which this application is made

Quadrant Ref:

Block No.

9. Duration of renewal period for which the renewal is sought:.....

10. Comprehensive Report on the Petroleum Deposit

11. Fees paid in respect of the Application

Renewal Application fee:

Annual fee:

12. Attach under separate cover the following:

(a)

(b)

(c)

13. Name of person lodging this application

Name:

Position:

Identification No.:

Letter of authorisation (if Agent):

Signature:

FOR OFFICIAL USE ONLY

Date application received:

Receiving Officer: (PRINT NAME)

Date application approved/Refused)

Registry entry reference:

Date submitted to the Board:

SOLOMON ISLANDS

**PETROLEUM PROSPECTING LICENCE
(regulation 8)**

TO BE PREPARED IN TRIPLICATE

No.:

The exclusive right, subject to the provisions of the Petroleum (Exploration) Act, 1987, and all the Regulations made thereunder now in force or which may come into force during the continuance of this Prospecting Licence or any extension thereof is hereby grant to:

Name of Holder:

Registration Place of Business:
.....
.....

to carry out petroleum operations within the blocks described in the First Schedule hereto for a term of six (6) years from the day of, 19, until the day day of, 19 subject also to the conditions in the Second Schedule and the Petroleum Agreement (if applicable) appended here to.

Issued under my hand at Time: Hr
Date:
Place:

.....
MINISTER
Ministry of Energy, Mines & Minerals

FIRST SCHEDULE
(Location and description of the block(s) in relation to the referen
map)

SCHEDULE 2

FEES AND ANNUAL CHARGES

- A. APPLICATION FOR PETROLEUM PROSPECTING LICENCE
- | | | |
|----|---|------------------------------|
| 1. | Application fees | US\$10,000 or its equivalent |
| 2. | Area fees (per graticular block) | |
| | First six years | \$600 per year |
| | Extension Periods | |
| | first year | \$700 |
| | second year | \$800 |
| | third year | \$900 |
| | fourth year | \$1000 |
| 3. | Application for variation of licence area | \$2,000 |
- B. APPLICATION FOR RENEWAL OF A PETROLEUM PROSPECTING LICENCE
- | | | |
|----|-----------------|------------|
| 1. | Application fee | US\$10,000 |
|----|-----------------|------------|
- C. APPLICATION FOR PETROLEUM DEVELOPMENT LICENCE
- | | | |
|----|---------------------------|------------|
| 1. | Application fee: | US\$25,000 |
| 2. | Annual fee | \$350,000 |
| 3. | Application for variation | \$2,000 |
- D. APPLICATION FOR RENEWAL OF A PETROLEUM DEVELOPMENT LICENCE
- | | | |
|----|------------------|------------|
| 1. | Application fee: | US\$50,000 |
|----|------------------|------------|
- E. APPLICATION FOR TRANSFER AND ASSIGNMENT OF A PETROLEUM PROSPECTING AND DEVELOPMENT LICENCE
- F. Tender Application fee \$2,000
- F. INSPECTION AND COPY OF THE REGISTER -