



PETROLEUM AMENDMENT ACT 1991

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Queensland



Petroleum Amendment Act 1991

Act No. 65 of 1991

*An Act to amend the *Petroleum Act 1923**

[Assented to 17 October 1991]

BE IT ENACTED by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Assembly of Queensland in Parliament assembled, and by the authority of the same, as follows.

Short title

1. This Act may be cited as the *Petroleum Amendment Act 1991*.

Commencement

2. Section 4 is taken to have commenced on the date of assent of the *Petroleum Act Amendment Act 1988*.

Amended Act

3. The *Petroleum Act 1923* is amended as set out in this Act.

Amendment of s.4E (Inquiry into transportation charges)

4. Section 4E—
omit 'subparagraph (v) of section 4C(1)', *insert* 'section 4D(1)(a)(v)'.

Amendment of s.5 (Petroleum the property of the Crown)

5. Section 5—
omit 'are and always have', *insert* 'is and always has'.

Amendment of s.8 (Land resumptions)

6. At the beginning of section 8, first sentence—
insert '(1)'.

Amendment of s.9A (Authority to prospect)

7. Section 9A(5)(b)—
omit 'establishing to the satisfaction of the Governor in Council', *insert* 'declaring'.

Amendment of s.28 (Lease to holder of authority to prospect or permittee)

8. Section 28(1)—

omit, insert—

‘**(1)** Subject to subsection (2), a holder of an authority to prospect or permittee may apply to the Minister for the grant to the applicant, or to the applicant and other qualified persons nominated by the applicant, of a lease or leases of such area of land as is reasonably required to develop and produce payable deposits of petroleum within the land the subject of the authority to prospect or permit.

‘**(1A)** If the applicant and any other persons nominated by the applicant are qualified persons and the applicant—

(a) declares that deposits of petroleum that the applicant believes on reasonable grounds to be payable have been discovered within the land the subject of the application; and

(b) lodges with the Minister a proposed program for developing and producing petroleum from any field within the land;

the applicant is entitled to have a lease granted to the applicant and the other persons (if any) nominated by the applicant.

‘**(1B)** On compliance with subsection (1A), the relevant land is taken, for the purposes of subsection (1), to contain payable deposits of petroleum capable of development and production.

‘**(1C)** A lease is to be granted by the Governor in Council.’.

Amendment of s.31 (Form, etc., of lease)

9. Section 31(c)—

omit, insert—

‘(c) be for a term no longer than the period nominated (with reasons for the nomination) by the applicant as an appropriate term for producing in an economically viable way the petroleum from the fields within the land the subject of the lease.’.

Insertion of new s.31A

10. After section 31—

insert—

‘Entitlement to renewal of lease

‘31A.(1) The lessee of a lease who has substantially complied with this Act, and the terms and conditions of the lease, in relation to that lease, at the expiration of the lease, is entitled, subject to subsection (2), to a renewal of the lease.

‘(2) A lessee referred to in subsection (1), before the expiration of the lease, is to—

(a) declare whether deposits of petroleum, that the lessee believes on reasonable grounds to be payable, exist within the land the subject of the lease; and

(b) lodge with the Minister a proposed program for producing petroleum from any field within the land.

(3) The renewed lease must be for a term no longer than the period nominated (with reasons for the nomination) by the lessee as an appropriate term for producing in an economically viable way the petroleum from the fields within the land the subject of the lease.

‘(4) The law relating to the amount and payment of royalties and of rent in force at the time of renewal applies to the renewed lease.’.

Amendment of s.33 (Reservations, conditions and covenants of lease)

11. Section 33 (1)(g)—

omit ‘continuously and’.

Amendment of s.34 (Commencement of drilling)

12.(1) Section 34 (1)(a)—

omit.

(2) Section 34 (1)(b), second sentence—

omit, insert—

‘(ba) The total sum is to be reduced by the value at the wellhead, as agreed or determined under section 40C, of all petroleum produced from the lease in the year.

(bb) Paragraphs (b) and (ba) are complied with in relation to each of the leases that are the subject of a unitisation arrangement under section 41A if those paragraphs are complied with in relation to the leases taken as a whole.’.

(3) Section 34(1)(d)—

omit ‘selling value’, *insert* ‘value at the wellhead’.

Insertion of new s.36

13. After section 35—

insert—

‘Compliance with and modification of program for development and production

‘36.(1) The lessee must comply substantially with the current program for development and production of petroleum lodged with the Minister under section 28(1A)(b), section 31A(2)(b) or subsection (2).

‘(2) The lessee may, from time to time, lodge with the Minister a program in substitution for that program.’.

Insertion of new s.41A

14. After section 41—

insert—

‘Subleases under unitisation arrangements

‘41A.(1) In this section—

“sublease” means a sublease of a lease in relation to the whole or part of the land the subject of the lease, the whole or part of the petroleum produced, or both;

“unitisation arrangement” means an arrangement, acceptable to the Minister, among lessees for the ordered production and sharing of petroleum from the land the subject of the leases and the apportionment of entitlements among the lessees under the arrangement.

‘(2) Where a unitisation arrangement provides for all the parties to the arrangement to acquire by sublease an interest in each of the leases specified in the arrangement—

(a) a lessee may grant a sublease to the parties to the arrangement; and

(b) despite section 41(1), the Minister must consent to the sublease if the parties to the arrangement submit to the Minister a schedule of the interests in the sublease of each party under the arrangement.

‘(3) The schedule of interests must be recorded in the register of petroleum leases and forms part of the relevant sublease.

‘(4) On submission by the parties to a unitisation arrangement to the Minister of a modified schedule of interests in substitution of the schedule recorded in the register, the modified schedule must be recorded in the register and becomes the schedule of interests.

‘(5) Section 41(1) does not apply to a schedule of interests in a sublease submitted under subsection (2)(b) or (4).

‘(6) A sublease under a unitisation arrangement referred to in subsection (2), a schedule of interests and a modified schedule of interests in the sublease are exempt from stamp duty.’.

Amendment of s.42 (Forfeiture of excess holding)

15. At the end of section 42—

insert—

‘(3) Subsection (2)(a) does not apply to a sublease under section 41A.

‘(4) Despite subsection (2), and for the purposes of the *Trade Practices Act 1974* of the Commonwealth, approval and authority are given for the parties to a unitisation arrangement under section 41A to agree or enter into arrangements for petroleum produced under the unitisation arrangement to be sold or disposed of on common terms or at a common price to the same

or different purchasers.’.

Amendment of s.45 (Refineries and pipe-lines)

16.(1) Section 45(3)—

after paragraph (aa), *insert*—

‘(ab) Despite anything in this subsection, the parties to a unitisation arrangement, on application by the parties or by any party for and on behalf of the parties, are entitled to the grant of a licence relating to a pipeline that under the arrangement is the part of a petroleum gathering system outside the leased land to which the arrangement applies.

(ac) In paragraphs (ab) and (b), unitisation arrangement has the meaning defined by section 41A(1).’.

(2) Section 45(3)(b), first paragraph—

add at the beginning, ‘Unless the Minister otherwise approves’.

(3) Section 45(3)(b)—

after first paragraph, *add*—

‘The condition does not apply to the extent that a part of a petroleum gathering system under a unitisation arrangement is outside the leased land to which the arrangement applies.’.

(4) Section 45(3)(e)—

omit ‘(the Governor in Council having by Order in Council declared that the licence is subject to such express condition)’.

Amendment of s.56 (Right to mine for other minerals)

17. Section 56—

omit ‘produce’, *insert* ‘produced’.