

MALAYSIA-THAILAND JOINT AUTHORITY ACT 1990

MALAYSIA-THAI JOINT AUTHORITY

(STANDARDS OF PETROLEUM OPERATIONS) (AMENDMENT) REGULATIONS 2003

In exercise of the powers conferred by section 15 of the Malaysia-Thailand Joint Authority Act 1990 [Act 440], the Minister, after consultation with the Joint Authority and with approval of the Governments, makes the following regulations:

Citation

1. These regulations may be cited as the **Malaysia-Thailand Joint Authority (Standards of Petroleum Operations) (Amendment) Regulations 2003**. **New regulation 19A**

2. The Malaysia-Thailand Joint Authority (Standards of Petroleum Operations) Regulations 1997 [P.U. (A) 207/1997], which are referred to as the “principal Regulations” in these Regulations, are amended by inserting after regulation 19 the following regulation:

19A. (1) The Contractor shall ensure that any petroleum offloading operations are safely carried out in compliance with good petroleum industry practice, acceptable to the Joint Authority.

(2) Any offshore installation or floating storage and offloading facilities shall at all times be maintained in good operating conditions and periodically be certified by an internationally recognized certifying body.

(3) The Contractor shall have a contingency plan to be implemented in the event of any major accident or emergency during any petroleum offloading operations and the contingency plan shall be updated and reviewed from time to time by the Contractor.

(4) The Contractor shall ensure that its representative, agent and employee working offshore are familiar with and trained to implement such contingency plan.”

New Parts VI, VII and VIII

3. The principal Regulations are amended by inserting after Part V the following parts:

PART VI

PRODUCTION

21. (1) Before conducting any petroleum production activities in any Contract Area according to the Work Programme and Budget that has received approval of the Joint Authority pursuant to the production sharing contract, the Contractor shall, in advance and in any case not less than one month, submit in writing to the Joint Authority for review and approval, sufficient information on such activity which shall include—

- (a) method of development and production plan;
- (b) location of offshore installation;
- (c) name and contact address of the Contractor's agent; and
- (d) essential details concerning development and petroleum production activities.

(2) The Joint Authority may direct the Contractor to submit further information on any petroleum production activities as it may deem necessary and the contractor shall comply with such direction.

22. (1) The Contractor shall take the necessary precautions to prevent any excessive burning, flaring or venting of petroleum to the atmosphere, except any burning, flaring or venting for safety or technical consideration relating to production activities.

(2) No burning, flaring or venting of excessive amount of petroleum shall be carried out by the Contractor except with the prior approval of the Joint Authority.

23. For efficient and economic exploitation of petroleum resources, the Contractor shall take all necessary measures in accordance with good petroleum industry practice, acceptable to the Joint Authority to—

- (a) conserve petroleum; and
- (b) prevent wastage of petroleum, formation damage, water coning or gas gasping in petroleum reservoir.

24. (1) The Contractor shall install a suitable metering system approved by the Joint Authority for measuring the quantity of petroleum to be sold.

(2) The Contractor shall obtain the approval of the Joint Authority in respect of the location of the metering system or any charge thereof.

(3) Any installation of such metering system, method of measurement, periodical calibration and maintenance of such system shall be in accordance with good petroleum industry practice, acceptable to the Joint Authority.

(4) The Contractor shall not allow any quantity of petroleum to be sold to bypass the metering system, unless in case of an emergency involving safety of production operations or with prior approval of the joint Authority.

25. (1) The Contractor shall at all times maintain all facilities, structures and pipelines within the Contract Area in a good operating condition in accordance with good petroleum industry practice, acceptable to the Joint Authority.

(2) The Contractor shall ensure that there is a scheduled maintenance plan for all facilities, structures and pipelines, and that its workers perform maintenance in accordance with such plan.

26. Before proceeding to convert a production well to a utility well, including but not limited to an injection well, a disposal well, a sidetrack well, the Contractor shall submit in writing the reasons and procedure to the Joint Authority for such conversion for approval.

PART VII

POLLUTION PREVENTION

27. The contractor shall take all necessary precautions, in accordance with good petroleum industry practice acceptable to the Joint Authority, to prevent spilling of toxic fluids or toxic chemicals, that may be used or produced during the production process, into the atmosphere or sea in the vicinity of the Contract Area.

PART VIII

REMOVAL, DISPOSAL, DECOMMISSIONING OR SALVAGE

28. The Contractor shall, in accordance with good petroleum industry practice acceptable to the Joint Authority, be responsible for carrying out all necessary works in connection with any removal, proper disposal, decommissioning or salvage of platforms or any other offshore installations, including any artificial structures and wellhead equipment, which is deemed by the Joint Authority to be unusable or no longer required for future operations; and the Contractor shall submit to the

Joint Authority for approval detailed work plan for the removal, disposal, decommissioning or salvage.”.

Made 11 September 2003

[UPE(R) 40/277/13 Jld. 37; PN(PU2)520/II]

DR. MAHATHIR BIN MOHAMAD

Prime Minister