

LEGAL NOTICE No. 137

REPUBLIC OF TRINIDAD AND TOBAGO

THE PETROLEUM ACT, CHAP. 62:01

REGULATIONS

MADE BY THE PRESIDENT UNDER SECTION 29 OF THE PETROLEUM ACT

THE PETROLEUM (AMENDMENT) REGULATIONS, 1989

1. These Regulations may be cited as the Petroleum (Amendment) Citation Regulations, 1989.

2. The Petroleum Regulations are amended as follows—

Chap. 62:01
Regulations
amended

(a) in regulation 13, by renumbering subregulation (4) as subregulation (6) and by substituting for subregulation (3) the following subregulations—

“(3) The initial term for which an Exploration and Production (Public Petroleum Rights) Licence is granted shall be six years.

(4) The Minister, on being satisfied that continued exploration will enhance the identification and evaluation of the country's petroleum reserves and on considering it to be in the public interest may extend the initial term granted under subregulation (3) for such period as he considers necessary.

(5) The licence may be renewed for a term which, in the discretion of the Minister, may not exceed twenty-five years in the light of the circumstances then prevailing, as to a part of the original area as hereinafter provided on application by the licensee not less than one hundred and eighty days before the expiry of the term referred to in subregulation (3) or (4) as the case may be.”;

(b) in regulation 14, by substituting for subregulation (1), the following—

“(1) Where a licensee notifies the Minister at least two years before the end of the term provided under regulation 13(5), of his desire further to renew the licence it shall be extended for five years in accordance with the terms which shall be laid down by the President, in the light of the circumstances then prevailing.”;

(c) in regulation 17, by substituting for subregulation (1), the following—

“(1) Subject to regulation 18, in the case of an Exploration and Production (Public Petroleum Rights) Licence, the licensed area shall be reduced to fifty per cent, not later than the end of the sixth year from the effective date, in accordance with this regulation and the part of the original area not surrendered may be further reduced in the manner specified in the licence.”;

- (d) in regulation 45(1), by inserting after the words "bankers guarantee" occurring in line three, the words "or in such other form";
- (e) in regulation 52, by substituting for the word "refining" occurring in line three, the words "refining and disposal";
- (f) in regulation 61, by substituting for subregulation (2), the following subregulation—

“ (2) The basis for determining the value of petroleum for the purposes of calculating royalty payments in cash shall be arrived at by agreement between the Minister and the licensee on terms specified in the licence by adopting the criteria specified in regulations 66 to 69 inclusive.”;

- (g) in regulation 64(4), by inserting the words "or for which further terms of disposal have not been agreed upon" after the words "subregulation (3)" occurring in line two;
- (h) by inserting after regulation 67, a new regulation as follows—

“Calculation of
field storage
value

67A. (1) For licences to be issued after the commencement of the Petroleum (Amendment) Regulations, 1989, the field storage value of crude oil and natural gasoline to be fixed respectively under regulations 66(1) and 67(1) shall be calculated by using international market prices of selected reference crudes which are similar in quality and which are widely traded at an arms length basis.

(2) In determining the field storage value under subregulation (1) consideration shall be given to the following—

- (a) the transportation differential between the cost of transporting to the price-setting market, the reference crudes and the crude to be valued;
- (b) interest charges on the value of the inventory intransit, in determining the transportation costs;
- (c) such other circumstances prevailing at the time of issue of the licence.”;
- (i) in regulation 78(1), by substituting the words "two hundred thousand dollars" for the words "one hundred thousand dollars" occurring in lines two and three of clause (b).

Dated this 14th day of August, 1989.

K. BOSWELL INNISS
Secretary to Cabinet