

CHAPTER 225

PETROLEUM REGULATIONS

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SCHEDULE

CHAPTER 225

PETROLEUM REGULATIONS

(Sections 15, 21, 33, and 40)

112 of 1992.
Act 8 of 1991.

[29th August, 1992.]

PART I

PRELIMINARY

1. These Regulations may be cited as the Short title.

PETROLEUM REGULATIONS

2. In these Regulations, unless the context otherwise requires - Interpretation.

“commercial discovery” means a discovery of petroleum which can be produced commercially, based on consideration of all pertinent technical and financial data according to generally accepted practices in the international petroleum industry;

“development and production operations” means operations for or in connection with the production of petroleum;

“drilling” means operations for or in connection with the perforation of the earth’s surface, whether the hole is vertical, inclined or horizontal, and includes all operations for preventing the hole from becoming filled by extraneous materials (including water) and the fitting of wellheads, or coring or logging, and any operations incidental thereto;

“effective date” means the date of the contract between the Government of Belize and the contractor;

“exploration operations” means operations for or in connection with exploration for petroleum;

“field” means an area, as determined pursuant to the terms of a contract, in which a commercial discovery of petroleum has been made;

“Inspector of petroleum” means the Inspector of petroleum appointed under section 4 of the Act;

“well” means any opening in the ground made or being made by drilling or boring, or in any other manner, in connection with exploration operations or development and production operation, other than a seismic hole.

PART II

BLOCKS

Constitution of
blocks.
8 of 1991.

3. (1) The Universal Transverse Mercatorial Zone 16, Clark 1886 spheroid, hereinafter referred to as UTM grid, shall be used to establish the blocks referred to in section 15 of the Petroleum Act.

(2) Each block shall be bounded by the lines of a UTM grid spaces at 10 kilometer intervals.

(3) Each block shall be divided into 25 sub-blocks by reference to a UTM grid spaced at 2 kilometer intervals.

(4) Where a portion of the UTM grid contains land inside Belize and land outside Belize, only that portion of the land in Belize shall constitute a block for purposes of these Regulations.

PART III**BIDS**

4. (1) Any individual or corporation intending to carry out activities relating to petroleum operations shall apply to the Minister in writing and every application shall include *inter alia*, the following information: Applications.

(a) the name, address and nationality of the applicant;

(b) where the applicant is a corporation:

(i) the applicant's place of registration or incorporation, its principal place of business, its board of directors and senior management, the domicile and nationality of the members of the board of directors and its capital structure,

(ii) the form of organization of the applicant, including information concerning the bidder's relationship with its parent company, if any, and other affiliated companies, and

(iii) the financial structure of the applicant and its parent company, if any, including annual reports, audited balance sheets and profit and loss statements for the past three years, and any reports which the applicant or its parent company may have filled with government agencies responsible for securities regulation during that period;

- (c) the manner in which exploration and development activities would be financed if the application is successful and how performance would be guaranteed; and
- (d) the applicant's previous experience in petroleum exploration, development, production, refining and marketing.

(2) Where, an application is submitted by a group of two or more persons, the information referred to in sub-regulation (1) above shall be submitted for each person and the group shall designate one person as the negotiator.

(3) Where, following the submission of the information referred to in sub-regulation (1) above, but prior to the selection of the successful applicant, there has been any change in the information so submitted, the applicant shall forthwith inform the Minister, specifying all particulars of the change.

Additional
Information to
be furnished.

5. (1) Each application shall also include *inter alia*, the following:
- (a) a description of the block or blocks applied for, and if the application is made in respect of more than one block, the priority assigned to each block;
 - (b) a detailed description of the exploration programme proposed for the block or blocks applied for;
 - (c) the minimum work and expenditure obligations to be undertaken during the exploration period;
 - (d) proposals with respect to the training of nationals

of Belize and expenditures to be incurred therefor;

- (e) proposals with respect to the sharing of net revenues or production between the applicant, and the Government; and
- (f) such other matters as may be required by the Minister or which the applicant wishes the Minister to consider.

(2) Additional information on all matters referred to in the preceding sub-regulation shall be promptly supplied by the applicant, if so requested by the Minister at any time after the application has been received.

6. The following shall be the criteria for the evaluation of all applications and selection of applicants for negotiations:

Selection
criteria.

- (a) the technical competence and experience of the bidder with respect to petroleum operations;
- (b) the financial resources available to the applicant to fulfil the petroleum exploration, development and production obligations under a contract;
- (c) the extent to which the applicant will provide advanced technology and skills to the Belizean petroleum industry, and
- (d) the specific contents of the application.

7. No rights of any kind shall be created in favour of any applicant by virtue of the submission of a bid proposal and the Minister reserves the right to accept or reject any or all of the application without assigning any reason therefor.

Rejection of
application.

PART IV**PETROLEUM OPERATIONS**

Exploration operations.

8. The exploration operations shall include geological studies, geochemical studies, geophysical studies, aerial mapping, seismic surveys, investigations relating to the subsurface geology including structure test drilling, stratigraphic test drilling, drilling of exploration and appraisal wells, and other related activities such as surveying, drill site preparation and all work necessarily connected therewith, that is conducted in connection with petroleum exploration.

Exploration period.

9. (1) The exploration period shall comprise –

(a) an initial period not exceeding two years in duration; and

(b) upon renewal in the prescribed manner, three further periods each not exceeding two years in duration:

Provided that each period may be further extended to permit the completion of a well which was commenced before the end of such period, and provided further that the final period may be further extended to appraise a discovery of petroleum. In the case of an extension to permit the appraisal of a discovery the extension shall apply to the discovery area only, the contractor shall perform such additional work as the Minister, after consultation with the contractor, may specify and the extension period shall be:

- (i) one year on land;
- (ii) up to two years, one year at a time, in waters of up to 200 meter in depth;

- (iii) up to three years, one year at a time, in waters of more than 200 meter in depth;

(2) A contractor may, not later than ninety days prior to the expiration of the then current exploration period, apply to the Minister for a renewal of the initial period or of the first or subsequent renewal periods, referred to in sub-regulation (1) of this Regulation.

(3) An application for a renewal shall be made in writing to the Minister and shall be accompanied by:

- (a) Particulars of the work carried out and the amount expended in the contract area during the initial period, or, where the application is for a second or subsequent extension to the initial period, during the preceding period of extension, up to and including the date of application; and
- (b) proposals concerning the work to be carried out and the amount to be expended during the period of extension for which application is made; and
- (c) such other matters as may be required under the contract or which the contractor may wish the Minister to consider.

(4) The Minister shall grant a renewal where –

- (a) the contractor has fulfilled all his obligations under the contract for the then current period; and
- (b) the proposals accompanying the application pursuant to sub-regulation (2) (b) in respect of work and expenditure for the period of extension are

consistent with his commitments therefor under the contract.

Development and production operations.

10. (I) In the event that a discovery of petroleum is made in a contract area which the contractor considers to be commercial, the contractor shall, prior to the commencement of development and production operations, submit to the Minister the following:

- (a) a description and map of the area containing such discovery which the contractor proposes to delineate as a field defined by reference to the UTM grid;
- (b) a detailed report accompanied by supporting data and all analyses and interpretations thereof, which demonstrates that the area described in paragraph (a) above contains alone or in conjunction with other areas, as the case may be, a commercial discovery;
- (c) full information as to the contractor's current financial status, technical competence and experience;
- (d) detailed proposals for the construction, establishment and operation of all facilities and services for and incidental to the development, extraction, production, storage, transportation, sale and other disposal of petroleum, and a proposed time table for the commencement of petroleum production;
- (e) a detailed forecast of capital investment requirements, operating costs and sales revenues

and the anticipated type and source of financing;
and

- (f) such other matters as may be required under the contract or as the Minister may reasonably require, including, without limitation, an environmental impact statement environmental protection plan.

(2) No development and production operations may be commenced by a contractor unless –

- (a) the proposals of the contractor referred to in sub-regulation (1) above ensure the most efficient, beneficial and timely use of the petroleum resources concerned, consistent with accepted practices in the international petroleum industry;
- (b) the contractor has adequate financial resources, technical and industrial competence and experience to effective development and production operations; and
- (c) the contractor has fulfilled his obligations under the contract and is willing and able to comply with the terms and conditions of the contract thereafter.

11. (1) The development and production period shall start from the date of declaration of the commercial discovery. The initial term of development and production period for each field shall be for twenty five (25) years.

Development
and production
period.

(2) A contractor may, not later than one (1) year prior to the expiration of the then current development and production period, apply to the Minister for an extension to the initial term referred to in sub-regulation (1) of this Regulation.

(3) An application for an extension shall be made in writing to the Minister and shall be accompanied by:

- (a) a complete and up-to-date detailed report on the total production, sale and other disposal of petroleum from the field(s);
- (b) a complete and up-to-date detailed report on the actual revenues generated, royalties, taxes and other fees paid to the Government;
- (c) a detailed forecast of production rates, reserve estimates, economic feasibility, number of years for which the extension is applied for; and
- (d) such other matters as may be required under the contract or as the Minister may reasonably require.

(4) The Minister shall grant an extension where –

- (a) the contractor has fulfilled all his obligations under the current development and production period; and
- (b) the proposals accompanying the application pursuant to sub-regulation (3) (c) of this Regulation are consistent with his commitments to continue production.

Mandatory and voluntary relinquishment.

12. (1) A contractor shall, at such times and in such manner as may be provided in the contract, relinquish such part or parts of the contract area as provided therein and shall notify the Minister in writing not less than ninety days prior to the effective date of any such relinquishment of –

-
- (a) the description of the part or parts of the contract area to be relinquished; and
 - (b) the description of the remaining contract area.

(2) A contractor may, at such times and in such manner as may be provided in the contract, relinquish all or any part of the contract area by giving to the Minister not less than ninety days' notice and shall, in the case of a relinquishment of part or parts of the contract area, include –

- (a) a description of the part or parts to be relinquished; and
- (b) a description of the remaining contract area.

(3) The description of any area relinquished, or of the contract area remaining following such relinquishment, as referred to in sub-regulations (1) and (2) above shall be made by reference to the UTM grid.

(4) Any notice of relinquishment given pursuant to sub-regulations (1) or (2) above shall be accompanied by –

- (a) full particulars of the petroleum operations carried out in the area to be relinquished;
- (b) an undertaking by the contractor that, prior to the effective date of such relinquishment, he shall carry out all clean-up operations and render the area safe and in a condition which is in accordance with accepted practices in the international petroleum industry; and
- (c) such other information as the Minister may reasonably require.

(5) Where the entire contract area is relinquished pursuant to this regulation, the contract relating thereto shall terminate.

Transfers and assignments.

13. (1) An application for approval to assign, encumber or transfer any contract, or any rights or obligations arising out of a contract, shall be made in writing to the Minister, and every such application shall include –

- (a) the name and nationality of the proposed assignee or transferee, and, in the case of a corporate assignee or transferee, the place of its incorporation and principal place of business;
- (b) evidence of the proposed assignee's or transferee's technical and financial ability to assume and undertake the work obligations and other commitments set forth in the contract concerned;
- (c) an unconditional written undertaking by the assignee or transferee to assume all the obligations assigned and transferred by the transferor or assignor under the contract; and
- (d) such other particulars as the Minister may reasonably require.

(2) In addition to any information required under sub-regulation (1) above the contractor may be requested, before the application is disposed of, to submit further relevant information within a specified reasonable time, and where such further information is not supplied within the time specified, the application shall be deemed to have been withdrawn.

(3) The assignment, encumbrance or transfer of any contract or interest therein shall not affect any liability of the transferor or assignor incurred before the date upon which such assignment, encumbrance or transfer takes effect, nor, unless a contract otherwise provides, shall it relieve the transferor or assignor from liability for the performance by the transferee or assignee of the obligations undertaken by the transferor or assignor at the time the contract was entered into.

PART V

WORK PRACTICES

14. (1) Every contractor shall, in carrying out petroleum operations, always act in accordance with generally accepted practices in the international petroleum industry.

Work practices and directions.

(2) Where the Minister considers that a contractor has not acted in accordance with such practices and in particular, with the conservation and work practices as provided for in section 24 of the Act, he may notify such contractor in writing accordingly and require him to show cause, within such reasonable time as the Minister shall specify, why he has failed to act in accordance with such practices.

(3) Where, within the time specified in any notice issued under sub-regulation (2) above, the contractor fails to satisfy the Minister that he has acted in accordance with such practices or that his failure to so act is justified, the Minister may direct the contractor to take such steps as may be necessary to ensure compliance therewith.

(4) Any contractor who fails to comply with a direction given under sub-regulation (3) above, commits an offence and is liable on summary conviction to a fine not exceeding US\$5,000.

(5) Where proceedings are instituted for an offence under sub-regulation (4) above, it shall be a sufficient defence if the contractor satisfies the court that he forthwith took all reasonable steps in accordance with accepted practices in the international petroleum industry to comply with such direction

(6) Where a contractor fails to comply with a direction to him under sub-regulation (3) above, the Minister may cause to be done all or any of the things required by such direction.

(7) Any cost or expenses reasonably incurred by the Minister under sub-regulation (6) above shall be a debt due to the Government by the contractor to whom the direction was given and shall be paid into the Consolidated Fund.

(8) Nothing in this regulation or in any direction given thereunder shall be construed as requiring any contractor to do anything which is not, or to refrain from doing anything which is, in accordance with generally accepted practices in the international petroleum industry.

Environment
and pollution
control.

15. (1) The Minister shall appoint an environmental pollution control board to ensure that all petroleum operations comply with the requirements of environmental standards and the relevant laws of Belize at an appropriate time as he deems fit.

(2) The Minister may provide in a contract such reasonable considerations for establishment of a common fund to which the contractor(s) would contribute, to be held in trust and managed for the sole purpose of indemnification against any or all environmental damage(s) caused during petroleum operations.

(3) Nothing contained in sub-regulation (2) above shall be construed to relieve a contractor from his obligations of indemnification as set out in his contract.

16. (1) Every contractor shall ensure that his well design and conduct of drilling operations, including his casing, cementing, well spacing, plugging operations, etc. are in accordance with generally accepted practices in the international petroleum industry.

Drilling
practices and
abandonment.

(2) Every well shall be identified by a geographic name, number and geographic co-ordinates which shall be shown on maps, plans and similar records which a contractor is required to keep and the Minister shall at once be notified in writing of any change of the name of a well.

(3) Before commencing any work on or drilling any well, or recommencing work on any well on which work has been discontinued for more than six months, a contractor shall give the Minister seven days' notice in writing of his intention and such notice shall include:

- (a) the official name and number of the well;
- (b) a description of its precise location by reference to geographical co-ordinates;
- (c) a detailed report on the drilling technique to be employed, an estimate of the time to be taken and depth objective, the material to be used, and the safety measures to be employed, in the drilling of the well; and
- (d) a summary of the geological and geophysical data, and any interpretations thereof, upon which the contractor made his decision to drill the well in the particular location.

(4) Where any work or drilling relating to any well is discontinued for a period exceeding thirty days, a contractor shall notify the Minister in writing to that effect.

(5) Before recommencing any work on or drilling, with respect to any well on which work has been discontinued for more than thirty days but for less than six months, a contractor shall give forty-eight hours notice in writing of his intention to do so.

(6) Except with the approval of the Minister, no contractor shall drill a well from any surface area within the contract area which is less than five hundred meters from a boundary of such contract area.

(7) No well shall be drilled from within a contract area through any vertical boundary of such contract area.

(8) A directional well drilled under a contract area from a surface location on nearby land not within such contract area shall be deemed to have the same effect for all purposes of the Act as a well drilled from a surface location within such contract area and, in such circumstances, the production of petroleum from the contract area through a directional well surfaced on nearby land, or drilling or reworking of any such directional well shall be considered production, drilling or reworking operations, as the case may be, in the contract area.

(9) Nothing contained in sub-regulation (8) above shall be construed to grant to a contractor any leasehold interest, license, easement, right-of-way or other right which such contractor is required to acquire under the Act or any other written law.

(10) Before abandoning any well, the contractor shall give in the case of a producing well, not less than thirty days, and, in the case of any other well, not less than twenty-four hours' written notice to the Minister of his intention to abandon and such notice shall be accompanied by a satisfactory programme for the abandonment and plugging of the well identified in the notice.

(11) Subject to the terms and conditions of a contract, a contractor may, upon the expiration of the relevant period of notice or upon receipt by the contractor of the written approval of the Minister of the programme submitted pursuant to the preceding sub-regulation, whichever is earlier, commence the abandonment operations in relation to such well:

Provided that in all cases –

- (i) the contractor shall undertake to securely plug such well to prevent pollution and possible damage to the deposit, and shall, except as the Minister may otherwise direct or his contract may otherwise provide, remove all equipment materials and facilities relating thereto;
- (ii) cemented strings or other forms of casing shall not be withdrawn without the prior written approval of the Minister; and
- (iii) the contractor shall permit a representative of the Government to observe such operations.

17. (1) Each contractor shall, prior to commencing the construction, alteration or operation of a pipeline, pumping station, storage facility or any other related facilities for the conveyance or storage of petroleum from a contract area, apply in writing to the Minister for authorization.

Construction of pipelines and related facilities.

(2) The written application submitted pursuant to sub-regulation (1) above shall be accompanied by particulars of -

- (a) the proposed design and construction of the pipeline, pumping station, storage facility or other related

facilities;

- (b) the proposed work programme and budget and the technical and financial resources available to the contractor for the construction, alteration or operation of the pipeline, pumping station, storage facility or any other related facilities; and
- (c) the proposed route to be followed by the pipeline and the location of any pumping station, storage facility or other related facilities to be constructed, altered or operated.

(3) Subject to any conditions which may have been agreed in a contract and the provisions of sub-regulation (4) below and upon receipt of the Minister's written approval, a contractor may commence the construction, alteration or operation of the pipeline, pumping station, storage facility or related facilities.

(4) Nothing contained in this regulation is intended, or shall be construed, to grant any leasehold interest, license, easement, right-of-way or other right which the contractor is required to acquire lawfully under the Act or any other written law.

Measurement.

18. (1) Each contractor shall supply, operate and maintain equipment for measuring the volume and quality of any petroleum produced and saved pursuant to his contract, including gravity, density, temperature and pressure measuring devices and any other devices that may be required, and all such equipment and devices shall, prior to their installation or usage be approved by the Inspector and following such installation or usage shall not be replaced or altered without the prior approval of the Inspector.

(2) Measurement equipment and devices shall be available for inspection and testing at all reasonable times by the Inspector or any person

duly authorized by him:

Provided that any such inspection or testing shall not interfere with the normal operation of the facilities involved.

(3) Each contractor shall measure the volume and quality of the petroleum produced and saved pursuant to his contract, consistent with generally accepted practices in the international petroleum industry, with the frequency and according to procedures which shall be approved by the Minister.

(4) Each contractor shall give to the Minister timely notice of his intention to conduct measuring operations and the Minister shall have the right to be present at and supervise, either directly or through authorized persons, such operations.

(5) Where it is determined, following an inspection or test carried out by an authorized person, that the equipment, devices or procedures used for measurement are inaccurate and exceed the permissible tolerances approved under sub-regulation (1) of this Regulation which shall be established by prior approval to the installation and usage of such equipment, devices or procedures, and such determination is verified by an independent surveyor acceptable to the Minister and the contractor, such inaccuracy shall be deemed to have existed for one-half of the period since the last such inspection or test, unless it is proved that the inaccuracy has been in existence for a longer or shorter period, and appropriate adjustments covering such period shall be made within thirty days from date of such determination.

PART VI

RETURNS, RECORDS, PLANS, ETC.

19. (1) Every contractor shall, prior to the commencement of petroleum operations, or recommencement of petroleum operations which have been discontinued for a period exceeding ninety days, give the Minister not less than

Notice of
Commencement.

forty-eight hours' notice in writing of his intention to commence or recommence such operations.

(2) Any notice given pursuant to sub-regulation (1) above shall include the name and address of the local resident manager under whose supervision such operations are to be carried out.

Quarterly reports.

20. (1) Every contractor shall submit to the Inspector, on or before the 30th day of January, April, July and October, a report in respect of the preceding quarter containing or showing –

- (a) a description of the results of all petroleum operations carried out by the contractor;
- (b) in the case of exploration operations, a summary of all geological and geophysical work carried out by the contractor, including a summary of all drilling activities;
- (c) a list of maps, reports and other geological and geophysical data prepared by, or on behalf of, the contractor in respect of the period concerned;
- (d) in the case development and production operations, the gross volume and quality of all petroleum produced, saved, sold or otherwise disposed of from his contract area, the consideration accrued or received the quantity disposed of and identity of the person to whom such quantity was disposed, and the balance of stocks on hand at the end of the period concerned;
- (e) the average number of persons employed in Belize, in terms of nationals of Belize and expatriate

personnel, in connection with the petroleum operations carried out;

- (f) the sums disbursed in Belize in respect of wages, overtime, allowances or other emoluments or benefits;
- (g) the sums disbursed in Belize and externally, for the purchase of fuels, stores, foodstuffs or other materials, equipment or, services;
- (h) the total operating and capital expenditures incurred, both in Belize and externally, in respect of the petroleum operations carried out, determined in accordance with his contract; and
- (i) any other relevant information which may be required by his contract or which the Minister may reasonably require.

(2) With respect to paragraphs (f), (g) and (h) of sub-regulation

(1) above, when the precise amount is not ascertainable by the date upon which the report is due, figures which are the best possible approximation shall be given.

21. Every contractor shall submit to the Minister, on the anniversary of the effective date of the contract of each year, a complete programme of work to be carried out during the following year, together with a detailed budget of the expenditures to be incurred.

Annual work programme.

22. On or before the 31st day of March of each year, every contractor shall submit to the Minister an annual report in respect of the preceding year containing –

Annual report.

- (a) the information required by sub-regulation (1) (a) to (i) of Regulation 20 for the entire year;
- (b) estimates (if available) of economically recoverable reserves of crude oil and natural gas at the end of the year concerned; and
- (c)
 - (i) the boundaries of the contract area,
 - (ii) the total surface area of the contract area in acres,
 - (iii) the location of any wells drilled by the contractor during that year, and
 - (iv) the location or routing of any platforms, pipelines and similar permanent installations.

Periodic reports. 23. (1) During the conduct of drilling operations, every contractor shall be required to submit daily drilling reports to the Inspector describing the progress and results of such operations.

(2) Every contractor shall within one hundred and eighty days of the completion of any survey, test or drilling operations, or, in the case of data that cannot reasonably be obtained or compiled in that period, as soon as possible thereafter, submit to the Inspector the following data including any interpretations thereof:

- (a) geological data including –
 - (i) surface/subsurface maps of the area explored,

-
- (ii) stratigraphic data, including measured stratigraphic surface sections, lithological groups, information relating to the porosity and the permeability of petroleum, bearing zones,
 - (iii) lithologic and/or paleontologic samples, and
 - (iv) summary reports of the geological data including references to the survey and processing techniques utilized;
- (b) geophysical data including –
- (i) seismic data, including –
 - (A) shot point and elevation maps,
 - (B) interpretive contour maps on critical or outstanding mapping horizons,
 - (C) seismic record sections, and
 - (D) summary reports of the seismic data including references to the survey and processing techniques utilized,
 - (E) copy of seismic tapes,
 - (ii) gravimetric data, including-
 - (A) observed gravity value contour maps and any derivative maps,

- (B) gravimetric survey notes, and
 - (C) summary reports of the gravimetric data including references to the survey and processing techniques utilized,
 - (D) recorded gravity values,
- (iii) magnetic data, including –
- (A) station and/or flight line base maps
 - (B) total intensity value maps and any derivative maps, and
 - (C) summary reports of the magnetic data including references to the survey and processing techniques utilized,
 - (D) recorded magnetic values;
- (c) completion reports including –
- (i) engineering data,
 - (ii) geological data,
 - (iii) drill stem/production test results,
 - (iv) all wireline logs (at recommended scales of 1:1000, 1:500 and 1:200),

- (v) samples and sample descriptions, and
- (vi) core samples, core descriptions and laboratory analyses of the same; and
- (d) such other data as the Minister may, by written notice to the contractor, reasonably require him to so submit;
- (e) confidentiality of the data acquired during the terms of the contract and the time limit on the contractor to vest all the original data to the State of Belize.

24. (1) Every contractor shall, in respect of his contract area, keep at his registered office in Belize, accurate records containing full particulars of the following matters:

Records,
accounts, etc.
to be
maintained.

- (a) the drilling, operation, deepening, 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;
- (f) accurate geological maps and plans, geophysical records representative geological samples and test

results, and all interpretations thereof, and

- (g) such other matters as may be provided in his contract or as the Minister may reasonably require by notice in writing to the contractor.

(2) Every contractor shall keep at his registered office in Belize accurate accounts containing full particulars of the following:

- (a) the gross quantity of any crude oil and natural gas produced and saved from the contract area;
- (b) the grades and gravity of any crude oil produced and the composition of any natural gas produced;
- (c) any quantities of crude oil, natural gas and sulphur, in any form, or any other minerals, gases, liquids or solids disposed of by way of sale or otherwise, the consideration received, the quantity disposed of and the name and address of the person or company to whom any such quantity was disposed;
- (d) the quantity of crude oil, natural gas and other liquids or gases injected into a formation;
- (e) the quantity of crude oil and natural gas consumed for drilling and other development and production operations (other than quantities reported under paragraph (d) above and consumed in pumping to field storage, refineries in Belize or the point of export;
- (f) the quantity of crude oil refined by or for the

contractor in Belize;

- (g) the quantity of natural gas treated in Belize by him or on his behalf for the removal of liquids and liquified petroleum gases and the quantity of butane, propane and any other liquids, gases or any other solids obtained;
- (h) the quantity of natural gas flared; and
- (i) such further information as may be required by his contract or as the Minister may reasonably require.

25. Prior to the termination of a contract, or upon the relinquishment of any part of a contract area, the contractor shall forthwith submit to the Minister, in relation to the contract area or part thereof, copies of –

Final reports.

- (a) all records including technical and financial which the contractor maintained pursuant to this Part;
- (b) all plans or maps of such area which were prepared by or on behalf of the contractor;
- (c) all tapes, diagrams, profiles and charts which were so prepared; and
- (d) such other documents or materials as the Minister may, by notice given to the contractor, reasonably require the contractor to so submit.

26. The Minister may, on application made to him in writing by a contractor, by notice in writing, dispense with or modify any of the requirements of regulations 19 to 24 to the extent and on such conditions as may be stated in the notice.

Modification of duties.

Confidentiality. 27. (1) All returns, reports, plans and other information submitted under these Regulations shall be treated as confidential by the Government and shall not, unless otherwise provided in a contract, be disclosed to third persons prior to the relinquishment of the area to which they relate or prior to the end of the exploration period if such area is not sooner relinquished:

Provided that –

- (a) any surface geological maps and interpretations may be utilized at any time by the Government departments concerned for incorporation into official maps;
- (b) annual statistical information may be published at any time by the Government in a form which does not disclose the operations of any particular contractor; and
- (c) the Government may make such returns, reports, plans, data and other information available at any time to professional consultants, legal counsel, accountants, underwriters, lenders and such Government entities as may need to be made aware thereof.

(2) No contractor shall, unless otherwise provided in a contract, disclose any returns, reports, plans, data, records and other information compiled, received, maintained or submitted pursuant to these Regulations or the terms and conditions of contract without the prior written approval of the Minister

Provided that –

- (a) a contractor may make such returns, reports,

plans, records and other information available, without the approval of the Minister, to professional consultants, legal counsel, accountants, underwriters, lenders, companies in which a contractor maintains a controlling interest and such Government entities as may need to be made aware thereof or have the right to require such disclosure; and

- (b) any disclosure made by a contractor to third parties pursuant to this sub-regulation shall only be made on terms which ensure that the information so disclosed is treated as confidential by the recipient.

28. (1) Any authorized person may at all reasonable times –

Power of entry
and inspection.

- (a) enter any area, building, structure, vehicle, vessel or aircraft or examine or have examined by a qualified person any machinery or equipment, which has been, is being or is to be, used in connection with petroleum operations;
- (b) take or remove samples of petroleum, water or other substances for the purpose of testing or analysis;
- (c) inspect, make copies of or take extracts from, any document, book or data relating to petroleum operations; and
- (d) make such examinations and enquiries and carry out such functions as may be necessary to ensure that the provision of the Act or the terms and conditions of a contract are being complied with.

(2) Where there is a person present who is or appears to be in charge of the area, building, structure, vehicle, vessel, aircraft, machinery, equipment or matter or thing in respect of which any of the powers under sub-regulation (1) above are to be exercised, any authorized person shall, before exercising any such power, identify himself to that first mentioned person and shall, if so requested by that person, produce evidence of his authority.

(3) In exercising his power under sub-regulation (1) above, an authorized person shall not unduly interfere with any petroleum operations being carried out.

(4) Any person who is an occupier or person in charge of an area, building or structure, or the person in charge of any vehicle, vessel, aircraft, machinery, equipment or matter or thing referred to in sub-regulation (1) above shall provide the authorized person with all reasonable facilities and assistance for the effective exercise of his functions under these regulations.

PART VII

FINANCIAL PROVISIONS

Fees and rentals Schedule. 29. (1) The fees and surface rentals set out in the Schedule shall be payable in respect of the matters specified therein.

(2) All annual fees and surface rentals payable under these regulations shall be paid into the Consolidated Fund of Belize in advance and without demand.

Royalty Schedule. 30. (1) A royalty or production payment shall be payable at the rates prescribed in Part II of the Schedule in respect of the annual gross production of—

(a) crude oil produced and saved in each year from a contract area, and

(b) natural gas produced, saved and sold in each year from a contract area.

(2) The royalty due shall be payable within thirty days of the end of each quarter.

31. (1) Subject to sub-paragraph (2) below the Petroleum (Production) Oil Mining Regulations are hereby revoked. Transitional.

(2) Notwithstanding sub-paragraph (1) above where any person holds any licence granted or renewed under the Petroleum (Production) Act 1937 to the extent that there is an inconsistency between the provisions of the Petroleum (Production) Oil Mining Regulations and these Regulations, the provisions of the Petroleum (Production) Oil Mining Regulations shall prevail. CAP. 184 R.E. 1980 - 1990. Sub-leg. Vol. 111 P.R. 1613

MADE by the Minister of Natural Resources this 18th August, 1992.

(FLORENCIO MARIN)
Minister of Natural Resources

SCHEDULE

[Regulations 29 and 30]

Fees and Surface Rentals

1.	Fees for inspection of the Register:	US\$
-	for general research and examination of the Register	5.00
-	for the supply of a copy of any entry on the Register	10.00
2.	Surface rentals:	
-	annual surface rentals for a contract area during the exploration period, per acre:	
	Years 1 and 2	\$ 0.10
	Years 3 and 4	0.15
	Years 5 and 6	0.20
	Years 7 and 8	0.40
-	annual surface rentals for the surface area of a field, per acre:	\$5.00

-
3. Administrative fees:
- application fee \$100.00
 - annual administration fee \$10,000.00

PART II

Royalty or Production Payment

1. Crude Oil:

At a rate of not less than 7.5% (seven and one-half percent) of the well head value.

2. Natural Gas:

At a rate of not less than 5% (five percent) of the wellhead value.

Note:

“Wellhead value” for the purpose of this Part means the net realized price received by a contractor at the point of export or other agreed delivery point from the sale or other disposition of crude oil or natural gas, as the case may be, less such costs as the Minister may reasonably allow in respect of handling and transportation from wellhead to such point of export or other agreed point of delivery.