

PETROLEUM ACT
B.E. 2514

Bhumibol Adulyadej P.R.
Given on the 26th Day of March, B.E. 2514
Being the 26th Year of the Present Reign.

Section 1. This Act shall be called the "**Petroleum Act, B.E.2514**".

Section 2. This Act shall come into force on the day following the date of its publication in the Government Gazette.

Section 3. Those provisions of all other laws, regulations and rules in so far as they are stipulated herein or are contrary to or inconsistent with the provisions hereof shall be replaced hereby.

Division 1 : General Provisions

Section 4. In this Act,

"petroleum operation" means the exploration, production, storage, transport, sale, or disposal of petroleum;

"petroleum" means crude oil, natural gas, natural gas liquid, by-products and other naturally occurring hydrocarbons in a free state, whether solid, semi-solid, liquid or gaseous, and it shall include all heavy hydrocarbons which can be recovered in situ by thermal or chemical processes, but shall not include coal, oil shale or other kinds of rocks from which oil can be extracted by application of heat or chemical process;

"crude oil" means crude mineral oil, asphalt, ozokerite, and all kinds of naturally occurring hydrocarbons and bitumens, whether solid, semisolid, or liquid;

"exported crude oil" means the crude oil which the concessionaire exports or sells to other persons for export, and also includes the crude oil refined in Thailand, which has been used in obtaining the refined products that are exported under Section 89 (1);

"natural gas" means all kinds of gaseous hydrocarbons, whether wet or dry, produced from oil or gas wells; and also includes the residue gas remaining after the extraction of liquid hydrocarbons or by-products from wet gas;

"natural gas liquid" means liquid or high vapor pressure hydrocarbons produced with or extracted from natural gas;

"by-products" means helium, carbon dioxide, sulphur, and other substances obtained from petroleum production;

"to explore" means to undertake standard practices in searching for petroleum by employing geological, geophysical, and other surveys; and also includes to undertake drilling for stratigraphic tests in order to determine the existence of petroleum and its extent, to define the boundaries of petroleum reservoirs or to obtain other essential data which are necessary to petroleum production;

"to produce" means to undertake any operation in order to obtain petroleum from its reservoirs; and also includes to employ any process other than refining and petrochemical operation in order to render petroleum in saleable or disposable forms;

"to store" means to undertake any operation in order to gather and keep in stock the petroleum produced by the concessionaire;

"to transport" means to undertake any operation in order to move the petroleum produced by the concessionaire from production fields to storage places; points of sale or disposal, points of purchase, and points of export; and also includes to move such petroleum between the said points and places;

"sale" includes exchange and transfer with consideration;

"disposal" or "disposed" means delivery of crude oil to a refinery or a storage place for the purpose of refining the concessionaire's crude oil, appropriation of petroleum for use in any activity of the concessionaire without sale, or transfer of petroleum without consideration;

"market price" means the price in an open market or, in the absence of an open market price, means a price which would be charged between persons acting independently without relationship in capital or management;

"posted price" means the price posted under Section 59;

"exploration block" means a territory defined for petroleum explorations;

"production area" means a territory defined for petroleum production;

"Thailand" includes also the areas of the continental shelf over which the Kingdom of Thailand has jurisdiction under the generally recognized principles of international laws and under compacts made with foreign governments;

"company" means a limited company and any juristic person of status equivalent to a limited company, whether incorporated under Thai or foreign law;

"Committee" means the Petroleum Committee;

"competent officers" means those who have been appointed by the Minister to execute this Act;

"Director-General" means the Director-General of the Department of Mineral Resources;

"Minister" means the Minister who has the care and charge of this Act.

('Crude oil' 'exported crude oil' 'to produce' and 'disposal' repealed. See the amended version in Section 3 of the Petroleum Act (No. 4), B.E. 2532.)

Section 5. This Act shall have effect on any conduct of petroleum operations undertaken anywhere in Thailand.

Section 6. This Act shall have no effect upon those ministries, agencies, and departments in so far as their own petroleum operations are concerned; but if any of them produces petroleum from a commercial field, the provisions in Division 7 on Royalty shall apply.

Section 7. No one shall destroy, alter, move, take out or let loose such boundary marks delineating exploration blocks or production areas, or such bench marks, both of which have been established, erected or planted by the competent officers, except with a written permission from the Director-General.

Section 8. Documents or instructions addressed to any person for the purpose of execution of this Act may be delivered personally between sunrise and sunset or during working hours of the addressee, or by registered post.

If through any circumstance delivery cannot be made in the manner prescribed under paragraph 1 hereof, such documents or instructions may be delivered by posting them at a conspicuous spot on the door of the house, office, domicile, or place of residence of the addressee, or by advertising their summary in newspapers.

In the event that such delivery has been made in the manner prescribed in paragraph 2 hereof and seven days have elapsed, such documents or instructions shall be deemed received.

Section 9. In the execution of his duties, the competent officer shall have the power to:

- (1) enter upon the places where petroleum operation is conducted and into the office of the concessionaire during office hours for the purpose of inspecting the petroleum operation and determining mining whether it is being carried out in compliance with the concession and with the provisions of this Act;
- (2) give a written instruction to the concessionaire to refrain from any performance which may cause damage to persons or to properties of other persons;
- (3) take, in reasonable quantities for test samples of the petroleum, rocks, soils, and other substances obtained from petroleum exploration or production.

The concessionaire shall have the right to appeal to the Director-General against the instruction of the competent officer given under sub-paragraph (2) hereof within seven days from the date of receipt of such instruction; and the decision of the Director-General shall be treated as final.

The appeal against the instruction of the competent officer made under paragraph 2 hereof shall not constitute cause to defer the compliance with the instruction unless the Director-General finds it appropriate to allow the deferring of the compliance with such instruction.

Section 10. The competent officer shall have an identity card in a form prescribed under the Ministerial Regulation.

Section 11. The competent officer shall be the officer-designate under the Criminal Code.

Section 12. In the event that the concessionaire violates or fails to this Act, and such violation or failure causes damage to the public or causes any public body to take measure in preventing or making good such damage, the concessionaire shall pay compensation for such damage and shall reimburse the expenses incurred through such measure in the amount of money determined by the Minister; and this, however, shall not exclude the right of the injured parties to claim compensation from the concessionaire due to such wrongful acts.

Section 13. The rights to hold the concession shall not be subjected to the execution of judgement.

Section 14. The Minister of National Development shall have the care and charge of this Act and shall have the power to appoint competent officers and to issue the Ministerial Regulations:

- (1) prescribing rules and procedures in conducting petroleum exploration, production, and conservation operations;
- (2) prescribing safety zones and marks in the vicinity of installations and devices which are employed in petroleum exploration and production operations;
- (3) prescribing measures in according care and protection to workers and safety to outsiders;

- (4) prescribing fees not exceeding the rates listed in an appendix of this Act;
- (5) prescribing other matters for the purpose of execution of this Act.

Such Ministerial Regulations shall come into effect upon their publication in the Government Gazette.

Division 2 : Petroleum Committee

Section 15. There shall be a committee called the "Petroleum Committee" which shall consist of the Under-Secretary of State for National Development as Chairman, Director-General of the Department of Mineral Resources, Director-General of the Land Department, Director-General of the Fishery Department, Director-General of the Forestry Department, Director-General of the Revenue Department, Representative of the Ministry of Defence, Representative of the Ministry of Finance, Representative of the Ministry of Industry, and other persons not exceeding six in number which the Council of Ministers may appoint, as members.

Not less than half of the persons appointed by the Council of Ministers under paragraph 1 hereof shall not be officials from the same Government agencies as those ex-officio members.

The Committee may appoint any member or an outsider as Secretary to the Committee.

Section 16. The Committee shall have such power and duties as stipulated in this Act, and it shall have a duty to render consultation, advice and opinions to the Minister in the following matters:

- (1) awarding concessions;
- (2) renewing the petroleum exploration period;
- (3) renewing the petroleum production period;
- (4) extending the term of the concession;
- (5) permitting the concessionaire to have other companies co-venture in his petroleum operations;
- (6) permitting the transfer of concessions;
- (7) revoking concessions;
- (8) requiring the concessionaire to supply petroleum for domestic consumption;
- (9) prohibiting the export of petroleum;
- (10) requiring the concessionaire to pay royalty in kind;
- (11) receiving payments of royalty in foreign currency;
- (12) other matters which the Minister may assign.

Section 17. Those members appointed by the Council of Ministers shall hold office for a term of three years.

In case where such appointment, whether it be appointment of an additional member or of a new member to fill the vacancy made by an appointed member, is made during the term of office of appointed members, the member so appointed shall hold office for the remaining term of the appointed members.

A member who has retired from his office may be re-appointed.

Section 18. Apart from retirement upon an expiration of the term of office under paragraph 1 of Section 17, a member appointed by the Council of Ministers shall vacate his office upon:

- (1) decease;
- (2) resignation;
- (3) being dismissed by the Council of Ministers;
- (4) being adjudged incompetent or quasi-incompetent;
- (5) being convicted and sentenced by a final judgement to imprisonment , except for a petty offence or that committed by negligence.

Section 19. At any meeting of the Committee, attendance of not less than one half of the total membership shall be required to constitute a quorum.

In the event that the Chairman is absent from the meeting or unable to perform his functions, the members present shall elect one among themselves to be Chairman in that meeting.

Section 20. Any decision of the meeting shall be taken by a majority of votes.

Each member shall have one vote in casting votes. In the event of a tie in voting the Chairman shall cast one extra vote to reach a decision.

Section 21. In the execution of its duties, the Committee is empowered to appoint a sub-committee to act upon or to review any matter which is under the term of reference of the Committee, and also to invite any person for his presence to furnish information, explanation, advice or opinion.

The provisions of Section 19 and Section 20 shall apply to a meeting of the Sub-Committee.

Division 3 : Petroleum Exploration and Production

Section 22. The Minister with the approval of the Council of Ministers shall have the power to:

- (1) award concession under Section 23;
- (2) award a renewal of the petroleum exploration period under Section 25;
- (3) award a renewal of the petroleum production period under Section 26;
- (4) permit the concessionaire to have other companies co-venture in his petroleum operations under Section 47;
- (5) grant permission for the transfer of a concession under Section 50.

Section 23. Petroleum belongs to the State; and no person shall explore for or produce petroleum in any area, whether such area is owned by him or by other persons, except by virtue of a concession. The application for concessions shall be in accordance with the rules, procedures and conditions prescribed in the Ministerial Regulation.

The form of the concession shall be as prescribed in the Ministerial Regulation.

Section 24. An eligible applicant shall:

- (1) be a company or companies, and
- (2) command assets, machinery, equipment, tools and specialists to such extent that he shall be capable to explore for, produce, sell and dispose of petroleum.

In the event that the applicant does not possess all the qualifications under sub-paragraph (2) hereof, it shall be required to have another company which the Government finds reliable and which possesses all qualifications under sub-paragraph (2) hereof and which has relationship in capital or management with the applicant, guarantee that such company shall make available to the applicant assets, machinery, equipment, tools and specialists to such extent that the applicant shall be capable to explore for, produce, sell and dispose of petroleum.

Section 25. The petroleum exploration period under any concession shall not exceed eight years from the date of the concession.

If the concessionaire has been complying with all provisions of his concession and submitted an application for a renewal of his petroleum exploration period not less than six months prior to the termination of such period, he shall be entitled to one renewal of his petroleum exploration period of

not exceeding four years under expenditure and or physical work obligations to be agreed upon. However, the concessionaire, who initially has applied for the petroleum exploration period of not exceeding five years, shall have no right for any renewal of his petroleum exploration period.

Section 26. The petroleum production period under any concession shall not exceed thirty years from the day following the date of termination of the petroleum exploration period, notwithstanding any petroleum production undertaken during the petroleum exploration period.

If the concessionaire has been complying with all provisions of his concession and submitted an application for a renewal of his petroleum production period not less than six months prior to the termination of the petroleum production period, he shall be entitled to one renewal of his petroleum production period of not exceeding ten years on terms, obligations and conditions generally prevalent at that time.

Section 27. In the event that a major portion of petroleum exploration or production or, in so far as it affects petroleum exploration or production, storage or transportation of petroleum in any exploration block has been interrupted substantially through force majeure, if the concessionaire desires an extension of the term of his concession, he shall inform the Department of Mineral Resources within seven days from the date of his knowledge of such force majeure; and in such event the Minister shall extend the term of the concession in respect of that exploration block for a period equivalent to such duration of time for which the concessionaire is able to prove that the petroleum exploration or production has been interrupted through such force majeure.

Section 28. In awarding a concession, the Minister shall have the power to award to each applicant not more than four exploration blocks; but in the case that the Minister considers appropriate, the Minister may award to such applicant one more exploration block; provided, however, that the aggregate areas of such exploration blocks shall not exceed 50,000 square kilometers.

The applicant shall define each exploration block under his application, which is not in offshore areas, in accordance with the rules prescribed by the Department of Mineral Resources, and the area of such exploration block shall not exceed 10,000 square kilometers.

The area of an offshore exploration block shall include the areas of those islands located therein, and it shall be in accordance with the delineation made by the Department of Mineral Resources as published in the Government Gazette.

Section 29. For the purpose of defining exploration blocks and production areas, the Director-General shall have the power to order the competent officer to undertake a demarcation survey or a relocation survey.

Section 30. The concessionaire shall perform his obligations in petroleum exploration, both in the amount of expenditure and in the amount of work, as set out in his concession.

Section 31. In determining the obligations under Section 30, the term of the petroleum exploration period shall be divided into three following obligation periods:

The First obligation Period shall be the first three years of the term of the petroleum exploration period or, in the event that the term, of the petroleum exploration period is less than three years, such term of the petroleum exploration period as stipulated in the concession.

The Second obligation Period shall be the remaining petroleum exploration period after the First obligation Period.

The Third obligation Period, if the petroleum exploration period has been renewed, shall be the period of the renewal of such petroleum exploration period.

In the event of an extension of the term of the concession under Section 27 in any obligation period, such obligation period shall be extended for an equal period of time to such extension of the term of the concession.

Section 32. At the end of each obligation period under Section 31, or in the event of relinquishment of whole exploration blocks during the First obligation Period, if the concessionaire has not fulfilled his obligations in petroleum exploration as set out in his concession for any exploration block, the concessionaire shall pay to the Department of Mineral Resources the unspent residue of his exploration obligations for that obligation period within thirty days from the date of the termination of the said obligation period, or the date of such relinquishment, whichever the case may be.

Section 33. The obligation in petroleum exploration for any exploration block shall not be transferable to and aggregated with the obligation of another exploration block, except with justifiable grounds and with the approval of the Council of Ministers.

Section 34. In conducting petroleum exploration within any exploration block in any obligation period, if the concessionaire has expended or worked in excess of the obligations in petroleum exploration for such exploration block in that obligation period, he shall be entitled to deduct such excess from his obligations in petroleum exploration for the exploration block in the subsequent obligation period.

Section 35. In the event of the revocation of the concession in the First obligation Period, if the concessionaire has not fulfilled his obligations in petroleum exploration as set out in his concession, the concessionaire shall pay to the Department of Mineral Resources the unspent residue of his exploration obligations for that obligation period within thirty days from the date on which the notice of the revocation becomes effective.

Section 36. Subject to Section 45, the concessionaire shall relinquish the area of each of the exploration blocks in accordance with the following rules:

- (1) at the end of the fifth year from the date of commencement of the petroleum exploration period, the concessionaire shall be obliged to relinquish fifty per cent of the area of that exploration block;
- (2) at the end of the petroleum exploration period and such petroleum exploration period is not renewed, the concessionaire shall be obliged to relinquish the area remaining from subparagraph (1) hereof;
- (3) at the end of the petroleum exploration period and such petroleum exploration period has been renewed, the concessionaire shall relinquish a further twenty-five per cent of the area of that exploration block;
- (4) at the end of the renewed petroleum exploration period, the concessionaire shall be obliged to relinquish all the remaining area.

For purpose of calculating the area to be relinquished hereunder, the production areas shall at first be deducted from the area of that exploration block, and any relinquishment required hereunder shall be made in accordance with the rules and regulations prescribed by the Department of Mineral Resources.

In the event that the concessionaire fails to comply with paragraph 1 hereof, the Department of Mineral Resources, in lieu of the concessionaire, shall define the areas to be relinquished, and when the concessionaire has been informed, such defined areas shall be deemed the areas to be relinquished hereunder.

Section 37. Subject to Sections 38, 39, and 40 the concessionaire shall be entitled at any time to relinquish the whole or parts of any exploration block.

The relinquishment under paragraph 1 hereof shall be counted towards the relinquishment under Section 36.

The rules and regulations prescribed under paragraph 2 of Section 36 shall apply in relinquishing parts of the exploration block hereunder.

Section 38. The concessionaire, who exercises his right in relinquishing the whole or parts of any exploration block during the First obligation Period, shall not be entitled to a reduction in his petroleum exploration obligations for that exploration block in the First obligation Period. In the event of the relinquishment of any whole exploration block during the First obligation Period under paragraph 1 hereof, the concessionaire shall be released from the petroleum exploration obligations for that particular exploration block in the subsequent obligation periods.

Section 39. In the event that the concessionaire exercises his right to relinquish areas of exploration blocks during the Second or Third obligation Period, if such relinquishment is for the total remaining area of any exploration block, the concessionaire shall be released from all his outstanding petroleum exploration obligation for that particular exploration block.

Section 40. In the event that the concessionaire exercises his right in relinquishing a part or parts of his exploration block between the beginning of the fourth year and the end of the fifth year from the date on which his petroleum exploration period in that particular exploration block commenced, if the aggregate of the areas so relinquished does not exceed that required to be relinquished under Section 36, the concessionaire shall not be entitled to a reduction in his petroleum exploration obligations for the particular exploration block in the obligation period during which he exercises his right of relinquishment. If, however, the aggregate of the areas so relinquished exceeds that required to be relinquished under Section 36, the concessionaire shall be entitled to a reduction in his outstanding petroleum exploration obligations for that particular exploration block in the obligation period during which he exercises his right of relinquishment in proportion to the ratio which such excess of the aggregate of the areas so relinquished over that required to be relinquished under Section 36, bears to the total area which the concessionaire has been holding in that exploration block before that particular relinquishment takes effect, less the area required to be relinquished under Section 36, or the ratio which the time remaining in that particular obligation period bears to the total duration of that obligation period, whichever ratio is smaller.

After having relinquished the area of the exploration block in accordance with Section 36, if the concessionaire exercises his right in relinquishing a part or parts of his exploration block after the end of the fifth year from the date on which his petroleum exploration period in that particular exploration block commenced, the concessionaire shall be entitled to a reduction in his outstanding petroleum exploration obligations for that particular exploration block in the obligation period during which he exercises his right of relinquishment in proportion to the ratio which the aggregate of the areas so relinquished bears to the total area which the concessionaire would be holding should he not exercise his right of relinquishment at that particular time; or the ratio which the time remaining in that particular obligation period bears to the total duration of that obligation period, whichever ratio is smaller.

Section 41. During the petroleum exploration period, the concessionaire may produce petroleum.

Section 42. Before producing petroleum from any place in an exploration block, the concessionaire shall demonstrate that a commercial well has been found and a production area has been correctly defined; and he may produce petroleum from such production area when concurrence has been given by the Director-General with the approval of the Minister.

The determination of whether a well is commercial and the definition of a production area shall be made in accordance with the rules and procedures prescribed in the Ministerial Regulation.

Section 43. During the petroleum exploration period, if in any obligation period the concessionaire develops a petroleum field in any exploration block, the concessionaire shall be entitled to count his development expenditure against his petroleum exploration obligations for that particular exploration block in that obligation period.

Section 44. At the end of the petroleum exploration period, if the concessionaire is unable to demonstrate that a commercial well has been found in any exploration block or he fails to define a production area under Section 42, his concession in respect of such exploration block shall be deemed expired.

Section 45. At the end of the petroleum exploration period in any exploration block in which the concessionaire has obtained the right to produce petroleum, the concessionaire shall be entitled to reserve areas in that exploration block to an aggregate amount of not exceeding twelve and one half percent of the initial area of that exploration block till the petroleum production period terminates or till the concessionaire relinquishes such reserved areas prior to the termination of such period; and the concessionaire shall have the right to explore for petroleum in the areas thus reserved. In reserving the areas under paragraph 1 hereof, the concessionaire shall pay annual reservation fees in advance, and such reservation shall be made in accordance with the rules, procedures and conditions prescribed in the Ministerial Regulation. In the event that the concessionaire discovers petroleum within his reserved areas and desires to produce such petroleum, the provision of Section 42 shall apply.

Section 46. The concessionaire, who has paid his surface reservation fees for any year, shall be entitled to receive a refund of the surface reservation fees for that year in the amount equivalent to the petroleum exploration expenditure spent in that year within the reserved areas; provided, however, that such refund shall not exceed the surface reservation fees paid. Application for a refund of the surface reservation fees shall be in accordance with the rules, procedures and conditions prescribed in the Ministerial Regulation.

Section 47. The concessionaire may have other companies co-venture in his petroleum operations under the concession when he has obtained permission from the Minister; and in such case each co-venturer shall pay royalty, income tax and other moneys and shall perform his own obligations in connection with the petroleum operations.

Every co-venturer shall be responsible jointly and severally in the performance under the concession and under this Act, however, each co-venturer shall not be responsible in the payment of income tax under the laws on petroleum income tax for another co-venturer.

In case where any co-venturer fails to pay the income tax which is due to him, the Minister shall inform all the other co-venturers by written notice of such failure, and if such failure has not been rectified within ninety days from the date of receiving the notice, it may also be deemed another ground for revocation.

Section 48. The concessionaire shall hold the right to transfer his concession in whole or in respect of any particular exploration block, production area, or reserved area, to another company without applying for permission in the following cases:

- (1) the concessionaire company holds in the transferee company more than fifty per cent of its share of voting rights;
- (2) the transferee company holds in the concessionaire company more than fifty per cent of its share of voting rights;
- (3) a third company holds both in the concessionaire company and in the transferee company more than fifty per cent of their shares of voting rights.

The concessionaire shall notify the Minister in writing of the transfer under paragraph 1 hereof and at the same time furnish evidences showing that such transfer has been in compliance with the provisions hereof, and the concessionaire shall also designate in that written notification the date on which such transfer shall become effective.

Section 49. The transferor company and the transferee company under Section 48 shall be responsible jointly and severally in the performance under that concession and under this Act.

Section 50. Save as provided in Section 48, the concessionaire may transfer his concession in whole or in respect of any particular exploration block, production area, or reserved area to another company only when he has obtained permission from the Minister.

The transferee company under paragraph 1 hereof shall possess the qualifications prescribed in Section 24 , and the number and the aggregate areas of the exploration blocks being held together with those to be held by the transferee company shall not exceed those prescribed in paragraph 1 of Section 28.

Section 51. The Minister shall have the power to revoke the concession when the concessionaire:

- (1) fails to perform his obligations in petroleum exploration;
- (2) fails to comply with good petroleum industry practice;
- (3) fails to pay royalty;
- (4) fails to pay income tax; or
- (5) violates or fails to comply with the provisions set out in the concession as the grounds for revocation.

Section 52. When a circumstance which is a ground for revocation has occurred and such circumstance in the Minister's opinion can be rectified, the Minister shall inform the concessionaire of such circumstance by a written notice and require the concessionaire to rectify the circumstance within a period of time which the Minister deems reasonable. If the concessionaire with justifiable grounds cannot rectify the circumstance within such period of time, he shall, not less than seven days prior to the termination of such period, apply for an extension of that period for the length of time he deems necessary; and in the event that the Minister considers appropriate, the Minister shall have the power to grant the extension for a length of time not exceeding that which the concessionaire has applied for the extension. If the concessionaire fails to rectify it within the specified period of time or cannot rectify it within the extended period, the Minister shall then issue without delay an order of revocation.

In the event that a circumstance which is a ground for revocation has occurred and such circumstance in the Minister's opinion cannot be rectified, the Minister shall issue an order of revocation without acting under paragraph 1 hereof.

The order of revocation shall become effective after thirty days from the date on which the concessionaire received such order, unless the concessionaire shall proceed in accordance with Section 53.

Section 53. Any dispute in connection with the Minister's instruction requiring the concessionaire to rectify a circumstance which is a ground for revocation under Section 52 , and any dispute as to the question whether the provisions of the concession have been complied with, if it cannot be settled, shall be referred to arbitration in accordance with the procedures set out in the concession.

In the event that the concessionaire has refused to comply with any arbitration decision or has failed to comply with any arbitration decision within the designated period of time, the Minister shall have the power to revoke all or parts of the rights and benefits of the concessionaire or to revoke the concession.

Division 4 : Storage and Transport of Petroleum

Section 54. The concessionaire shall hold the right to store and transport petroleum.

Storage and transport of petroleum shall be in accordance with those provisions set out in the concession.

Section 55. In case of emergency, the competent officer or the concessionaire shall have the power to pass through or enter upon any land or places owned by any person for the purpose of inspecting, repairing or maintaining petroleum pipelines at all times; provided that the owner or the person who holds the right to occupy such land or places shall be informed as soon as possible of such passage or entry.

If such passage or entry under paragraph 1 hereof has caused damage, the owner, person who holds the right to occupy or person who holds any other right upon such land or places shall be entitled to demand a compensation from the competent officer or from the concessionaire; and if a settlement cannot be reached as to the amount of compensation, such difference shall be assessed by reference to arbitration through having the provisions of the Civil Procedure Code applied to the

Division 5 : Sale and Disposal of Petroleum

Section 56. Subject to the provisions of this Division, the concessionaire shall hold the right to sell and dispose of the petroleum which he produces.

Section 57. In selling the crude oil produced for consumption in Thailand, the concessionaire shall sell it at the following prices:

(1) in the event that no concessionaire has been exporting regularly the crude oil produced in Thailand, a price which does not exceed that of imported crude oil delivered to refineries in Thailand;

(2) in the event that a concessionaire or concessionaires have been exporting regularly the crude oil produced in Thailand, a price which does not exceed the average realized price on the crude oil exported by all concessionaires in the preceding calendar month, and in such event the Director-General may require the concessionaire to supply him with necessary evidences regarding the prices realized at the points of export;

(3) in the event that the total amount of all the crude oil produced in Thailand is equal to or more than ten times of the total demand in Thailand, a price which shall bring a reasonable profit, with due regard to comparable arrangements in substantial crude oil producing countries.

Determination of the prices under this Section shall be made with due regard to differences in the qualities, transportation costs, and all relevant circumstances.

Section 58. In selling the natural gas produced for consumption in Thailand, the concessionaire shall sell it at the following prices:

(1) a price which has been agreed upon between the concessionaire and the Committee with the approval of the Minister, that shall not exceed the average price of natural gas exported, provided that due regard shall also be given to differences in the qualities and in transportation costs;

(2) in the event that the total amount of all the natural gas produced in Thailand is more than the total demand in Thailand, a price which shall bring a reasonable profit, with due regard to all relevant circumstances and comparable arrangements in substantial natural-gas producing countries.

Section 59. Before exporting crude oil, except exporting it for analyses or tests, the concessionaire shall post the F.O.B. price at any relevant point of export according to its grade, gravity and quality. The price posted under paragraph 1 hereof shall be established and varied from time to time, by the most up-to-date method of quality valuation, giving due regard to the posted price of comparable crude oil in the Persian Gulf, geographical locations of the point of export and the point of purchase, including market outlets and transportation costs.

Section 60. When the Minister considers appropriate, the concessionaires may be required to supply petroleum of suitable quality for the purpose of having an adequate supply of petroleum for the demand in Thailand at the prices specified in Section 57 , and each concessionaire shall be required to supply such petroleum in the ratio that his petroleum production bears to total petroleum production in Thailand as shown in the past six months.

In case where the Minister required the concessionaire to pay royalty in kind under Section 83 on the unexported petroleum, and such royalty petroleum in kind was later on exported, the concessionaire shall not be required under paragraph 1 hereof to replace its equivalent.

In requiring the concessionaires to supply petroleum under paragraph 1 hereof, the Minister shall inform the concessionaires of such requirement by prior written notices of not less than three months by designating the first month, and also the last month if the Minister so desires, of such supply; and in the event that the Minister has not designated the last month of the said supply, the Minister shall terminate the supply only when the concessionaires have been informed of such termination by prior written notice of not less than three months.

Section 61. In the case where it is necessary for the purpose of national security, or in order to ensure an adequate supply of petroleum to meet domestic demand, the Minister shall have the power to issue a Ministerial Announcement prohibiting temporarily the export of all or part of the petroleum produced by the concessionaires, or prohibiting temporarily such export to any specific destination. In the event that the Minister issues a Ministerial Announcement prohibiting the export of part of the petroleum produced by the concessionaires, the Minister shall prohibit such export on pro rata basis based on the quantities of all the petroleum produced in Thailand during the preceding six-month period.

The Ministerial Announcement issued under this Section shall be published in the Government Gazette.

Section 62. In case where the prohibition of the export of petroleum is enforced for the purpose of having an adequate supply of petroleum for the demand in Thailand under Section 61, the Minister shall, on a request of the concessionaire, make such arrangement that there shall be buyers for the petroleum thus prohibited from export at the prices set out under Section 57 or Section 58, as the case may be

Division 6 : Benefits, Rights and Duties of the Concessionaire

Section 63. The award of a concession under this Act shall not rule out the right to award concessions or permits under other laws in respect of the exploitation of any natural resource other than petroleum.

Section 64. The concessionaire shall receive the following guarantees:

(1) save the deliveries of the concessionaire's properties to the State under the provisions of concession, the State shall not nationalize the concessionaire's properties and his rights to conduct petroleum operations;

(2) the State shall not restrict the export of petroleum except in the circumstances under Section 61.

Section 65. For the purpose of conducting petroleum operations, the Committee shall hold the power to permit the concessionaire to own land to such extent as it is necessary for the petroleum operations, even in excess of the limit permissible under other laws.

The concessionaire may transfer his ownership on the land acquired under paragraph 1 hereof upon receiving permission from the Committee.

The Director-General shall inform the concessionaire of the permission given by the Committee under this Section by a written notice.

Section 66. The concessionaire shall hold the right to conduct petroleum operations within the exploration blocks and production areas under his concession, and, in the event that the concessionaire requires any land located within his exploration block or production area for his petroleum operations or any land located beyond his exploration blocks or production areas for storage or transport of his petroleum, where a person or a Government's agency owns or holds the right to occupy or has the care and charge of such land under the laws, the concessionaire shall proceed as follows:

(1) in case where such land is the public domain which is not being used by the public, the concessionaire shall have the right to enter upon or pass through it and to erect upon it any structure without applying for permission and without payment of compensation;

(2) in case where a Government's agency owns or holds the right to occupy or has the care and charge of such land under the laws, the concessionaire shall apply for permission to that Government's agency;

(3) in case where a person owns or holds the right to occupy such land, the concessionaire shall make arrangements with that person.

Section 67. In the event that the concessionaire finds it necessary, for the purpose of exploring for petroleum, to enter into and upon a portion of land which a person owns or holds the right to occupy, the concessionaire shall seek a prior permission from the owner or the holder of the right to occupy such land.

If the owner or the holder of the right to occupy such land under paragraph 1 hereof refuses to grant the permission and, in the competent officer's opinion, it is necessary to enter into and upon such land for the purpose of exploring for petroleum and such refusal is without justifiable grounds, the concessionaire may enter into and explore for petroleum upon such land under the supervision of the competent officer when the competent officer has given to the owner or the holder of the right to occupy such land a prior notice of not less than seven days that such entry shall be made for the purpose of petroleum exploration upon such land.

If such an entry under paragraph 2 hereof has caused damage, the owner, the holder of the right to occupy or the holder of any other right upon such land shall be entitled to demand a compensation from the concessionaire; and if a settlement cannot be reached as to the amount of compensation, such difference shall be assessed by reference to arbitration through having the provisions of the Civil Procedure Code applied to this case.

Section 68. When it is necessary to acquire an immovable property for the purpose of conducting petroleum operations, proceedings in expropriation shall be taken under the law on expropriation of immovable properties.

Section 69. Subject to the laws on immigration in so far as it is not otherwise provided herein, the concessionaire and those contractors who have made firm contracts directly with the concessionaire shall hold the right to bring into Thailand skilled workers or specialists, including their spouses and dependent children, who are aliens, for the purpose of his petroleum operations in such number and for such period as the Committee has issued orders which it deems appropriate, irrespective of whether it is in excess of the quotas and the duration of stay provided by the laws on immigration.

The concessionaire shall have the right to appeal to the Minister against the order of the Committee within thirty days from the date of receipt of such order, and the decision of the Minister shall be treated as final.

Section 70. The concessionaire and those contractors who have made firm contracts directly with the concessionaire shall have the right to bring into Thailand machinery, equipment, tools structures, transport vehicles, accessories, spare parts and other materials which are to be used in the petroleum operations free of import duty under the law on customs tariff and free of business taxes under the Revenue Code; provided, however, that the said goods shall be those on which the Committee has issued orders of the approval that they are necessary for the conduct of petroleum operations.

The concessionaire shall have the right to appeal to the Minister against the order of the Committee within thirty days from the date of his receiving such order.

Section 71. In the conduct of petroleum operations, the concessionaire shall be exempted from payment of all kinds of taxes, duties, and levies due to central, local and municipal administrations except the following:

- (1) income tax under the law on petroleum income tax;
- (2) timber royalty, forest improvement fees and other fees under the laws on forestry and on national reserved forests;
- (3) royalty and fees under this Act;
- (4) fees for services rendered under other laws.

Section 72. For the purpose of the conservation of petroleum resources or of good petroleum industry practice, in case where concessionaires have their production areas covering the same petroleum reservoir, the Minister shall have the power to require such concessionaires to produce petroleum under the unit operation

Section 73. If historical objects, fossils, economic minerals, or those minerals which are of significant value in geological studies are discovered in the conduct of his petroleum exploration or production operations, the concessionaire shall report such discovery to the Department of Mineral Resources within thirty days from the date of the discovery.

Section 74. In conducting petroleum operations in offshore areas, the concessionaire shall not cause any unjustifiable interference with navigation, aviation, the conservation of the living resources of the sea, or scientific researches; and the concessionaire shall not undertake any operation which hinders the laying of submarine cables or pipelines or causes damage to the submarine cables or pipelines.

Section 75. In conducting petroleum operations, the concessionaire shall take appropriate measures in accordance with good petroleum industry practice to prevent pollution of any place by oil, mud or any other substance.

In the event that pollution of any place by oil, mud or any other substance results from the concessionaire's petroleum operations, the concessionaire shall take immediate action to combat such pollution.

Section 76. The concessionaire shall submit progress reports of his petroleum operations to the Department of Mineral Resources in accordance with the rules and procedures prescribed by the Department of Mineral Resources.

The reports under paragraph 1 hereof shall be treated as confidential and shall not be disclosed till the close of two years from the date of expiry or revocation, as the case may be, of the concession, except in the following circumstances.

- (1) such disclosure is to be made in the performance of the Government's service to the government's

agencies or persons who have duties to perform in accordance with the laws or with the Government's regulations;

(2) such disclosure is the making use of information from such reports in preparing and publishing those scientific, technical or statistical reports or records with a prior approval of the Minister;

provided, however, that disclosure of commercial information shall be avoided to the utmost extent; or
(3) such disclosure has been agreed by the concessionaire through a prior written consent; and to such disclosure the concessionaire shall give without delay his consent or dissent.

Section 77. The concessionaire shall submit a summary statement of his expenditures incurred in the conduct of his petroleum operations to the Department of Mineral Resources in accordance with the rules and procedures prescribed by the Department of Mineral Resources.

Section 78. The concessionaire shall have the right to retain, take or remit abroad money in foreign currency if it is earned from the conduct of his petroleum operations.

Section 79. The Director-General shall hold the power to permit any central, local and municipal administration to make use of water in any well which the concessionaire does not want to use in the conduct of his petroleum operation; but such administration shall have to pay to the concessionaire a fair amount of compensation for the materials which the concessionaire might otherwise remove for other uses.

Section 80. In the conduct of petroleum operations, irrespective of whether the petroleum exploration or production rights under the concession have terminated or not, the concessionaire shall execute all operations in accordance with sound technical principles and good petroleum industry practice in respect of the petroleum operations and the conservation of petroleum resources.

Section 81. The concessionaire and his agents and employees shall have a duty to accord due facilities to the competent officers in respect of the performance of their duties under this Act.

Division 7 : Royalty

Section 82. The concessionaire shall pay royalty on petroleum which is sold or disposed of; and the concessionaire shall be exempted from payment of royalty on the following categories of petroleum:

(1) petroleum delivered as payment of royalty in kind;

(2) petroleum produced and used in Thailand in its natural state for analyses, test, and in the conduct of petroleum exploration, petroleum production, conservation of petroleum resources, storage and transport of petroleum;

(3) petroleum exported for analyses and tests;

(4) natural gas transferred without consideration to other concessionaires for the purpose of the conservation of petroleum resources with a prior approval of the Director-General;

(5) natural gas flared unavoidably in connection with petroleum production operations.

Provided, however, that such exemptions under (2) to (5) inclusive shall be in accordance with the rules, procedures and conditions prescribed by the Department of Mineral Resources.

Section 83. The concessionaire shall pay royalty in cash, but the kind Minister may by order require the concessionaire to pay the whole or a part of the royalty in kind instead of cash for each category

and grade or quality of petroleum which is subject to royalty payment.

The order under paragraph I hereof shall be given by the Minister to the concessionaire in a prior written notice of not less than six months, and the Minister shall specify in that order whether the concessionaire is required to pay royalty in kind in respect of the petroleum exported or of the petroleum unexported or of both, and the Minister shall specify also the first month from which the royalty is payable in kind and he may specify also the last month to which royalty is payable in kind. In the case that the Minister has not specified such last month, he may terminate such payment of royalty in kind by giving the concessionaire a prior written notice of the termination of not less than six months.

Section 84. The concessionaire shall pay royalty in the following rate manner:

(1) in the case of payment in cash, at the rate of twelve and one-half per cent of the value of petroleum sold or disposed of; or

(2) in the case of payment in kind, in a volume of petroleum equivalent in value to one-seventh of the value of petroleum sold or disposed of; provided that, in the case of exported crude oil, royalty shall be in a volume of crude oil equivalent in value to one-seventh of the volume of exported crude oil multiplied by the posted price and divided by the tax reference price under the law on petroleum income tax.

Section 85. The value of petroleum for royalty purposes shall be determined on the following bases:

(1) The volume of petroleum shall be based on the volume at a temperature of 60 degrees Fahrenheit and a pressure of 14.7 pounds per square inch;

(2) The prices of petroleum shall be based on the following prices:

(a) the posted price, in respect of the exported crude oil;

(b) the market price, in respect of the crude oil delivered to the Government as payment of royalty in kind on the crude oil other than the exported crude oil;

(c) the tax reference price under the law on petroleum income tax, in respect of the crude oil delivered to the Government as payment of royalty in kind on the exported crude oil;

(d) the market price, in respect of the petroleum other than crude oil delivered to the Government as payment of royalty in kind;

(e) in respect of the petroleum other than those under (a) to (d) inclusive, the realized price if it is sold, or the market price if it is disposed of; and in respect of natural gas liquid and the by-products, the realized price or the market price, as the case may be, less processing costs in the plant in rendering them saleable or disposable.

Provided always, however, that petroleum shall be valued at points of sale or disposal in Thailand which the Director-General and the concessionaire shall agree upon; but exported crude oil shall be valued at points of export; and in the case that the points of sale or disposal under (e) differ from those agreed upon, adjustments of the prices of petroleum shall be made with due regard to differences in transportation costs between these points of sale or disposal and those which have already been agreed upon.

Section 86. For the purpose of determining the value of petroleum under Section 85, conversion of foreign currencies into Thai currency, wherever conversion is necessary, shall be made as follows:

(1) in the case of the posted price; foreign currencies shall be valued in terms of Thai currency at the average exchange rate in each quarter of the royalty payments under Section 87. Such exchange rate shall be calculated from the daily average buying rate of the commercial banks as computed by the Bank of Thailand;

(2) in other cases, foreign currencies or claims bearing value in terms of foreign currencies received shall be valued in terms of Thai currency at the exchange rate at which the foreign currencies are sold. In the absence of a sale of a foreign currency, such foreign currency or claim shall be valued at the average exchange for a one-month period prior to the month of such receipt. Such exchange rate shall

be calculated from the daily buying rate of the commercial banks as computed by the Bank of Thailand.

Section 87. In case where royalty payment is to be made in cash, it shall be remitted by the concessionaire for each calendar quarter which commences from January, April, July and October. Royalty on petroleum sold or disposed of in any quarter shall be treated as royalty payable for that quarter; and it shall be remitted by the concessionaire to the competent officers within the following month at the place designated by the Director-General and, at the same time, a royalty return shall be filed in the form prescribed by the Director-General with all its entries filled as required, and submitted with all supporting documents specified by the Director-General. The concessionaire may apply for permission to remit royalty in any particular foreign currency, and if the Minister finds it appropriate, the Minister may permit the concessionaire to remit royalty in the particular foreign currency under the conditions and procedures to be determined by the Minister.

Section 88. In exporting the refined products obtained from crude oil produced in Thailand, a person who operates the refinery shall pay royalty in the following manners;

(1) in the case where the refinery is owned by the concessionaire or by a person who has investment or managerial relationship with the concessionaire, the concessionaire shall pay royalty on such crude oil so refined into products exported as if it were solely the exported crude oil;

(2) in the case where the refinery is owned by another person, that person shall pay royalty on such crude oil so refined into products exported in the amount equivalent to the difference between the income to be due to the State from the concessionaire when such crude oil was sold or disposed of in Thailand to the refinery.

Section 89. The royalty payable under Section 88 shall be determined on the following bases:

- (1) the volume of exported crude oil in any quarter shall be deemed to be equivalent to the total volume of the crude oil sold or disposed of by the concessionaire to the refinery during that quarter, multiplied by the volume of the refined products exported by the refinery during that quarter, and divided by the total volume of refined products resulted from the refining operations during that quarter; or, alternatively the Director-General may agree with the person who is required to pay royalty in adopting any other rule for determining the volume of such exported crude oil in order to obtain a figure which is closest to the real volume of such crude oil so refined into products exported;
- (2) the posted price and the realised price shall be those of the concessionaire who has sold and disposed of such crude oil; and, in the absence of such posted price, the posted price of crude oil of same or similar quality of other concessionaire shall be applied; and, in the absence of the said posted price, the Director-General shall establish the posted price in conformity with Section 59;
- (3) in the event that several posted prices or realised prices prevail in any quarter, the weighted average price of such posted prices or realised prices, as the case may be, shall be applied;
- (4) the discrepancy in the income of the State under Section 88 (2) shall be determined in accordance with the rules prescribed in the Ministerial Regulation;
- (5) the royalty due from such crude oil which is sold or disposed of to the refinery in any quarter shall be treated as the royalty payable for that quarter.

Provided that all other provisions in connection with royalty shall apply to it.

Section 90. In case where royalty payment is required in kind, it shall be remitted by the concessionaire for each quarter as set out in paragraph 1 of Section 87, and such royalty payable for any quarter shall be remitted to the competent officers within such time and in accordance with such procedures determined by the Director-General at the places provided under paragraph 2 of Section 85 and, at the same time, a royalty return shall be filed in the form prescribed by the Director-General with all its entries filled as required and submitted together with all supporting documents specified by the Director-General.

In the event that the concessionaire is required to remit his royalty in kind at places other than those agreed upon by the Director-General and the concessionaire under paragraph 2 of Section 85, the concessionaire shall not be required to pay any excess of transportation required to pay any excess of transportation costs beyond the amount due.

Section 91. The Director-General shall have the power to assess royalty and surcharges under this Act when:

- (1) the concessionaire fails to file a royalty return within the designated time;
- (2) the concessionaire files a royalty return which is inaccurate or includes errors which reduce royalty liability;
- (3) the concessionaire fails to comply with a summons issued by the Director-General, or refuses without justifiable grounds to give answers to the questions put by a competent officer with the authority to verify the royalty, or is unable to produce records necessary for computing royalty.

Section 92. For the purpose of exercising his authority under Section 91, the Director-General shall have the power to:

- (1) prepare a royalty return on the basis of evidence which is believed to be correct when the concessionaire has failed to file a royalty return;
- (2) adjust any particulars in the royalty return or in any document filed in the support of the return for accuracy;
- (3) determine the value of petroleum on the basis of the market price if there is a disposal or if a sale is made for a consideration less than the market price without justifiable grounds;
- (4) in the case under Section 91 (3) , determine the amount of royalty which is believed to be accurate in accordance with his knowledge or judgement.

Section 93. In exercising his authority under Section 91 or 92, the Director-General shall have the power to:

- (1) issue a summons to the concessionaire or any person concerned for questioning,
- (2) issue an instruction requiring the concessionaire or any person concerned to give answers in writing, or to produce books of account, evidences, records or any other relevant document for examination or investigation.

Provided that a period of not less than seven days from the date of receiving the summons or instruction shall be given to the receiver of the summons or instruction for compliance.

Section 94. The Director-General shall, upon completing royalty assessment, give written notice of the assessment made to the concessionaire and at the same time require the concessionaire to remit the royalty thus assessed within thirty days from the date of receiving the notice of the assessment.

If the concessionaire is not satisfied with the assessment made by the Director-General, he may refer the matter to a settlement of disputes in accordance with the procedures prescribed in the concession.

A resort to a settlement of disputes under paragraph 2 hereof shall not defer payment of royalty.

For the purpose of paying royalty during the resort to a settlement of disputes under paragraph 2 hereof, the amount of royalty to be paid shall be that shown by the concessionaire in his royalty return; or, if the concessionaire fails to show such amount or shows such amount later than the designated time, it shall be the amount determined by the Director-General under Section 92.

Section 95. Assessment by the Director-General is subject to the following time limitations:

- (1) five years from the last day of the time limit for filing a royalty return in the case that the concessionaire has filed the royalty return within the time limit;

(2) five years from the date on which the concessionaire filed a royalty return in the case that the concessionaire filed the royalty return after the time limit; provided, however, that such period does not exceed ten years from the last day of the time limit for filing the royalty return;

(3) ten years from the last day of the time limit for filing a royalty return in the case that the concessionaire has failed to file a royalty return or has filed an inaccurate royalty return which reduces royalty liability by more than twenty-five per cent of the actual amount of the payable royalty.

Section 96. If the concessionaire fails to pay royalty within the time limit under Section 87 or pays royalty less than the amount payable, the concessionaire shall pay a surcharge of two per cent per month, or per fraction thereof, of the amount of royalty payable or unpaid, as the case may be.

The surcharge under paragraph 1 hereof shall not be calculated in the manner of compound interest, and shall accrue on the last day of the time limit for filing the royalty return to the day of the payment of such surcharge.

The surcharge under this Section shall not exceed the amount of royalty payable or unpaid, as the case may be.

Section 97. If the concessionaire fails to pay royalty in kind within the time limit designated by the Director-General under Section 90 or pays royalty in kind less than the amount payable, the concessionaire shall remit the outstanding amount of the royalty in kind and in addition, pay a surcharge of two per cent per month, or per fraction thereof, of the value of royalty in kind payable or unpaid, as the case may be.

The value of the royalty in kind under paragraph 1 hereof shall be calculated at the market price of petroleum during the time limit of royalty payment, and the provisions under paragraphs 2 and 3 of Section 96 shall apply to it.

Section 98. The surcharge may be waived or reduced in accordance with the rules and procedures prescribed in the Ministerial Regulation.

Section 99. The rate of royalty under this Act may be reduced temporarily by not exceeding thirty per cent in accordance with the rules and procedures prescribed in the Ministerial Regulation to suit circumstances or the state of petroleum production.

Section 100. The Minister may assign to the Excise Department to collect royalty payment from those persons under Section 88 (2) on behalf of the Department of Mineral Resources.

Division 8 : Punishment

Section 101. Whoever violates Section 7 shall be punished with a term of imprisonment not exceeding one month, or a fine not exceeding one thousand Baht, or both.

Section 102. Whoever fails to comply with the Ministerial Regulation issued under sub-paragraph (1), (2) or (3) of Section 14 shall be punished with a fine not exceeding fifty thousand Baht.

Section 103. Whoever fails to comply with paragraph 1 of Section 23 shall be punished with a term of imprisonment not exceeding two years, or a fine not exceeding four hundred thousand Baht, or both.

Section 104. Any concessionaire who produces petroleum without the concurrence of the Director-General under paragraph 1 of Section 42 shall be punished with a fine not exceeding fifty thousand Baht.

Section 105. Whoever violates paragraph 1 of Section 61 shall be punished with a term of imprisonment not exceeding two years and a fine not exceeding four hundred thousand Baht.

Section 106. Any concessionaire who fails to comply with Section 73 shall be punished with a term of imprisonment not exceeding one year, or a fine not exceeding ten thousand Baht, or both.

Section 107. Any concessionaire who fails to comply with Section 74, or paragraph 1 of Section 76, or Section 77 shall be punished with a fine not exceeding ten thousand Baht.

Section 108. Any concessionaire who fails to comply with Section 75 shall be punished with a fine not exceeding one hundred thousand Baht.

Section 109. Whoever fails to accord facility to a competent officer under Section 81 shall be punished with a fine not exceeding five thousand Baht.

Section 110. Whoever furnishes false information, makes false statement, gives false answers, produces false records, or does act in order to evade or in an attempt to evade payment of royalty shall be punished with a term of imprisonment from three months to seven years, and a fine from two thousand Baht to two hundred thousand Baht.

Section 111. The petroleum, equipment, tools, transport vehicles or any machinery which a person has acquired or employed in committing an offence, or employed as means to obtain advantages in committing an offence under Section 103, Section 104, or Section 105, shall all be forfeited, notwithstanding whether there is any convicted executed by judgement, except where the owners of those properties are not conspirators of the offence.

Transitory Provisions

Section 112. The provisions in respect of petroleum exploration under this Act shall not apply to the exploration for crude mineral oil deposits under the agreements into which the Department of Mineral Resources has entered prior to the 23rd day of June, B.E. 2507.

Section 113. Within six months from the date on which this Act comes into force, the holders of Exclusive Petroleum Exploration Licences and the holders of Petroleum Mining Leases under the Minerals Act of B.E. 2510, whose licences and leases have been issued in accordance with the petroleum agreements made prior to the 4th day of July, B.E. 2511, may apply for concessions in compliance with this Act.

The Minister shall have the power to award concessions to the applicants under paragraph 1 hereof. Such concessions shall have the provisions in respect of the rights in petroleum exploration and production consistent with those stipulated in the petroleum agreements referred to in paragraph 1 hereof; and the terms of petroleum exploration period and petroleum production period in such concessions shall be counted back from the dates of the issuances of the relevant Exclusive Petroleum Exploration Licences and Petroleum Mining Leases; and such Exclusive Petroleum Exploration Licences and Petroleum Mining Leases shall terminate on the day on which the relevant concession is awarded by the Minister.

In case of failure to act in accordance with paragraph 1 hereof, it shall be deemed that the holder of the Exclusive Petroleum Exploration Licence or the holder of the Petroleum Mining Lease, as the case may be, has abandoned his right to do so; and such Exclusive Petroleum Exploration Licence or Petroleum Mining Lease shall terminate on the closing date of the time limit specified under paragraph 1 hereof, but the holder of such Exclusive Petroleum Exploration Licence or the holder of such Petroleum Mining Lease shall still be liable under the relevant Petroleum Agreement.

SCHEDULE OF FEES *

1. Application Fee per square kilometer or fraction thereof	Baht 100 - per application
2. Surface Reservation Fee	Baht 6,000 - per annum
3. Demarcation Survey Fee by the length of traverses or fraction thereof	Baht 180 - per kilometer
4. Boundary Mark onshore	Baht 750 - per mark