

Ministerial Regulation Prescribing rules and procedures in conducting petroleum exploration, production and conservation Issued under the provisions of the Petroleum Act B.E. 2514 No.5 (B.E. 2514)

In exercise of the power conferred by Section 14(1) of the Petroleum Act B.E. 2514, the Minister of National Development hereby issues the following Ministerial Regulation:

1. The concessionaire or the contractor who has a firm direct contract with the concessionaire shall keep and maintain structures, machinery, equipment and tools which are used in the petroleum exploration, production and conservation in good working order at all times.
2. Before commencing the petroleum exploration in any specific area, the concessionaire shall furnish the Director-General in writing not less than twenty days in advance with the following information:
  - (1) method of exploration;
  - (2) time to be used in exploration;
  - (3) name and address of the agent of the concessionaire who shall perform duties in such exploration area;
  - (4) essential details in connection with the exploration. In the case there is a change in the information under the first paragraph, the concessionaire shall notify the Director-General in writing of such change not less than twenty days prior to the date on which the change is to be made. If the Director-General finds the information furnished under the first or the second paragraph inadequate and instructs the concessionaire to rectify the matter within fifteen days from the date of receiving the instruction, the concessionaire shall so comply.
3. For the purpose of preventing damage to the Crown Property or to properties of other persons, the concessionaire shall take all practicable steps to do as follows:
  - (1) to plug firmly and immediately any seismic shot hole which is no longer required;
  - (2) to case an exploration or production well with metal casing and to cement the open space between the outer surface of the casing and the wall of the well in accordance with sound technical principles and good petroleum industry practice;
  - (3) to control the flow and prevent the escape or waste of petroleum;
  - (4) to preserve the area where exploration operation has been carried out in the event the production operation will be conducted there;
  - (5) to employ necessary measures in order to,
    - (a) prevent damage to adjacent crude oil or gas bearing strata;
    - (b) prevent the escape of water from crude oil or gas bearing strata into the well, and prevent the entrance of water from other strata into crude oil or gas bearing strata, save the injection of water for secondary recovery or for maintaining pressure in the petroleum reservoirs;
    - (c) prevent the escape of petroleum, salt water, drilling mud or other pollutants into natural underground water sources.
4. The concessionaire shall not drill an exploration or production well in such a manner that it passes through a vertical plane projected through the boundary of the concessionaire's exploration block, production area or reserved area.
5. In the case where rotary drilling rigs are used, the concessionaire shall:
  - (1) install blow-out preventers on all drilling wells;
  - (2) keep and maintain the blow-out preventers in good working order at all times and, when in use, test them at every twenty-four hour intervals and record the result of such tests in the report book;
  - (3) install controlling devices of the blow-out preventers in such places where they are readily accessible.
  - (4) keep drilling mud at a proper specific gravity and in an appropriate quantity during its circulation in the well in order to help preventing the blow- out of petroleum from the well.

6. The concessionaire shall:

- (1) make preparations for conservation of petroleum in accordance with sound technical principles and good petroleum industry practice when it can be reasonably expected that a commercial field of petroleum will be encountered;
- (2) take adequate precaution to prevent waste of natural gas whenever a natural gas stratum is encountered and the limits of the reservoir are known, by allowing only such escape of natural gas as may be necessary to prevent damage to the well by excessive gas pressure and, if such natural gas will not be later on utilised, seal off or case that natural gas stratum.

7. Unless otherwise directed by the Director-General, the concessionaire shall cause to be taken series of cutting samples of clay or rocks of various formations which the drill penetrates at intervals of not exceeding ten metres apart throughout the depth of the well, by preserving such samples in bags, accurately labelled with the name of the well and the relevant interval of depths; and the concessionaire shall then deliver one complete set of such representative cutting samples to the Department of Mineral Resources within a reasonable time.

8. In the case where coring is resorted in sampling, the cores shall be split and properly placed in core boxes in correct stratigraphic order and accurately labelled on the body of each core box as to the number and the depths of top and bottom intervals of the cores, percentage of core recovery and the name of the well; and the concessionaire shall then deliver one complete set of such representative core samples to the Department of Mineral Resources within a reasonable time.

9. The concessionaire may destroy or send abroad for tests and analyses only such portions of cutting samples or core samples remaining from those to be delivered to the Department of Mineral Resources under paragraphs 7 and 8 hereof.

10. In drilling an exploration or production well, the concessionaire shall:

- (1) cause logging to be done, whenever practicable, throughout the depth of the well;
- (2) deliver all pertinent data recorded under (1) to the Department of Mineral Resources within thirty days from the date of logging the well under (1);
- (3) deliver the interpretations of the data under (1) to the Department of Mineral Resources within sixty days from the date of completion of such interpretations.

11. The concessionaire shall give to the Director-General a written prior notice of not less than fifteen days before undertaking any of the following well operations:

- (1) stimulation of production by acidization or by any other method;
- (2) deepening of the well;
- (3) perforation of the casing;
- (4) plugging;
- (5) side tracking;
- (6) squeezing with mud or cement into strata for the purpose of altering the condition of a completed well or of a productive zone of crude oil;
- (7) any repair to be made to a production well other than work incidental to ordinary well operation. In case of emergency the concessionaire may take immediate action under the first paragraph hereof in order to prevent waste or damage, and in such case the concessionaire shall promptly inform the Director-General.

12. Before proceeding to abandon an exploration well, the concessionaire shall inform the Director-General not less than twenty-four hours in advance of his reasons and procedures to be adopted in the abandon of that particular well; and if no objection is received from the Director-General within the designated time, the concessionaire may proceed to do so. In case of emergency the concessionaire may take immediate action to abandon the well, and in such case the concessionaire shall promptly inform the Director-General.

\*13. Before proceeding to abandon a production well, the concessionaire shall submit in writing to the Director-General for consideration his reasons and procedures to be adopted in the abandon of that particular well and when approval is given by the Director-General, the concessionaire may proceed to do so.

\*14. In the case where natural gas is associated with crude oil, the concessionaire shall use his reasonable efforts to utilise such natural gas in every possible way. However, if it is not economically feasible to do so, the concessionaire may flare or discard such natural gas in accordance with the procedures approved by the Director-General.

\*15. Upon completion of work in any specific area, or upon the termination or revocation of the concession, the concessionaire or the person whose concession has been terminated or revoked shall:

- (1) restore, so far as possible, the surface of the land and of the waters to its original condition;
- (2) enclose or keep enclosed with wall or fence all pits, holes, trenches and other excavations which the concessionaire has made and which are still useful in order to prevent any damage to persons or animals;
- (3) fill, so far as possible, all pits, holes, trenches and other excavations which the concessionaire has made and which are no longer to be used, to its original conditions, unless otherwise directed by the Director- General or agreed between the concessionaire and the land-owner or land- occupier;
- (4) remove all concrete foundations, structures, buildings, dwellings, machinery, equipment and any other material which are no longer to be used from the vicinity of an exploration or production well, and burn all waste petroleum in that vicinity: provided, however, that the Director-General has not directed otherwise;
- (5) remove or dispose of all obstructions, interference's or dangers to communications, fisheries or the Crown Property or properties of other persons, unless directed otherwise by the Director-General. The concessionaire or the person whose concession has been terminated or revoked shall complete his performance under the first paragraph within three months from the date of completion of his work or from the date of termination or revocation of the concession, as the case may be.

Given on this 13th Day of September B.E. 2514

Signature

Pote Sarasin

Minister of National Development