



ANNO SEXTO DECIMO  
ELIZABETHAE SECUNDAE REGINAE

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No. 37 of 1967

**An Act to Amend “The Petroleum Acts, 1923 to 1962,”  
in certain particulars**

[ASSENTED TO 6TH DECEMBER, 1967]

BE IT ENACTED by the Queen’s Most Excellent Majesty, by and with the advice and consent of the Legislative Assembly of Queensland in Parliament assembled, and by the authority of the same, as follows:—

1. (1) **Short title.** This Act may be cited as “*The Petroleum Acts Amendment Act of 1967.*”

(2) **Principal Act.** “*The Petroleum Acts, 1923 to 1962.*” are in this Act called the Principal Act.

(3) **Collective title.** This Principal Act and this Act may be collectively cited as “*The Petroleum Acts, 1923 to 1967.*”

**2. Amendments to s. 3.** Section three of the Principal Act is amended by—

(a) omitting the definition “barrel” and inserting in its stead the following definition:—

“ “Barrel”—When used quantitatively in relation to petroleum, a container of a capacity of 34·9726 imperial gallons at 60 degrees fahrenheit;”;

(b) omitting the definition “Minister” and inserting in its stead the following definition:—

“ “Minister”—The Minister for Mines and Main Roads or other Minister of the Crown for the time being charged with the administration of this Act: The term includes a person temporarily performing the duties of the Minister;”;

(c) omitting the definition “petroleum” and inserting in its stead the following definition:—

“ “Petroleum”—Any—

(a) naturally occurring hydrocarbon, whether in a gaseous, liquid or solid state;

(b) naturally occurring mixture of hydrocarbons, whether in a gaseous, liquid or solid state; or

(c) naturally occurring mixture of one or more hydrocarbons, whether in a gaseous, liquid, or solid state, and one or more of the following:—

(i) hydrogen sulphide;

(ii) nitrogen;

(iii) helium;

(iv) carbon dioxide:

The term includes any petroleum defined by paragraph (a), (b) or (c) of this definition that has been returned to a natural reservoir;”.

**3. Amendment to s. 5.** Section five of the Principal Act is amended by omitting the words “and helium”.

**4. Amendment to s. 6.** Section six of the Principal Act is amended by omitting paragraph (b).

**5. Amendment to s. 7.** Section seven of the Principal Act is amended by—

(a) in subsection (1), omitting the words “and helium”;

(b) in subsection (2), omitting from paragraph (b) the words “or petroleum and helium have been reserved”.

**6. Amendment to s. 8.** Section eight of the Principal Act is amended by, in the proviso to the final paragraph, omitting the words “or helium”.

7. **Repeal of and new s. 40A.** The Principal Act is amended by repealing section 40A and inserting in its stead the following section:—

“ [40A.] **Royalty.** (1) Any person who produces petroleum shall, subject to this Act, pay royalty to the State at the rate of ten per centum of the value at the wellhead of the petroleum.

(2) There shall be set off against the amount of royalty payable in any year under this Act the amount of rental paid under this Act in that year by the producer in respect of a lease of or a permit or authority to prospect granted in relation to the land from which the petroleum in question was produced.

Should the amount of such rental exceed, in any year, the amount of such royalty, no royalty shall be payable by the producer in question in respect of that year.”

8. **New ss. 40B, 40C, 40D, 40E, and 40F.** The Principal Act is amended by inserting after section 40A the following sections:—

“ [40B.] **Royalty not payable in certain cases.** (1) Royalty under this Act is not payable—

- (a) in respect of petroleum that the Minister is satisfied was unavoidably lost before the quantity of that petroleum was ascertained;
- (b) in respect of petroleum that, with the approval of the Minister, is used by the person who produces it for the purposes of petroleum prospecting operations or operations for the recovery of petroleum;
- (c) in respect of petroleum that, with the approval of the Minister, is flared or vented by the person who produces it in connection with operations for the recovery of petroleum.

(2) Where petroleum which has been produced is, with the approval of the Minister, returned to a natural reservoir royalty under this Act is not payable in respect of that petroleum by reason of that production.

This subsection shall not affect the liability of any person to pay royalty in respect of petroleum that is produced from such natural reservoir.

[40C.] **Ascertainment of value.** For the purposes of this Act, the value at the wellhead of any petroleum is such amount as is agreed between the Minister and the person who produces the petroleum or, failing such agreement within a period allowed by the Minister (either generally or in a particular case) as is determined by the Minister as being that value.

[40D.] **Ascertainment of quantity of petroleum produced.** For the purposes of this Act, the quantity of petroleum produced by a person during a period shall be taken to be—

- (a) the quantity measured during that period by a measuring device approved by the Minister and installed at the wellhead or at such other place as the Minister approves; or

(b) where—

- (i) such a measuring device is not so installed; or
- (ii) the Minister is not satisfied that the quantity of petroleum produced by such person has been properly or accurately measured by such a measuring device so installed,  
the quantity determined by the Minister as the quantity produced by such person during that period.

[40E.] **Assessment and payment of royalty.** (1) Royalty shall be payable under this Act on a monthly basis and shall be paid to the Under Secretary, Department of Mines, as prescribed by this section.

(2) A person who produces petroleum shall, in each month, furnish to the Under Secretary a statement in or to the effect of the prescribed form showing the quantity and value at the wellhead of the petroleum produced by him during the last preceding month and such other information as the Minister requires and, at the time of furnishing such statement, shall pay the amount which, on the basis of the contents of such statement, appears to be the amount of royalty payable under this Act in respect of petroleum produced during the month to which such statement relates.

Where the value at the wellhead of petroleum produced by any person has not been established as prescribed by section 40C of this Act at the time such person furnishes such a statement he shall show in the statement furnished by him as the value at the wellhead of the petroleum in question the value which he calculates should be the value at the wellhead of such petroleum.

(3) A person who produces petroleum shall, upon the requisition of the Under Secretary or of any person authorized in that behalf by him, produce to the Under Secretary, such authorized person or otherwise as so required all books, accounts and other records in relation to his production of petroleum and his operations carried on in connection therewith and shall permit the Under Secretary, such authorized person or other person to whom production is made to examine and make copies of such books, accounts and other records.

(4) The Under Secretary shall cause the amount of royalty payable under this Act to be assessed and, where it is found that the amount of royalty properly payable in respect of any month is other than the amount of royalty paid in respect of that month, there shall be paid by or, as the case may require, to the person who produced the petroleum in question the difference between the amount of royalty so paid and the amount of royalty found to be properly payable in respect of that month.

(5) A person who produces petroleum shall pay any additional royalty found to be properly payable under this Act within thirty days after the last day of the month in which it is found to be payable or within such extended time as the Minister approves.

(6) Where a person who produces petroleum fails to pay royalty under this Act at or within the time prescribed or allowed to him for the payment thereof he shall pay to the Under Secretary, in addition to the



amount of royalty unpaid, an amount calculated at the rate of one-third of one per centum per day upon the amount of royalty from time to time remaining unpaid, to be computed from the time such royalty became payable until it is paid.

An additional amount of royalty which becomes payable as a consequence of the establishment of the value at the wellhead of the petroleum in question after a statement has been furnished under subsection (2) of this section in relation to the production of that petroleum shall, for the purposes of this subsection, not become payable until the date following the date on which such value is established.

**[40F.] Reduction of royalty rate.** (1) Where the Governor in Council is satisfied that the rate of production of petroleum from a well has, from natural causes, become so reduced that, having regard to the rate of royalty prescribed by section 40A of this Act, further production of petroleum from that well would be uneconomic, the Governor in Council may, by Order in Council, determine that for the period specified therein royalty shall be payable in respect of petroleum produced from that well at the rate (being a rate less than the rate prescribed by section 40A of this Act) specified therein.

(2) For as long as an Order in Council made under subsection (1) of this section remains in force or until the expiration of the period specified in such an Order in Council as the period of its operation (whichever period is the shorter) the prescribed rate of royalty payable in respect of petroleum produced from the well in question shall be such rate as is for the time being so determined by the Governor in Council.”

**9. Amendment to s. 44.** Section forty-four of the Principal Act is amended by omitting paragraph (c).

**10. Amendment to s. 45D.** Section 45D of the Principal Act is amended by adding the following subsection:—

“(4) Where it is necessary for the pipeline to be constructed in, on, over or under any watercourse, lake or spring the pipeline shall be constructed, maintained, altered, added to and replaced at the expense of the licensee to the satisfaction of the Commissioner of Irrigation and Water Supply (in this subsection referred to as the Commissioner) and so as not to unnecessarily—

- (a) pollute, interfere with or impede the water or the flow of water in such watercourse, lake or spring;
- (b) interfere with or damage the bed or banks of any watercourse or lake where such bed and banks are the property of the Crown.

The licensee shall not carry out any work in, on, over or under any watercourse, lake or spring except—

- (a) with the consent (first had and obtained) or at the direction of the Commissioner;
- (b) where in relation to such work the Commissioner imposes requirements or approves plans or specifications, in compliance with all such requirements, plans and specifications.

Whenever in the opinion of the Commissioner the pipeline does or is likely to unnecessarily—

- (a) pollute, interfere with or impede the water or flow of water in any watercourse, lake or spring; or
- (b) interfere with or damage the bed or banks of any watercourse or lake where such bed and banks are the property of the Crown,

the Commissioner may direct the licensee in writing to take within the time therein specified such measures as, in the Commissioner's opinion, are necessary to prevent such pollution, interference, impediment or, as the case may be, damage and the licensee shall comply in all respects with such direction.

If any dispute arises between the licensee and the Commissioner under the foregoing provisions of this subsection the question shall be determined by the Governor in Council.

Any failure by the licensee to comply with the decision of the Governor in Council made under this subsection shall, for the purposes of subsection (3) of section forty-five of this Act, be deemed to be a failure to comply with a term or condition to which the licence is subject.

The terms "watercourse", "lake" and "spring" when used in this subsection have respectively the meanings respectively assigned to those terms by "*The Water Acts, 1926 to 1967.*"

**11. New s. 57A.** The Principal Act is amended by inserting after section fifty-seven the following section:—

"[57A.] **Limits on use of water from natural source.** (1) A holder of an authority to prospect, permittee, lessee or licensee who proposes to take water from any natural source under this Act shall—

- (a) take all steps to ensure that no water is lost during such taking; and
- (b) take only such quantity of water as is properly required for his purpose in question,

to the intent that there shall be left in such source sufficient water to satisfy the reasonable requirements of other persons who may lawfully take water from such source.

(2) If any dispute arises in respect of the taking of water from such a source any party to the dispute may refer the issue to the warden having jurisdiction in relation to the area in which the source in question is situated.

The jurisdiction of such warden in respect of such a dispute includes jurisdiction to determine—

- (a) the quantity of water to be respectively taken from the source in question by the parties to the dispute or any of them;
- (b) the time and the manner of taking such water by any party to the dispute.

When the warden has made a determination in respect of either of the matters referred to in provision (a) or (b) of this subsection the parties to the dispute who are affected thereby shall comply in all respects with such determination.”

**12. Amendments to s. 61B.** Section 61B of the Principal Act is amended by—

- (a) omitting subsection (4);
- (b) renumbering subsection (5) as subsection (4).

**13. New s. 61C.** The Principal Act is amended by inserting after section 61B the following section:—

“ [61C.] **Unit development of petroleum deposits.** (1) In this section—

(a) the expression “unit development” used in relation to a petroleum deposit means the co-ordination of operations for the recovery of petroleum from that deposit carried on or to be carried on at any place within the area of the State to which this Act applies where there is part of that deposit with other operations for the recovery of petroleum from that deposit carried on or to be carried on at any other place (whether within or outside the area of the State to which this Act applies) where there is part of that deposit;

(b) the expression “authorized person” means the holder of any authority to prospect, permit or lease.

(2) An authorized person may from time to time enter into an agreement in writing for or in relation to the unit development of a petroleum deposit.

Such an agreement shall be of no force or effect in law until it is approved by the Minister.

A person who applies for the approval of the Minister to such an agreement shall furnish to the Minister the agreement or a copy thereof.

(3) The Minister may, of his own motion or on application made to him in writing by—

(a) an authorized person whose authority to prospect, permit or, as the case may be, lease comprises land in which there is a particular petroleum deposit; or

(b) a person who is lawfully entitled to carry on operations for the recovery of petroleum at any place outside the area of the State to which this Act applies where there is part of a petroleum deposit which extends into such area,

may, for the purpose of securing the more effective recovery of petroleum from that petroleum deposit, in writing, direct any authorized person who is authorized to recover petroleum from that petroleum deposit to enter into an agreement in writing within the period specified in the direction for or in relation to the unit development of that petroleum deposit.

The provisions of subsection (2) of this section shall apply to an agreement entered into pursuant to the direction.

(4) Where—

- (a) an authorized person who is directed under subsection (3) of this section to enter into an agreement for or in relation to the unit development of a petroleum deposit does not enter into such an agreement within the specified period; or
- (b) an authorized person so directed enters into such an agreement which is not lodged with the Minister as prescribed or which, being so lodged, is not approved by the Minister,

the Minister may, in writing, direct the authorized person to submit to him, within the period specified in the direction, a scheme for or in relation to the unit development of the petroleum deposit.

(5) At any time after the expiration of the period within which a scheme for or in relation to the unit development of the petroleum deposit is to be submitted by an authorized person under subsection (4) of this section the Minister may, in writing, give to that authorized person such directions as the Minister considers necessary for the purpose of securing the more effective recovery of petroleum from the petroleum deposit.

(6) Where one person is an authorized person in respect of two or more areas of land in each of which areas there is part of the same petroleum deposit the Minister may, after consultation with the authorized person, give to him such directions in writing as the Minister considers necessary for the purpose of securing the more effective recovery of petroleum from the petroleum deposit.

(7) Where—

- (a) an agreement for or in relation to the unit development of a petroleum deposit is in force; or
- (b) the Minister has given directions under subsection (5) or subsection (6) of this section in respect of a petroleum deposit,

the Minister may, having regard to additional information that has become available and after consultation with the authorized person or persons (party to such agreement or, as the case may be, subject to such directions) give to such authorized person or persons such directions in writing as the Minister considers necessary for the purpose of securing the more effective recovery of petroleum from the petroleum deposit.

(8) Directions given under subsection (5), (6) or (7) of this section may include directions as to the rate at which and the places where petroleum is to be recovered from the petroleum deposit in question.

(9) An authorized person to whom directions are given under subsection (5), (6) or (7) of this section shall comply with such directions.”

14. New s. 62A. The Principal Act is amended by inserting after section sixty-two the following section:—

“ [62A.] Points, &c., to be ascertained by reference to Australian Geodetic Datum. (1) Where, for the purposes of this Act or of anything done or to be done under or for the purposes of this Act, it is necessary

to determine the position on the surface of the Earth of a point, line or area, that position shall be determined by reference to a spheroid having its centre at the centre of the Earth and a major (equatorial) radius of 6,378,160 metres and a flattening of  $\frac{100}{29823}$  and by reference to the position of the Johnston Geodetic Station in the Northern Territory of Australia.

(2) Such Station shall be taken to be situated at 133 degrees, 12 minutes and 30.0771 seconds of East Longitude and at 25 degrees, 56 minutes and 54.5515 seconds of South Latitude and to have a ground level of 571.2 metres above the spheroid referred to in subsection (1) of this section."

**15. Operation of certain provisions relating to royalty.** Where, at the date of commencement of this Act, provision is made in any instrument of title or document for the assessment or payment of royalty payable under the Principal Act in respect of petroleum produced on a basis other than the basis prescribed by the Principal Act as amended by this Act the assessment or payment of such royalty shall continue to be made on the basis so provided for as long as such provision continues to have effect notwithstanding the provisions of this Act.