

MALAYSIA – THAILAND JOINT AUTHORITY ACT 1990

Malaysia –Thailand Joint Authority (Standards of Petroleum Operations)

Part I

PRELIMINARY

- Citation. 1. These regulations may be cited as the **Malaysia-Thailand Joint Authority (Standards of Petroleum Operations) Regulations 1997**.
- Interpretation. 2. In these Regulations, unless the context otherwise requires –

“Contractor” means any person who has entered into a production sharing contract with the Joint Authority under section 14 of the Malaysia-Thailand Joint Authority Act 1990 for the purpose of exploration and production in the joint development Area and shall include its designated operator, subcontractor, permitted assign, and agent;

“Contract Area” means an area described in any contract entered into pursuant to subsection 14(3) of the Malaysia-Thailand Joint Authority Act 1990;

“Petroleum Operations” means all operations under a production sharing contract for exploration and/or exploitation of petroleum in a Contract Area, including development of petroleum fields and production of petroleum.

PART II

EXPLORATION AND DRILLING

- Submission of information on exploration activity for approval. 3. (1) Before conducting any exploration activity in any Contract Area according to the Work Programme and Budget that has received approval of the Joint Authority pursuant to the production sharing contract, the Contractor shall, in advance and in any case not less than 72 hours, submit in writing to the Joint Authority for approval, sufficient information on such activity which shall include, but not limited to –
- (a) method of exploration;
 - (b) timing and duration of work;
 - (c) name and contact address of the Contractor’s agent;
 - (d) essential details concerning exploration activity.
- (2) The Joint Authority may direct the Contractor to submit further information on such activity as it may deem necessary, and the Contractor shall comply with such direction.
- Restriction on Petroleum Operation. 4. The Contractor shall not carry out any Petroleum Operations in any Contract Area in a manner that would interfere unjustifiably with navigation or fishing in the waters of the Contract Area or with the conservation of living resources of the sea.

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| Prevention of leakage, etc. | <p>5. The Contractor shall take all necessary precautions, in accordance with good petroleum industry practice, to –</p> <ul style="list-style-type: none"> (a) prevent leakage or seepage of petroleum into the sea or on the sea-bed; (b) prevent spilling of toxic fluids or toxic chemicals into the sea; (c) prevent damage to shallow fresh-water-bearing strata or subsurface water aquifer; (d) prevent damage to petroleum-bearing strata or formations; and (e) prevent entrance of water through wells to petroleum strata or formation, except where water is used in second stage production or for the purpose of maintaining the pressure at petroleum deposits. |
| Drilling of any well using rotary drilling method. | <p>6. In drilling any well, using rotary-drilling method, the Contractor shall –</p> <ul style="list-style-type: none"> (a) install a blowout-preventer equipment and its readily accessible control panel, where necessary in accordance with good petroleum industry practice; (b) properly and periodically test and maintain such blowout preventer in good working condition at all times while drilling is in progress; and (c) ensure that there is, at all times while drilling, adequate quantity and weight of, as well as good quality, drilling fluid in the well or available on the rig so as to balance against fluid pressure in underground formations and prevent blowout of formation fluids from underground. |
| Restriction of drilling proposal, etc. for approval. | <p>7. (1) The Contractor shall not drill any well the well-path of which goes beyond or outside the vertical boundary of the Contract Area.</p> <p>(2) No well shall be drilled, except with the prior written approval of the Joint Authority, inside any Contract Area so that any part of the well is less than one hundred and twenty-five (125) metres away from the vertical boundary of the Contract Area.</p> |
| Submission of drilling proposal, etc. for approval. | <p>8. (1) The Contractor shall, in advance and in any case not less than 72 hours, submit in writing to the Joint Authority for review and approval, drilling proposal and programme of each well.</p> <p>(2) The Contractor shall not, without the prior written approval of the Joint Authority –</p> <ul style="list-style-type: none"> (a) commence drilling of any well in any Contract Area; or (b) recommence drilling of any well that has been suspended. |

PART III

ABANDONMENT

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| Abandonment of well. | <p>9. (1) The Contractor shall not abandon any well without –</p> <ul style="list-style-type: none"> (a) plugging it in accordance with these Regulations; and (b) prior written approval of the Joint Authority. |
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- (2) The plugging of any well shall be carried out in accordance with –
 - (a) specifications approved by the Joint Authority applicable to that well or to wells generally or to a class of wells to which that well belongs; and
 - (b) good petroleum industry practice.

PART IV

SAFETY

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| Location of drilling rig, etc. and establishment of safety zone. | <ol style="list-style-type: none"> 10. (1) Any drilling rig, platform, or other offshore installation shall be located at a safe distance in accordance with good petroleum industry practice from other drilling rigs, platforms, offshore installations, lighthouse, navigation marks, subsea cables and pipelines, as the case may be. (2) The Contractor shall – <ol style="list-style-type: none"> (a) with prior written approval of the Joint Authority establish a reasonable safety Zone around the drilling rigs, platforms or other offshore installations; (b) ensure that the radius of such safety zone shall not exceed a distance of five hundred (500) metres around the drilling rigs, platforms or other offshore installations; (c) take all necessary measures to ensure within such safety zone safety of navigation and of the drilling rigs, platforms or other offshore installations; and (d) give due public notification of the extent of such safety zone, |
| Contractor to provide reliable communication system. | <ol style="list-style-type: none"> 11. The Contractor shall ensure that all vessels, aircrafts, drilling rigs, platforms or other offshore installations used or engaged, as the case may be, in Petroleum Operations are equipped with reliable communication system, in accordance with good petroleum industry practice, which is capable of relaying information or messages to and from the Contractor's onshore office, and that can be used by the Contractor or governmental authorities as a means of communications in case of an emergency. |
| Safety at drilling rig etc. | <ol style="list-style-type: none"> 12. The contractor shall take all necessary steps to ensure safety at every drilling rig, platform and other offshore installations used or engaged, as the case may be, in Petroleum Operations. |
| Installation of fire fighting system. | <ol style="list-style-type: none"> 13. (1) The Contractor shall ensure that necessary, adequate and reliable fire fighting system is installed on well vessels, aircrafts, drilling rigs, platforms or other offshore installations used or engaged, as the case may be, in Petroleum Operations. (2) All fire fighting equipment shall be properly maintained and kept in operable condition ready for immediate use at all times. |
| Notification of any accident or incident. | <ol style="list-style-type: none"> 14. (1) The Contractor shall notify the Joint Authority of any accident or incident arising from or in relation to Petroleum Operations that has resulted in a serious injury or loss of human life, or damage to properties or to the environment. |

(2) Such notice shall be made promptly within 72 hours of the happening of the accident or incident, and such notice shall include –

- (a) adequate details of the accident or incident including their nature, damages and loss; and
- (b) immediate measures being taken by the Contractor to deal with the situation.

Suitable protective working uniforms for workers.

15. The contractor shall ensure that all workers working on all drilling rigs, platforms, or other offshore installations are provided with, and properly wear, suitable protective working uniform including safety helmet, boots, gloves, glasses and other necessary protective materials.

First Aid Facilities.

16. The Contractor shall ensure that all the medicine, medical equipment, and trained medical personnel necessary for First Aid treatments are provided at every manned drilling rig, platform and other offshore installation to render immediate First Aid to workers who are involved in accidents or who fall sick.

Contractor to provide accommodation, meals, etc.

17. The Contractor shall provide adequate clean living quarters, safe and wholesome food and drinking water and water for other uses, lights and hygienic toilets for workers at every manned drilling rig, platform and other offshore installation.

Maintenance of register of personnel records.

18. (1) The Contractor shall –
- (a) maintain an up-to-date register of personnel records on board every manned drilling rig, platform and other offshore installation; and
 - (b) in such register include but not limited to, records of workers' names identification, contact address, age, nationality, and next-of-kin.
- (2) The Contractor shall –
- (a) ensure that any worker entering or leaving such drilling rig, platform or other offshore installations has his name and record updated promptly in the register; and
 - (b) keep such register in safe place with a copy transmitted regularly to the contractor's onshore office, and ensure that they shall be made available for inspection upon request by the Joint Authority.

Survival crafts, life rafts and other saving appliances.

19. (1) The Contractor shall ensure that every manned drilling rig, platform and other offshore installation is provided on board with survival crafts, life rafts and other life-saving appliances having sufficient capacity to all persons on such drilling rig, platform and other offshore installation for use in case of emergency.
- (2) Such survival crafts, life rafts and other life-saving appliances shall be properly maintained and regularly tested, and kept in operable condition ready for immediate use at all times.

PART V
INSPECTION

Inspection	20. Any officer of Joint Authority appointed under the Malaysia-Thailand Joint Authority Act 1990 shall have the power to enter into any of the Contractor's drilling rigs, platforms or other offshore installations and equipment used or to be used in Petroleum Operations in the Joint Development Area or Contractor's onshore facilities for the purpose of inspecting and determining whether they are being carried out in compliance with the Malaysia-Thailand Joint Authority Act 1990 and these Regulations.
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