



New South Wales

Petroleum (Onshore) Amendment (Beneficial Use of Gas) Regulation 2015

under the

Petroleum (Onshore) Act 1991

His Excellency the Governor, with the advice of the Executive Council, has made the following Regulation under the *Petroleum (Onshore) Act 1991*.

ANTHONY ROBERTS, MP
Minister for Industry, Resources and Energy

Explanatory note

Section 28B of the *Petroleum (Onshore) Act 1991* (as inserted by the *Mining and Petroleum Legislation Amendment (Harmonisation) Act 2015*) provides that, in addition to the other rights conferred by an exploration licence or assessment lease, the licence or lease confers on its holder:

- (a) the right to carry out such operations as may be described by the regulations to enable the beneficial use of gas recovered from the land comprised in the licence or lease, but only if that gas would otherwise have been flared or released into the atmosphere as part of activities under the licence or lease, and
- (b) the right to use that gas subject to, and in accordance with, the regulations.

The objects of this Regulation are:

- (a) to describe all assessable prospecting operations authorised by the relevant exploration licence or assessment lease (which are required to be carried out in accordance with an activity approval) as those that can be carried out to enable the beneficial use of gas, and
- (b) to provide that the right to the beneficial use of gas is limited to a period of 270 days (whether or not consecutive), per well, in total, and
- (c) to provide that gas cannot be used for beneficial purposes unless the relevant activity approval specifically extends to include the beneficial use of the gas, and
- (d) to provide that royalty is payable under and in accordance with Part 7 of the *Petroleum (Onshore) Act 1991* in respect of any petroleum recovered by the holder of the title and used beneficially.

This Regulation is made under the *Petroleum (Onshore) Act 1991*, including sections 28B and 138 (the general regulation-making power).

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1 Name of Regulation

This Regulation is the *Petroleum (Onshore) Amendment (Beneficial Use of Gas) Regulation 2015*.

2 Commencement

This Regulation commences on 18 December 2015 and is required to be published on the NSW legislation website.

3 Amendment of Petroleum (Onshore) Regulation 2007

Clause 13A

Insert after clause 13:

13A Beneficial use of gas: section 28B

- (1) For the purposes of section 28B (1) (a) of the Act, all assessable prospecting operations authorised by the exploration licence or assessment lease concerned, and by an activity approval, may be carried out to enable the beneficial use of gas.
- (2) For the purposes of section 28B (1) (b) of the Act:
 - (a) the right to the beneficial use of gas conferred by section 28B is limited to a period of 270 days (whether or not consecutive), per well, in total, and
 - (b) gas cannot be used beneficially unless the activity approval for the assessable prospecting operation involved specifically extends to include the beneficial use of the gas.
- (3) For the purposes of section 28B (2) of the Act, royalty is payable under and in accordance with Part 7 of the Act in respect of any petroleum recovered by the holder of the title and used beneficially.