

# 12

اءوتوريتي فيتروليوم نكارا بروني دارالسلام  
PETROLEUM AUTHORITY OF BRUNEI DARUSSALAM

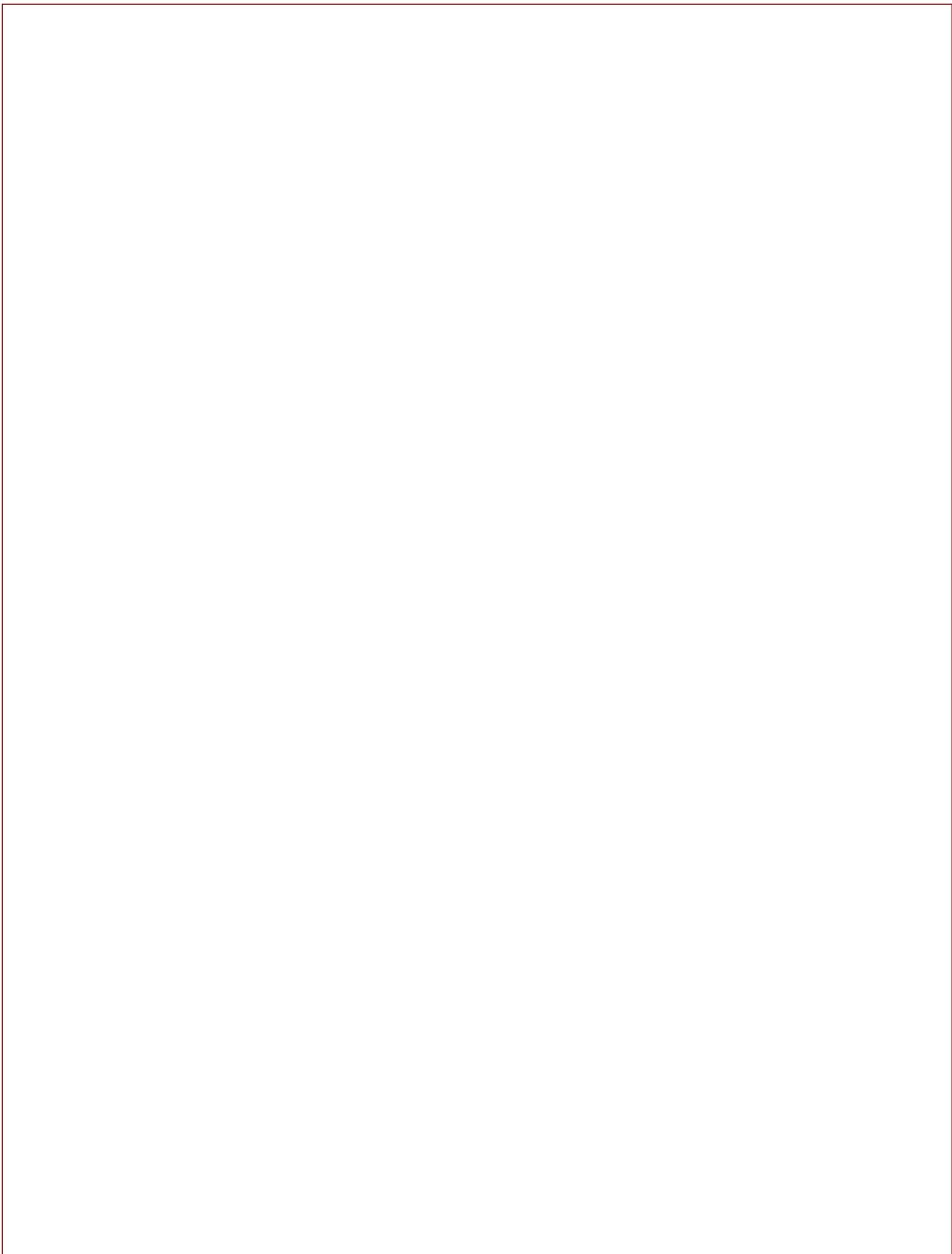
## Brunei Darussalam Oil and Gas Exploration and Production Guidelines

### Volume 12: Relinquishment Guideline



Document Number  
Issue  
Release Date  
Document Owner

PA Upstream Guideline No.12/2023  
Revision 1  
September 2023  
Petroleum Authority of Brunei Darussalam



**Revision Record**

<b>Revision Number</b>	<b>Description</b>	<b>Revision Date</b>
0	Relinquishment Guideline	November, 2018
1	Relinquishment Guideline - Transfer of Regulatory Undertaking (Roles to PA)	September 2023

**Notice**

This document is the property of the Petroleum Authority of Brunei Darussalam (the “Authority”) and is issued pursuant to Section 12(2)(c) of the Petroleum Authority of Brunei Darussalam Order 2019 (the “Order”). It shall not be copied, reproduced, republished, posted, distributed, transmitted, modified or used for any other purpose other than which it is intended for, without the prior written consent of the Authority.

This guideline sets out the approach the Authority is likely to take, taking into account that each application will be assessed on its fact, case-by-case.

This guideline will be reviewed by the Authority from time to time, and amended as appropriate in light of further development, changes in law or practice.

this guideline is supplemental to and not a substitute for any law or regulation, and does not constitute legal advice.

**Table of Contents**

**Abbreviations .....5**

**1. Introduction .....6**

**2. Relinquishment Process .....7**

    2.1 Process and Timeframe..... 7

    2.2 Engagement and Discussion ..... 7

    2.3 Notification and Report Submission ..... 7

    2.4 Approval..... 9

    2.5 Data Surrender..... 9

**3. Minimum Criteria .....10**

    3.1 Minimum Work Obligations..... 10

    3.2 Configuration of Areas ..... 10

**4. Restoration .....11**

**References.....12**

## Abbreviations

In this guideline, the following abbreviations are referred:

<b>PMA</b>	Petroleum Mining Act
<b>PSA</b>	Production Sharing Agreement
<b>POS</b>	Possibility of Success
<b>HSSE</b>	Health Safety Security and Environment

## 1. Introduction

The purpose of this document is to provide guidance to the Oil and Gas Operators in Brunei Darussalam on the process of relinquishment as part of their obligations under respective agreements or by virtue of voluntary surrender. Additionally, this document will also assist the Operators to prepare the required documentation and submissions to the Authority prior to the commencement of the relinquishment process.

There are different types of relinquishments where the Operators can opt to surrender partially or an entire area as described below:

- Partial Relinquishment is when part of the licensed area is handed back to the Authority and the remaining area is kept for petroleum operations.
- Total Relinquishment is when the Operator hands back the entire licensed area to the Authority. Total Relinquishment can also take place upon expiry of an Agreement/license.

The Relinquishment Guideline do not replace or substitute the existing Laws, Government Directives and existing Petroleum Sharing Agreement (“PSA”) or Petroleum Mining Agreements (“PMA”) between the Authority and the Operators for their respective blocks in Negara Brunei Darussalam. This Relinquishment Guideline is a supplementary requirement by the Authority, form part of the relinquishment process, and apply to any relinquishment process applicable under the respective PSA or PMA.

Where there is retention or extension of any kind granted under any PSA or PMA, this Relinquishment Guideline will not be applicable until such time the retention or extension periods expire.

## 2. Relinquishment Process

The process of relinquishment involves 4 key steps starting with an early engagement and discussion with the Authority and ending with Data Surrender prior to the effective date of relinquishment. Each step of the process is described as follows:

### 2.1 Process and Timeframe

Unless stated otherwise in the PSA or PMA, the Operators shall follow the timeframe for each step of the relinquishment process according to this guideline as in Figure 1.



Figure 1: Relinquishment Process

### 2.2 Engagement and Discussion

At least **three (3) months** prior to the submission of Relinquishment Notification, the Operator shall engage and discuss with the Authority on their relinquishment proposal. The relinquishment proposal by the Operator shall be presented to the Authority in a presentation containing information on the proposed area to be relinquished with justifications for relinquishment.

The area/s to be relinquished shall be as those agreed by both the Authority and the Operator.

### 2.3 Notification and Report Submission

The Operator shall submit the Relinquishment Notification to the Authority in accordance to the stipulated timelines in the respective agreements. The Relinquishment Notification shall specify an effective date of relinquishment and the proposed area to be relinquished, including a map and the coordinates of the said area. The Relinquishment Notification shall be supplemented with a Relinquishment Report. The Authority will then review, assess and propose to amend or reject all or part of the Report. If upon the Authority's assessment it is found that the relinquishment proposal is not acceptable, the Operator shall then re-submit a new Relinquishment Report if deemed necessary by the Authority.

The Relinquishment Report should be comprehensive but fit-for-purpose with the following (including but not limited to) contents as in Table 1:

Item	Contents	Minimum Requirements
1.0	Executive Summary	<p>A summary of the relinquishment report describing key information on the relinquished area which include:</p> <ul style="list-style-type: none"> <li>• License Synopsis</li> <li>• Summary of Minimum Work Obligations and status where applicable</li> <li>• Changes in partnership within the License period</li> <li>• Reasons for the relinquishment</li> </ul>
2.0	Introduction	<p>This section outlines the following (as far as is applicable to the relinquished area);</p> <ul style="list-style-type: none"> <li>• Exploration and Production History <ul style="list-style-type: none"> <li>○ Actual work carried out in the relinquished area</li> <li>○ Results of such works/activities</li> </ul> </li> <li>• Relinquishment selection criteria</li> <li>• Justification on proposed area for relinquishment</li> <li>• A map with the grid coordinates of the area to be relinquished</li> </ul>
3.0	Block Evaluation	<p>Regional and Petroleum Geology (applicable to relinquished area)</p> <p>Description of the field/discoveries/prospects and leads with structure maps and interpreted seismic in the relinquished area.</p>
4.0	Resource Estimates & Risk Summary	<p>Latest resource estimates for all prospects and leads in the relinquished area with details of:</p> <ul style="list-style-type: none"> <li>• Hydrocarbon type</li> <li>• Hydrocarbon volumes of low, mid and high with risked and un-risked including POS</li> <li>• The risk evaluation carried out on the relinquished area (geological risks and chance of success)</li> </ul>
5.0	Health, Security, Safety and Environment (HSSE)	<p>Describe hazard and risk assessment of the relinquished area in terms of HSSE.</p> <p>Produce site restoration plan for the relinquished area according to the Decommissioning &amp; Restoration Guidelines Volume 11 of Oil and Gas Exploration &amp; Production Guidelines.</p>

*Table 1: Outline of Minimum Requirements of contents of the Relinquishment Report*

## 2.4 Approval

Following the submission of a Relinquishment Notification, the Authority will approve the application for relinquishment in accordance to the timeline in the respective/relevant agreements prior to the effective date of relinquishment.

## 2.5 Data Surrender

The Operator shall inventorise and provide a comprehensive list of all Contract Data as stipulated in the respective PSAs and PMAs, which may include all Geological, Geophysical, Petrophysical, Technical Data, Infrastructure, Design, Engineering materials etc. The Operator shall provide to the Authority all originals and copies of all Contract Data prior to or on the effective date of relinquishment.

All Contract Data provided shall be in readable format and made available in two (2) copies of non-returnable hard drives.

### **3. Minimum Criteria**

The minimum criteria for the relinquishment are as follows:

#### **3.1 Minimum Work Obligations**

The Operator shall ensure that its minimum work obligations under the PSA or PMA has been fulfilled prior to exercising any right to relinquish areas under the PSA or PMA or upon the expiry of any PSA or PMA. In the event that the minimum work obligations are not fulfilled, the Operator shall ensure that it settles any payments due to the Authority as a result of such non-fulfilment of minimum work obligations in accordance to the terms of the PSA or PMA.

#### **3.2 Configuration of Areas**

In accordance to the respective PSA or PMA, the Operator shall ensure that:

- The relinquished areas are of sufficient size and convenient shape to enable the grant of exploration rights to third parties where petroleum operations are to be effectively carried out thereon; and
- The relinquishment area shall, to the extent possible, comprise an area corresponding to a grid size of at least 2.5km x 2.5km.

## **4. Restoration**

The relinquished areas shall be restored to the final declared state as agreed with the Authority prior to the effective date of relinquishment. The site restoration, inclusive of well abandonment, pipelines and infrastructure, shall be carried out as per the Decommissioning and Restoration Guideline, Volume 11 of the Oil & Gas Exploration & Production Guideline.

## References

In this guideline, the following reference is referred:

<b>Reference 1</b>	Volume 11: Decommissioning & Restoration Guideline
--------------------	--

