

Amendments - Petroleum Activities Bill

Amendment	Explanatory Note
<p>Part I; Preliminary; Interpretation <i>Insert</i> “National Petroleum Commission” means the National Petroleum Commission to be established under the Petroleum Commission Act.</p>	<p>Inclusion of the National Petroleum Commission, which is slated to be passed in the National Assembly soon.</p>
<p>New Clause 6 (5) – Upon the constitution of the National Petroleum Commission, all applications shall be submitted to the Commission, the Commission have shall forward recommendations to the Minister, for further action.</p>	<p>Provision of the technical input of the National Petroleum Commission.</p>
<p>New Clause 7 (1) (c)– the Minister shall bring to the National Assembly, for approval, a report on the conditions and terms of license which is proposed to be granted pursuant to subsection (1) (b).</p>	<p>Should the Cabinet grant the Minister approval to conduct direct negotiations, the Minister is required to seek the approval of the National Assembly before issuing the license.</p>
<p>Amend Clause 12 – insert after “an agreement” – <i>after receiving recommendations from the National Petroleum Commission,</i></p>	<p>Provision of the technical input of the National Petroleum Commission.</p>
<p>New Clause 19 (5) - Upon the constitution of the National Petroleum Commission, all petroleum exploration license applications shall be submitted to the National Petroleum commission, The Commission’s recommendations shall be forward to the Minister, for further action.</p>	<p>On the establishment of the National Petroleum Commission, all applications will be submitted to this agency, who will forward same to the Minister with recommendations.</p>
<p>Amend Clause 27 (4) – insert after “within a period specified in the notice, “but not exceeding two years from the date of discovery”.</p>	<p>Seeking to avoid, a licensee making several discoveries, but not having same appraised. A time limit is now placed on the period between discovery and appraisal.</p>
<p>Amend Clause 29 (2) – delete the word “sole”, insert after Minister “acting on the advice of the National Petroleum Commission”,</p>	<p>Provision of the technical input of the National Petroleum Commission.</p>

<p>New Clause 29 (4) – authorisation granted under subsection (2) shall not exceed seven years after the notice of discovery.</p>	<p>Time limit placed on the length of time, which a licensee can retain a potential commercial discovery.</p>
<p>Delete Clause 32 (3) (b)</p>	<p>A proven and appraised commercial discovery is a national asset and should be disposed via competitive tender and not direct negotiations.</p>
<p>Amend Clause 33 – insert after Minister, <i>after receiving recommendations from the National Petroleum Commission,</i></p>	<p>Provision of the technical input of the National Petroleum Commission.</p>
<p>Amend Clause 37 (2) (a) – insert after the Minister, <i>after receiving recommendations from the National Petroleum Commission,</i></p>	<p>Provision of the input of the National Petroleum Commission.</p>
<p>Amend Clause 39 (1) – delete the words “as he deems fit” and insert <i>as recommended by the National Petroleum Commission,</i></p>	<p>Provision of the input of the National Petroleum Commission.</p>
<p>New Clause 47 (5) – Any signature bonus paid by the licensee shall be deposited in full into the consolidated fund in no less than 90 days after receipt.</p>	
<p>New Clause 47 (6) – Any signature bonus paid by the licensee shall be reported to the National Assembly at the end of the quarter that it is received.</p>	
<p>Amend Clause 49 (1) – insert after “production area”. “Royalty payable to the State by the holder of a petroleum production license shall not be less than ten percent and not more than fifteen percent”.</p>	<p>Establish the range for royalty payable – minimum 10%; maximum 15%</p>

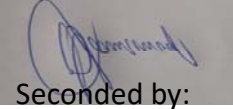
<p>New Clause 49 (1) (6) – All audits for money deemed cost recoverable under any production license shall be completed within nine months of the end of each fiscal year. The Minister shall submit all audit reports to the National Assembly at the earliest possible time thereafter.</p>	<p>Establish a fixed timeline for the completion of Audits – the timeline is similar to that as prescribed in the Audit Act, with regards to Annual Reports.</p>
<p>New Clause 49 (1) (7) - A strict separation shall be maintained between exploration and production activities, costs, and revenues. No revenue from production activities can be charged to exploration activities.</p>	<p>Provision for “ring-fencing” – the licensee is restricted from comingling production and exploration costs.</p>
<p>New Clause 52 (3) – The annual training fee shall not be less than One million, Five Hundred Thousand Unities States dollars.</p>	<p>Training fee limit established, to ensure that adequate funding is available for training in support of this important sector.</p>
<p>Amend Clause 53 (1) – delete the word “may” insert “shall”</p>	<p>This should not be optional, but an obligatory financial support from each license or petroleum agreement.</p>
<p>Amend Clause 53 (2) – The National Petroleum Commission shall, after consultation with relevant social protection, relief, environmental protection, conservation, and development organizations in civil society develop a competitive financial grant system. The National Petroleum Commission shall be responsible for the operation of this grant scheme but may delegate its responsibilities with Ministerial approval. The National Petroleum Commission shall report annually to the Public Accounts Committee.</p>	<p>To ensure that input is received from all relevant agencies to the project and the extent of the financial contribution. The agreement shall detail the exact financial requirement.</p> <p>Social projects will be executed by the National Petroleum Commission as opposed to the licensee.</p>
<p>Amend Clause 61 (3) – insert after “fund”, “commencing no later than one year after the commencement of production”.</p>	<p>Establish the period on payment of decommissioning funds.</p>
<p>Amend Clause 61 (3) – The decommissioning fund shall be held in escrow at an approved financial institution.</p>	<p>Moneys paid into the fund, should be held in escrow, to buffer and take into account of future challenges</p>

<p>Amend Clause 78 (1) (c) – delete “two hundred metres”, insert “five kilometers.”</p>	<p>Permitting drilling or any such activities 200m from a town is unacceptable, there should be an adequate “buffer zone” between townships and petroleum operations.</p>
<p>Amend Clause 78 (1) (d) – delete “two hundred metres” insert “five kilometers.”</p>	
<p>New Clause 78 (4) – except with the consent as prescribed to titled lands under the Amerindian Act.</p>	<p>Ensure that Amerindian Titles lands is included in this Act, for which content must also be obtained.</p>
<p>Amend Clause 79 – delete “two hundred metres” insert “one kilometer”.</p>	<p>A distance of 200m from dam, reservoir, canal or public work is inadequate. For example, the Linden Highway buffer zone was 500 feet, yet this proved inadequate to prevent the destruction of that highway.</p>
<p>Amend Clause 81 (4) – In the event that these clauses (1), (2) and (3) come into conflict with the Amerindian Act, the latter shall take precedence.</p>	<p>Ensure that Amerindian Titles lands rights are included in this Act, in the event of a conflict the Amerindian Act prevails.</p>
<p>New Clause 82 (b) – Prior to commencement of petroleum operations, the licensee shall conduct, at their own expense, a comprehensive baseline study on the fishing stock within the proposed area.</p>	<p>Baseline studies must be undertaken before permission is granted in fishing areas.</p>
<p>New Clause 82 (c) – the licensee shall conduct continuous monitoring during the lifetime of a license, the results of such monitoring exercise shall be submitted to the Guyana Fisheries Department and the National Petroleum Commission. The approved reports shall be placed in the public domain by the Guyana Fisheries Department.</p>	<p>The responsibility for monitoring fishing and navigation areas shall be with the licensee, for the duration of the license and approval of the Guyana Fisheries Department and the Commission.</p>
<p>New Clause 93 (3) – the licensee shall undertake to provide full liability coverage, inclusive of appropriate insurance and a parent company guarantee which shall be in force for each oil field development. Certificates of insurance and this parent company guarantee should be lodged on an</p>	<p>Provision of undertaking of availability of funding in the event of a major peril.</p>

annual basis with the Environmental Protection Agency.	
New Clause 99 – Notwithstanding the conditions in Clause 98, seven years after the commencement of this Act, all permits and production licenses (applied for after the seventh year) shall be subjected to the conditions of this Act.	Clause 98 preserves the rights and privileges of existing licenses; this clause also acknowledges these rights. However, any new production licenses issued AFTER January 1, 2030, will be subjected to the conditions of this new Act. All production Agreements in operation at that cutoff date, will continue under the existing conditions.



Proposed By:
David Patterson MP



Seconded by:
Deonarine Ramsaroop MP

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