

The Bangladesh Petroleum Act, 1974

(ACT NO. LXIX OF 1974)

[28th November, 1974]

An Act to provide for the exploration, development, exploitation, production, processing, refining and marketing of petroleum.

WHEREAS it is expedient to provide for the exploration, development, exploitation, production, processing, refining and marketing of petroleum;

It is hereby enacted as follows:-

**Short title,
extent and
commencement**

1. (1) This Act may be called the Bangladesh Petroleum Act, 1974.

(2) It extends to the whole of Bangladesh and shall also apply to the economic zone and continental shelf of Bangladesh.

(3) It shall be deemed to have come into force on the 22nd day of August, 1974.

Definitions

2. In this Act, unless there is anything repugnant in the subject or context,-

(a) "continental shelf" and "economic zone" have the same meaning as in the Territorial Waters and Maritime Zones Act, 1974 (XXVI of 1974);

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(c) "petroleum" means-

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

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

(iii) any naturally occurring mixture of a hydrocarbon or hydrocarbons, whether in a gaseous, liquid or solid state, and one or more of the following, that is to say, hydrogen sulphide, nitrogen, helium and carbondioxide;

(d) "petroleum agreement" means a production sharing agreement or any other agreement or contract relating to any petroleum operation;

(e) "petroleum operation" means any activity related to exploration, development, exploitation, production, processing, refining or marketing of petroleum.

**Right of
Government
to explore,
etc. of
Petroleum**

3. (1) The Government shall have, within the territory, continental shelf and economic zone of Bangladesh, exclusive right to explore, develop, exploit, produce, process, refine and market petroleum.

(2) The Government shall plan, promote, organise and implement programmes for exploration, development, exploitation, production, processing, refining and marketing of petroleum.

(3) In particular, and without prejudice to the generality of the foregoing provisions, the Government may take such steps as it thinks fit-

(a) to carry out geological, geophysical and other surveys for the exploration of petroleum;

(b) to carry out drilling and other prospecting operations to prove and estimate the reserves of petroleum;

(c) to undertake such other activities as may lead to the establishment of such reserves;

(d) to undertake the production of petroleum from such reserves and the refining of such petroleum;

(e) to sell, distribute, transport and otherwise dispose of petroleum and its refined products;

(f) to contribute towards the cost of any studies, experiments or technical research connected with petroleum;

(g) to undertake, assist or encourage the collection, maintenance and publication of statistics, bulletins and monographs;

(h) to undertake any other activity which is supplemental, incidental or consequential to any of the activities aforesaid, or which may be prescribed by rules made under this Act.

Petroleum agreement

4. (1) The Government may enter into a petroleum agreement with any person for the purpose of any petroleum operation.

(2) No person shall undertake or carry on any petroleum operation except under a petroleum agreement entered into under sub-section (1):

Provided that the Government may, within one month from the date of commencement of this Act, permit, on such conditions as it deems fit, any person to carry on any petroleum operation otherwise than under a petroleum agreement for a period not exceeding six months.

Power of inspection

5. (1) For any purpose mentioned in this Act or the rules made thereunder, any person authorised by the Government in this behalf may-

(a) inspect and take extracts from and make copies of any records, returns, plans, maps and accounts which is kept or made by any person engaged in any petroleum operation;

(b) inspect the installation, well, plants, appliances and works operated or maintained by any person engaged in any petroleum operation and the state of repair and condition thereof;

(c) survey and conduct measurement in any area covered by any petroleum operation;

(d) conduct measurement of any stock of petroleum;

(e) order the production of any cores, samples, records, returns, plans, maps, and accounts relating to any petroleum operation;

(f) examine any person engaged in any petroleum operation.

(2) Any person authorised by the Government under sub-section (1) shall be deemed to be a public servant within the meaning of section 21 of the

Penal Code (XLV of 1860).

Duties of persons engaged in petroleum operation

6. (1) It shall be the duty of any person engaged in any petroleum operation-

(a) to ensure that such petroleum operation is carried on in a proper and workmanlike manner and in accordance with good oil-field practice;

(b) to carry on petroleum operation in any area in a manner that does not interfere with navigation, fishing, and conservation of resources of the sea and sea-bed;

(c) to consider factors connected with the ecology and environment.

(2) In particular, and without prejudice to the generality of the foregoing provision, a person engaged in any petroleum operation shall, in carrying on such operation in any area,-

(a) control the flow, and prevent the waste or escape, in that area of petroleum or water;

(b) prevent the escape in that area of any mixture of water or drilling fluid with petroleum or any other matter;

(c) prevent damage to petroleum bearing strata in any area, whether adjacent to that area or not;

(d) keep separate each petroleum pool discovered in the area;

(e) prevent water or any other matter entering a petroleum pool through wells in that area, except when required by, and in accordance with, good oil-field practice.

Land required for petroleum operation to be deemed for public purpose

7. Any land required for carrying on any petroleum operation shall be deemed to be required for a public purpose.

Delegation of powers

2[8. The Government may, by order in writing, delegate to the Bangladesh Oil and Gas Corporation, that is, Petrobangla, or to any other Government

agency, subject to such conditions, if any, as may be specified therein, such of its rights and powers under this Act, or the rules made thereunder as may be so specified.]

Penalty

9. (1) Whoever contravenes any provision of this Act or the rules made thereunder shall be punishable with imprisonment for a term which may extend to one year, or with fine, or with both.

(2) Where an offence punishable under sub-section (1) is committed by a firm, company or other body corporate, every partner, director, manager, secretary or other officer or agent thereof shall, if actively concerned in the conduct of the business of such firm, company or body corporate, be deemed to have committed the offence unless he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of the offence.

Indemnity

10. No suit, prosecution or other legal proceeding shall lie against any person for anything which is in good faith done or intended to be done under this Act or the rules made thereunder.

Power to make rules

11. The Government may, by notification in the official Gazette, make rules for carrying out the purposes of this Act.

Repeals

12. The Regulation of Mines, Oil-fields and Mineral Development (Government Control) Act, 1948 (XXIV of 1948), and the Petroleum Ordinance, 1974 (Ord. XVI of 1974), are hereby repealed.

¹ Clause (b) was omitted by section 2 of the Bangladesh Petroleum (Amendment) Ordinance, 1976 (Ordinance No. LIV of 1976)

² Section 8 was substituted by section 3 of the Bangladesh Petroleum (Amendment) Ordinance, 1976 (Ordinance No. LIV of 1976)

Ministry of Law, Justice and Parliamentary Affairs