

Regulations for Petroleum Exploitation Projects, Oil Shale, Coal and Strategic Minerals

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- Article 1

This system is called (Law of Petroleum Exploitation Projects, Oil Shale, Coal and Strategic Minerals for the year 2020), and it shall be enforced from the date of its publication in the Official Gazette .

- Article 2

A- The following words and expressions, wherever mentioned in this Law, shall have the meanings assigned to them below, unless the context indicates otherwise :

Law: the law of natural resources .

The Ministry: The Ministry of Energy and Mineral Resources .

Minister: Minister of Energy and Mineral Resources .

Secretary General: The Secretary General of the Ministry or his representative .

Committee: The Supreme Committee formed according to the provisions of this bylaw .

Application: The application submitted by the person according to the form prepared by the Ministry and approved by the Committee in accordance with the terms and conditions of this system and the instructions issued pursuant thereto.

Direct view: the set of documents and data attached to the application that the person submits to the Ministry; To exploit petroleum, oil shale, coal, or strategic minerals .

Person: The company or consortium of companies that makes the direct offer in accordance with the provisions of this bylaw .

Eligible Person : The person who is the owner of the direct offer accepted by the Committee and who is qualified to sign the Memorandum of Understanding .

Memorandum of Understanding : The document that the qualified person signs with the ministry to start exploration

operations, conduct technical studies, and prepare the necessary economic feasibility study for that in accordance with the form prepared by the ministry for this purpose .

Project : Any project aimed at exploiting petroleum, oil shale, coal, or strategic minerals .

Project committees : the technical committees formed according to the provisions of this system .

Negotiating Committee : The committee formed according to the provisions of this system to negotiate the terms of the production sharing agreement or the executive agreement .

B - The definitions stipulated in the law shall be adopted wherever they are stipulated in this system, unless the context indicates otherwise .

- Article 3

A- Subject to the provisions of the law, it is not permissible to exploit petroleum, oil shale, coal and strategic minerals unless the person is qualified in accordance with the provisions of this bylaw .

B - The Secretary General shall receive direct offer requests at any time and transfer them to the committee .

- Article 4

A - A committee called (the Supreme Committee) shall be formed in the ministry headed by the Secretary-General and the membership of each of : -

1. Assistant Secretary-General for Natural Resources .
2. Director of the Directorate of Natural Resources Projects .
3. Director of the Directorate of Natural Resources Studies .
4. Director of the Legal Affairs Directorate .
5. A representative of the Ministry of Finance nominated by its minister .
6. A representative of the Audit Bureau to be named by its head .

B - The committee chairperson shall designate from among its members a deputy to undertake his duties in his absence .

C- The committee chairman nominates from among the ministry's employees a rapporteur for the committee, who prepares the invitation to its meetings, keeps its records and records, records its session's minutes and follows up on the implementation of its decisions .

D- The committee meets at the invitation of its chairman or his deputy in his absence whenever the need arises, and its meeting is legal with the attendance of the majority of its members, provided that among them is the chairman or his deputy, and its decisions are taken by the majority of the votes of its attending members .

E - The committee may seek the assistance of experts and technicians to carry out the tasks entrusted to it and may invite any of them to attend its meetings to seek their opinions without having the right to vote on its decisions .

- Article 5

The committee shall assume the following duties and powers:

A- Receiving the direct offer from the Secretary-General and communicating with the person to inquire from him about any items that are not clear in the direct proposal submitted by him and transfer it to the competent projects committee for study and evaluation .

B- Take the decision to accept the direct offer based on the recommendation of the project committees and qualify the owner to contract with him according to the memorandum of understanding and any other requests related to the memorandum of understanding in accordance with the provisions of this system and the instructions issued pursuant thereto or reject the direct offer and inform the person submitting the offer of the decision without the need to explain the reasons .

C- Take the appropriate decision regarding considering the qualified person has fulfilled his obligations in the memorandum of understanding, and assign the minister to initiate negotiations with him about a production-sharing agreement or an executive agreement and complete its procedures in accordance with the legislation in force .

D- Setting standards and principles for preparing and evaluating the live offer

E- Preparing model contractual instructions and provisions for memoranda of understanding and agreements stipulated in this system and submitting them to the Minister for approval .

F - Preparing the forms and instructions issued in accordance with the provisions of this system and submitting them to the minister for issuance .

G- Any other tasks related to the work of the committee, which the Minister refers to it .

- Article 6

A - The minister shall, upon the committee's recommendation, form the following project committees from a number of members not less than five and not more than seven : -

1- Petroleum Projects Committee .

2- The Committee for Strategic Minerals Projects .

3- The committee of oil shale and coal projects .

B- Project committees, each according to its specialization, assume the following tasks and powers : -

1- Study and evaluate the direct offer according to the instructions issued by the Minister for this purpose .

2 - Communicate with the person making the offer to inquire from him about any items that are not clear in the direct offer submitted by him .

3- Recommending to the committee to accept or reject the direct offer based on the evaluation criteria stipulated in the instructions issued under this system .

4- Preparing the Memorandum of Understanding and the recommendation for the committee regarding it

5- Follow up and monitor the implementation of the requirements of the memorandum of understanding signed with the qualified person, including auditing all expenditures during that stage .

6- Preparing reports on the qualified person's implementation of his obligations or breaches thereof under the Memorandum of Understanding, including results and recommendations regarding entering into negotiations on production-sharing agreements or implementation agreements, and submitting them to the committee to take the appropriate decision regarding them .

7- Any other matters related to the work of the project committees that are assigned to the committee .

- Article 7

The person submitting the direct offer must meet the following conditions :

A- The appropriate technical qualifications and according to the nature of the project and its technical requirements in the following specialized fields: geology, oil and gas exploration and production engineering, mining, processing techniques for various raw materials, economic studies, various environmental and engineering studies or any other specialized qualifications related to the nature of the project decided by the committee in accordance with the instructions issued

Under this system .

B - The adequate financial solvency that enables him to implement the project of exploiting petroleum, oil shale, coal, or strategic minerals, as determined by the committee in accordance with the instructions issued under this system .

C- That he has not been ruled by virtue of a final decision of an economic crime, a fraud crime, or a money laundering crime inside or outside the Kingdom, and the person must acknowledge that in the request under penalty of rejection of the direct offer .

D- That he had not previously submitted to any of the projects for exploiting petroleum, oil shale, coal, or strategic minerals and had neglected, neglected, or neglected or violated his obligations under any of the previous contractual documents, including any memorandum of understanding or any agreement .

- Article 8

The direct offer must fulfill the following conditions:

A- The application is filled out and signed according to the form prepared for this purpose .

B- Attach the documents that prove the technical qualifications and financial solvency referred to in Paragraphs (A) and (B) of Article (7) of this bylaw .

C- Clearly define the project area .

- Article 9

The Minister submits the committee's recommendation to approve the signing of the Memorandum of Understanding to the Council of Ministers to take the appropriate decision regarding it and authorize the Minister to sign it .

- Article 10

The minister, upon the recommendation of the committee in the ministry, forms a negotiation committee that includes in its membership the relevant government agencies, provided that the number of members is not less than five and not more than seven, in addition to the project advisor, if any, to negotiate the terms of the production sharing agreement or the executive agreement in accordance with the provisions of the law with the person Qualified person who has successfully implemented the requirements of the MOU .

- Article 11

The Ministry does not bear any responsibility after the lapse of six months from the date of rejection of the application, and it has the right to destroy rejected direct offer requests .

- Article 12

The Council of Ministers, upon the recommendation of the Minister based on the committee's recommendation, may cancel any qualification decision or any memorandum of understanding in accordance with the provisions of this system, in the event that the committee finds that the direct offer or person is not serious or breaches the requirements of the memorandum of understanding and without any responsibility on the ministry in this regard .

- Article 13

When any situation arises that cannot be dealt with under the provisions of this bylaw, the minister submits the matter to the Council of Ministers to take the appropriate decision in its regard .

- Article 14

The Minister may, upon the committee's recommendation, grant financial rewards to members of project committees, the negotiation committee, experts and technicians who are not employees, provided that he specifies in his decision the amount of these remuneration and the method of their disbursement.

- Article 15

The Minister shall issue the necessary instructions to implement the provisions of this system .

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