

LAWS OF BRUNEI

REVISED EDITION 1984

CHAPTER 45

PETROLEUM (PIPE-LINES)

ARRANGEMENT OF SECTIONS

Section

1. Short title
2. Interpretation
3. Permission to lay pipe-lines necessary
4. Notice to disconnect pipe-line laid without permission
5. Penalty for reconnecting without permission
6. Notice to land owner of desire to lay pipe-line
7. Assent to proposal
8. Procedure when owner is under a disability
9. Dissent from proposal
10. Procedure
11. Compensation to owners under disability
12. Money deposited to be paid out on order of High Court
13. Power to enter land to inspect and repair pipes

LAWS OF BRUNEI

2

CAP. 45

Petroleum (Pipe-lines)

14. Obstructing owners of pipe-lines and other persons interested
 15. Liability of owner of pipes to make compensation for damage
 16. Owners of pipe-line may be declared to be common carriers
 17. Rules and regulations
 18. Pipe-lines in, over or across a public road
-

PETROLEUM (PIPE-LINES) ACT

**An Act to make provision with regard to the laying of pipes
for the purpose of conveying oil**

2 of 1920
(Cap. 45 of
1951)
S.99/59
3 of 1963

Commencement: 4th March 1920

1. This Act may be cited as the Petroleum (Pipe-lines) Act. Short title

2. In this Act —

Interpreta-
tion

“person” includes a corporation, whether aggregate or sole;

“petroleum” means petroleum as defined in the Petroleum Mining Act; Cap. 44

“pipe” and “pipe-line” mean a pipe or pipe-line used or intended to be used for conveying petroleum or the products of petroleum in bulk from a place of main storage to a point of distribution or a point of export from Brunei;

“public road” means any highway by land whether for foot, bridle or wheeled traffic which is maintained out of public funds or is open to public use.

3. (1) It shall not be lawful for any person to use or to lay and connect on any land in Brunei (whether such land is or is not the property of any such person) any pipes without permission first had and obtained.

Permission to
lay pipe-lines
necessary

(2) Every person desirous of obtaining permission to use or to lay and connect any such pipe-line shall apply in writing to the Minister for leave to do so.

(3) Such application shall be accompanied by a plan of the lands showing, as nearly as may be, the names of the

owners and occupiers thereof, and also the course and direction of the pipe-line and the position of any pumping stations, tanks or other works in connection with such pipe-line.

(4) His Majesty the Sultan and Yang Di-Pertuan in Council may thereupon, and upon such terms and conditions as he may think fit, grant permission to such petitioner —

(a) to use any pipe-line;

(b) to lay and connect any pipe-line over such lands as may be the property of the petitioner or over which he may have obtained way leave, and as to such lands, if any, as are not his property or over which he has not obtained way leave, to proceed under section 6.

Notice to
disconnect
pipe-line laid
without
permission

4. (1) If any pipe-line shall be used or laid and connected in contravention of the provisions of section 3, it shall be lawful for the Minister by notice in writing to be served upon the owner or occupier of any lands whereon such pipe-line may be laid or through which it may pass, to require that such pipe-line be immediately disconnected and rendered useless for the purpose of conveying oil.

(2) In any case in which the owner or occupier of any such land is not known or cannot be found, such notice may be served by affixing the same in some conspicuous place in such lands.

(3) Should the requirements of any such notice not be complied with within 48 hours of the service or affixing thereof, it shall be lawful for any person authorised in writing by the Minister with such workmen and assistants as may be necessary to enter upon any land and carry out the requirements of such notice, and thereafter to re-enter from

time to time to enforce and keep enforced such requirements without order or further authority.

(4) Production of such written authority shall be sufficient evidence of the issue thereof, and no proof of the signatures thereon shall be necessary.

(5) Any person obstructing the execution by any person so authorised, his workmen or assistants of anything required to be done to give effect to the requirements of any such notice so long as the same is in operation shall be guilty of an offence: Penalty, a fine of \$500.

5. A person who, after any pipe-line has been disconnected in accordance with the provisions of section 4, reconnects the same, without having applied for and received permission under section 3 shall be guilty of an offence: Penalty, a fine of \$500 and \$100 for each day during which such pipe-line continues so re-connected.

Penalty for reconnecting without permission

6. Every person desirous of laying pipe-lines on the lands of other persons who has obtained permission to proceed as mentioned in paragraph (b) of subsection (4) of section 3, shall give notice in writing to the owners of such lands of his desire to lay down such pipe-lines, and of his intention after the expiration of 14 days from the date of such notice on a specified day to enter upon such lands for the purpose of fixing the location of such pipe-lines, and within 14 days of such entry shall serve each of such owners with a statement in writing containing full particulars of the description and proposed location of such pipe-lines.

Notice to land owner of desire to lay pipe-line

7. Any such owner after receipt of such notice and statement of particulars may assent to the laying down of such pipe-lines upon payment of such compensation as may be agreed upon, and any assent so given shall be binding on all parties having any estate or interest in the land.

Assent to proposal

Procedure
when owner
is under a
disability

8. When the owner of the land is a minor or is mentally deficient or is unable to read and write or suffers under any other disability or incapacity, both parties shall appear before the Minister who shall keep a record of all such agreements, and no such agreement shall become operative till it has been certified by the Minister to be fair and reasonable.

Dissent from
proposal

9. (1) An owner shall be deemed to have assented to the proposal to lay pipe-lines on his land if he fails to express his dissent therefrom within 3 months after the service of the notice on him under section 6.

(2) In the event of such dissent there shall be decided by the Minister on the application of the person desiring to lay pipe-lines, unless the parties mutually agree to accept arbitration, the questions following, that is to say —

- (i) whether the proposed pipe-lines will cause any injury to such owner, or to the occupier or other person interested in the lands; and
- (ii) whether any injury that may be caused is or is not of a nature to admit of being fully compensated for by money.

(3) The result of any such decision shall be as follows, that is to say —

(a) if the decision is that no injury will be caused to the owner, occupier or other parties interested in the lands, the person giving notice may proceed forthwith to lay the pipe-line;

(b) if the decision is that injury will be caused to the owner, occupier or other party interested in the lands, but that such injury is of a nature to admit of being fully compensated by money, the Minister or arbitrators shall proceed to assess such compensation and to apportion the same amongst

the parties in his or their judgment entitled thereto subject to the provisions contained in section 11; and on payment of the sum so assessed the person giving notice may proceed to lay the proposed pipe-line;

(c) if the decision is that injury will be caused to the owner, occupier or other party interested in the land, and that such injury is not of a nature to admit of being fully compensated by money, the person giving notice shall not be entitled to lay the proposed pipe-line.

10. Where any application is made under section 9, the Minister may summon the parties to appear before him at a time and place to be named in the summons, and upon the appearance of such parties, or in the absence of any of them, upon proof of the due service of the summons, it shall be lawful for the Minister to hear and determine the question and amount of the compensation and for that purpose to examine such parties or any of them and their witnesses upon oath, and the cost of every such inquiry shall be at his discretion and he shall settle the amount thereof.

Procedure

11. Where the compensation assessed by the Minister or arbitrators under section 10 is payable to any owner or other person who is under any disability or incapacity, or is not entitled to receive the same for his own benefit, or is absent from Brunei, or when any other difficulty or question arises, such compensation shall be paid into court.

Compensation to owners under disability

12. Upon the application by petition of any person making claim to any moneys deposited under section 11, the High Court may in a summary way at the cost of the person giving notice under section 6, and after such notice as the Court may deem fit and to such person or persons as the Court shall direct, order distribution and payment of such

Money deposited to be paid out on order of High Court

moneys according to the respective rights and interests of the persons making claim to such moneys or any part thereof and may make such other order in the premises as to the Court shall seem fit.

Power to enter land to inspect and repair pipes

13. (1) After pipe-lines have been laid in accordance with the provisions of this Act, it shall be lawful for the owner or person in charge of such pipe-lines or any person authorised in writing by either of them from time to time as it becomes necessary, to enter upon the lands through which such pipe-lines have been laid for the purpose of inspecting and with such assistance as may be necessary repairing the same, or in case such pipe-lines shall no longer be required, for the purpose of removing the same.

(2) When pipe-lines are removed, the surface of the land shall forthwith be restored to its former condition. In default thereof such restoration may be carried out by the owner of the land, and the costs thereof shall be recoverable from the person liable therefore in court without limit of amount.

Obstructing owners of pipe-lines and other persons interested

14. Any person hindering, obstructing or interfering with the exercise by any owner or person in charge of a pipe-line, or by any other person, or by the servants or agents duly authorised in writing of any such owner or person of any right of entry upon lands conferred by this Act for the purpose of laying and connecting or repairing, inspecting or removing any pipe-line shall be guilty of an offence: Penalty, a fine of \$500.

Liability of owner of pipes to make compensation for damage

15. The provisions of this Act shall not relieve any owner of a pipe-line of the liability to make compensation to the owner or occupier of the land or the agents, workmen or servants of such owner or occupier for any damage or injury done or caused by the exercise or use of any power or authority hereby conferred or by any irregularity trespass or other wrongful proceeding in the execution of this Act, or

by the breaking or bursting of any pipe, or by reason of any defect in any pipe:

Provided that if before action brought in respect thereof such owner of pipe-lines make tender of sufficient amends to the party injured, such last mentioned party shall not recover in any action.

16. It shall be lawful for His Majesty in Council to declare that any pipe-line or system of pipe-lines shall be deemed to be and be common carriers; and from and after the publication of such declaration the owners or operators of every such pipe-line or system of pipe-lines shall at all times, in accordance with such rules and regulations as may from time to time be made by His Majesty in Council, make full and adequate provision in regard to the carriage of crude oil, as such common carriers and shall, if required so to do by His Majesty in Council, increase the carrying capacity of any such pipe-line or system of pipe-lines and the capacity of their pumping stations tanks and other appliances:

Owners of
pipe-line may
be declared
to be
common
carriers

Provided that such owners or operators shall not be bound to increase the capacity of their pipe-lines, tanks, pumping stations and other appliances save upon the requisition of producers or crude oil, who have given guarantees satisfactory to the Minister of the permanence of the supply of crude oil to be carried by such owners or operators, and that such owners or operators shall not be bound to carry crude oil below a flash point which may from time to time be fixed by the Minister, or otherwise than in accordance with rules and regulations to be made as aforesaid:

Provided also that such owners or operators shall not be obliged to place at any one time at the disposal of the public more than 20 *per cent* of the full carrying capacity of their pipe-line as then constituted.

Rules and
regulations

17. The rules and regulations mentioned in section 16 may among other things fix a limit to the rates which the owners or operators of a pipe-line may charge for the carriage of oil, and the terms and conditions upon which such owners or operators shall be bound to carry oil, and may attach a penalty not exceeding \$500 to the breach by such owners or operators of any such rule or regulation, and provide a method for deciding all questions as to the performance of their obligations towards the public, including questions as to the damages payable by such owners or operators or other their liabilities for failure to perform such obligations. Such owners and operators shall execute in favour of His Majesty in Council, and his successors a bond with 2 or more sufficient sureties, to be approved by His Majesty in Council, in the sum of \$10,000, conditioned for the payment by them of any penalty or payment of any such sum to which they may have become liable under such rules or regulations and for compliance with any such decision as aforesaid.

Pipe-lines in,
over or across
a public road

18. It shall be lawful for His Majesty in Council to grant leave to any person to lay and connect a pipe-line in, over or across any public road under such terms and conditions as to him seem fit, and thereafter it shall be lawful for such person to lay such pipe-lines subject to the said terms and conditions and to exercise all the rights powers and privileges thereby conferred without let or hindrance by any other person.