

**Ministerial Regulation No.20, B.E. 2536 (1993)****Prescribing Rules and Methods in Apportioning Revenue and Expenditure**

Issued under the provisions of the Petroleum Act, B.E. 2514

**Translation**

In exercise of the power conferred by Section 14 (5) of the Petroleum Act, B.E. 2514 and Section 100 ter of the Petroleum Act, B.E. 2514 as amended by the Petroleum Act (No.4), B.E. 2532, the Minister of Industry hereby issues the following Ministerial Regulation:

1. In the case where the petroleum revenue, petroleum capital expenditure, or ordinary and necessary petroleum expenditure involve several exploration blocks, and cannot be clearly apportioned to any particular exploration block, the concessionaire shall calculate such revenue or expense of each exploration block in accordance with the rules prescribed herein.
2. In calculating the petroleum revenue under Section 100 ter (1)(d), the concessionaire shall allocate to each exploration block the average of revenue from all the exploration blocks the concessionaire held prior to the transfer of properties or rights relating to such petroleum operations.
3. In calculating petroleum capital expenditure, the concessionaire shall allocate the expenses in accordance with the following rules:
  - (1) Salaries and labor costs which in practice are unable or inappropriate to set up a time sheet to apportion the works of each exploration block, the concessionaire shall allocate the salaries and labor cost in proportion to relevant or similar works on the time sheet set up for such exploration block.
  - (2) For other expenses besides those in (1) the concessionaire shall allocate to each exploration block the average of the expenses from all the exploration blocks the concessionaire holds or held during that particular accounting period.
4. In calculating ordinary and necessary petroleum expenditure, the concessionaire shall allocate the expenses in accordance with the rules prescribed in paragraph 3.
5. In the case the concessionaire deems that some other methods to calculate the petroleum revenue, petroleum capital expenditure or ordinary and necessary expenditure will be more precise or more suitable than the method set in paragraphs 2, 3, or 4, whichever the case may be, the concessionaire may request for approval to adopt such method by submitting a written request stipulating reasons to change the method to the Director-General. Such proposed method can be adopted upon the approval of the Director-General. In the case the Director-General has approved such other method for calculation under paragraph 1, the Director-General shall promptly submit to the Ministry of Finance a copy of the approval and accompanying document showing the method of calculation.

In the case it appears later that the method of calculation which the Director- General approved as per the concessionaire's request in the first paragraph is not suitable by any reason, or some circumstance have changed, the Director-General shall have the power to order the correction or change to such method. However, such order shall not affect any performance the concessionaire had done prior to the date the Director-General orders such correction or change.

Given on this 21st Day of April B.E. 2536

Signed by Major-General Sanan Kajornprasart

Minister of Industry

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