

Oil and Gas Pipeline Protection Law of the PRC – Full English Translation (2010)

Dan Young Business Consultancy — www.danyoungcpa.com

Unofficial English translation prepared for reference only. The official Chinese text prevails.

Contents

Table of Contents	1
Chapter I — General Provisions	1
Chapter II — Pipeline Planning and Construction	2
Chapter III — Safety of Pipeline Operations	3
Chapter IV — Relationship Between Pipeline Construction Projects and Other Construction Projects	3
Chapter V — Legal Liability	4
Chapter VI — Supplementary Provisions	4

Adopted at the 15th Meeting of the Standing Committee of the Eleventh National People's Congress on June 25, 2010
Effective: October 1, 2010

Table of Contents

- Chapter I — General Provisions
- Chapter II — Pipeline Planning and Construction
- Chapter III — Safety of Pipeline Operations
- Chapter IV — Pipeline Construction Projects and Other Construction Projects
- Chapter V — Legal Liability
- Chapter VI — Supplementary Provisions

Chapter I — General Provisions

Article 1 — This Law is enacted for the purposes of protecting the safety of oil and gas pipelines, safeguarding the safe delivery of oil and gas, protecting national energy security, and protecting the safety of people's lives and property.

Article 2 — This Law shall apply to the protection of oil and gas pipelines within the territory of the People's Republic of China.

For the purposes of this Law, the term "oil and gas pipelines" means pipelines and auxiliary facilities for the delivery of crude oil, natural gas, coalbed methane and coal-to-gas, including stations, valve chambers, and other such facilities, but excluding the pipelines and facilities of urban gas pipeline networks and the oil and gas pipelines within the refinery areas, chemical industrial parks and oil and gas field areas.

Article 3 — The principles of safety first, giving priority to prevention, and territorial management shall be adhered to in the protection of oil and gas pipelines.

Article 4 — The energy department of the State Council shall, in accordance with the provisions of this Law, take charge of the protection of oil and gas pipelines nationwide, and shall be responsible for organising the formulation and implementation of the national development plan for oil and gas pipelines, and for coordinating and handling major issues in the protection of oil and gas pipelines across the country.

The other relevant departments of the State Council shall, within the scope of their respective duties, take charge of the work relating to the protection of oil and gas pipelines.

Article 5 — The energy department of the people's government of a province, autonomous region or municipality directly under the Central Government and the energy department of the people's government of a city divided into districts or a county-level people's government designated by the people's government of the province, autonomous region or municipality directly under the Central Government shall, in accordance with the provisions of this Law, take charge of the protection of oil and gas pipelines within their respective administrative areas.

The other relevant departments of the local people's governments at or above the county level shall, within the scope of their respective duties, take charge of the work relating to the protection of oil and gas pipelines within their respective administrative areas.

Article 6 — Pipeline enterprises shall abide by this Law and the relevant laws and administrative regulations on planning, construction, work safety and quality supervision and inspection, implement the State technical specifications and mandatory requirements, establish sound rules and regulations for the protection of oil and gas pipelines and technical operation procedures, publicize the knowledge on the safety protection of oil and gas pipelines, fulfill their obligations to protect oil and gas pipelines, and accept the supervision and administration carried out by the people's governments and their relevant departments according to law.

Article 7 — All entities and individuals shall have the obligation to protect oil and gas pipelines. Entities and individuals that discover any act endangering the safety of oil and gas pipelines shall have the right to report to the relevant departments.

Chapter II — Pipeline Planning and Construction

Article 8 — The energy department of the State Council shall, in accordance with the national comprehensive energy plan, organise the formulation of the national oil and gas pipeline development plan and organise its implementation. The energy department of the State Council may, according to the actual circumstances, entrust the pipeline enterprise with the formulation of the plan for the construction of oil and gas pipelines.

Article 9 — The planning, construction and use of pipelines shall comply with the requirements of the national land space planning and shall be co-ordinated with other specialised plans. Where a pipeline construction project requires the use of land, the land use formalities shall be completed according to law.

Article 10 — Pipeline enterprises shall ensure the quality of the construction of oil and gas pipeline projects. The survey, design, construction, supervision and completion acceptance of pipeline construction projects shall comply with the relevant laws, administrative regulations and State mandatory standards on the quality and safety of construction projects.

Article 11 — In the selection of the route for a pipeline, the principle of safety shall be first, and mountain areas, areas prone to geological disasters, and densely populated areas shall be avoided, and the safe distances from important military facilities, transportation hubs, ports, airports, large-scale water conservancy facilities, and public buildings shall comply with the provisions of relevant laws, administrative regulations and State technical specifications.

Article 12 — Where a pipeline passes through a restricted area or a military administrative area, the opinions of the relevant military authorities shall be solicited. Where a pipeline passes through a protected area of cultural relics, a nature reserve or a drinking water source protection area, it shall comply with the provisions of the relevant laws and administrative regulations.

Chapter III — Safety of Pipeline Operations

Article 13 — Pipeline enterprises shall establish a sound responsibility system for the safety management of pipelines, equip with the necessary pipeline protection personnel and technical equipment, study and apply advanced technologies for safety protection, guarantee the investment in safety protection of pipelines, and be responsible for the safety of pipeline operations under their management.

Article 14 — Pipeline enterprises shall install pipeline signs along the pipeline route. Pipeline signs damaged or in disrepair shall be repaired or updated in a timely manner by the pipeline enterprise.

Article 15 — Pipeline enterprises shall conduct regular inspection and maintenance of pipelines, and promptly repair the parts where safety hazards exist. When pipelines need to be repaired, the pipeline enterprise shall formulate a repair plan and ensure the safety of repair operations.

Article 16 — Pipeline enterprises shall equip with professionals and technicians and corresponding technical equipment for the rescue of pipeline accidents, and shall formulate emergency rescue plans for pipeline accidents. Emergency rescue plans shall be submitted to the local people's government for filing.

Article 17 — Pipeline enterprises shall organise patrols and inspections of pipelines by specialised personnel. Where the patrol and inspection personnel discover any act endangering the safety of pipelines, they shall deal with it in a timely manner; where it cannot be dealt with in a timely manner, they shall report to the local people's government and its relevant departments for handling.

Article 18 — Pipeline enterprises shall, in accordance with the relevant provisions of the State, conduct testing and evaluation of pipelines to ensure that pipelines are in a safe condition.

Article 19 — The operation, management and use of oil and gas pipelines shall comply with the provisions of relevant laws, administrative regulations and State technical specifications on work safety and quality supervision.

Chapter IV — Relationship Between Pipeline Construction Projects and Other Construction Projects

Article 20 — Where a construction project conflicts with the route plan of an oil or gas pipeline in the national oil and gas pipeline development plan, the construction entity shall, before commencing construction, consult with the pipeline enterprise and reach an agreement.

Article 21 — The following acts endangering the safety of pipelines are prohibited within the pipeline protection zone along the pipeline route:

- (1) constructing buildings or structures that may endanger the safety of pipelines;
- (2) conducting excavation, blasting, pile driving, drilling, mining or other operations that may endanger the safety of pipelines;
- (3) stacking heavy objects or discarding heavy objects that may endanger the safety of pipelines;
- (4) planting deep-rooted plants that may endanger the safety of pipelines;
- (5) other acts endangering the safety of pipelines as prohibited by laws and administrative regulations.

Article 22 — Where construction activities such as crossing or spanning pipelines, or constructing buildings or structures within a certain distance from pipelines, need to be carried out within the pipeline protection

zone, the construction entity shall apply to the energy department of the local people's government at or above the county level. The energy department shall, within 20 working days of receiving the application, make a decision on approval or disapproval.

Article 23 — Where, under special circumstances, a pipeline needs to be rerouted or protective facilities need to be added as a result of construction projects such as the construction of railways, highways, water conservancy projects, or public facilities, the construction entity shall enter into a protection agreement with the pipeline enterprise and bear the expenses required for the rerouting or the addition of protective facilities.

Chapter V — Legal Liability

Article 24 — Where an entity commits an act endangering the safety of pipelines in violation of the provisions of this Law, the energy department of the people's government at or above the county level shall order it to stop the violation within a specified time limit; where the circumstances are serious, a fine shall be imposed; where losses are caused to the pipeline enterprise, the entity shall bear the liability for compensation according to law.

Article 25 — Where a pipeline enterprise fails to perform its obligations to protect pipelines in accordance with the provisions of this Law, the energy department of the people's government at or above the county level shall order it to make corrections within a specified time limit; where it fails to do so, a fine shall be imposed; where serious consequences are caused, the persons directly in charge and other persons directly responsible shall be subject to sanctions according to law.

Article 26 — Where a pipeline enterprise, in violation of the provisions of this Law, causes a pipeline accident and thereby causes damage to others, the pipeline enterprise shall bear the liability for compensation according to law; where a crime is constituted, criminal liability shall be investigated according to law.

Article 27 — Where a staff member of the department responsible for the protection of oil and gas pipelines abuses his or her power, neglects his or her duties, or engages in malpractice for personal gain, sanctions shall be imposed according to law; where a crime is constituted, criminal liability shall be investigated according to law.

Chapter VI — Supplementary Provisions

Article 28 — The specific scope of the pipeline protection zone shall be prescribed by the energy department of the State Council in conjunction with the relevant departments of the State Council.

Article 29 — The protection of offshore oil and gas pipelines shall be separately provided for by the State Council.

Article 30 — This Law shall come into force on October 1, 2010. The Regulations on the Protection of Petroleum and Natural Gas Pipelines promulgated by the State Council on March 12, 1989 shall be repealed simultaneously.

Disclaimer: This English translation is provided for informational and reference purposes only. It is not an official translation and has no legal effect. The original Chinese text of the law shall prevail in all legal and official matters. While every effort has been made to ensure accuracy, Dan Young Business Consultancy makes no warranties as to the completeness or accuracy of this translation and accepts no liability for any reliance placed upon it. Readers should consult qualified legal professionals for advice on specific legal matters.