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If a whole or part of a section has been amended, the date of the amending law appears in square brackets at the end of the section. If a whole section, paragraph or clause has been deleted, the date of the deletion appears in square brackets beside the deleted section, paragraph or clause.

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The Saeima<sup>1</sup> has adopted and the President has proclaimed the following Law:

## Law On Subterranean Depths

### Chapter I

#### General Provisions

##### Section 1. Terms Used in this Law

The following terms are used in this Law:

- 1) **soil** – upper unconsolidated layer of the Earth's crust which has been formed under the effect of atmospheric and biological factors and which features natural fertility;
- 2) **widespread mineral resources** – mineral resources spread throughout the territory of Latvia and present in sufficient amount;
- 2<sup>1</sup>) **an authorisation for the extraction of widespread mineral resources** – an administrative act that grants the right to the addressee thereof to use subterranean depths within the specified limits and for a specified period of time, taking into account the conditions of the authorisation;
- 3) **mineral resources** – formations of non-organic or organic origin (also groundwater) the use of which is practically possible and economically viable;
- 4) **deposit of mineral resources** – a natural set of mineral resources the amount, the quality and conditions of extraction of which have been assessed and the practical use of which is possible;
- 5) **register of deposits of mineral resources** – a set of data regarding the stocks of mineral resources in deposits and the quality thereof;
- 6) **extraction of mineral resources** – a complex of activities for the extraction of the mineral resources in a deposit;
- 7) **exploration of mineral resources** – the geological, geophysical, geochemical and technical activities at the licence area the aim of which is to determine the quality and stock of the mineral resources in a deposit, as well as to assess the commercial significance of the deposit of mineral resources;
- 8) **balance of the stock of mineral resources** – the collection of data in respect to a certain period of time regarding the amounts of extraction of mineral resources, losses of stocks and remaining stocks of mineral resources;
- 9) **prospection of mineral resources** – aim oriented geological researches in order to find perspective deposits of mineral resources for further exploration;
- 10) **concrete ring well** – a water supply installation fixed with a concrete ring for the reception of groundwater;
- 11) **geological information** – data regarding the construction, properties and resources of subterranean depths;
- 12) **geological research** - geological activities of all types, the aim of which is to discover the structure, composition, properties, state of subterranean depths, as well as regularities of spread of useful properties and location of mineral resources and subterranean depths;
- 13) **sunk well or drilled well** – a water supply installation fixed with pipes for the receiving of groundwater;
- 14) **licence area** – a district (block) or set of several districts (blocks) of subterranean depths intended for a certain purpose of use of subterranean depths, the frontiers of which are specified in the licence for use of subterranean depths or authorisation for the extraction of widespread mineral resources;
- 15) **hydrocarbons** – untreated petroleum (crude oil), natural gas and gas condensates;
- 15<sup>1</sup>) **underground structures** – tunnels, artificial caves, pits, shelters, as well as storage facilities for hydrocarbons and carbon dioxide in geological structures;
- 15<sup>2</sup>) **useful properties of subterranean depths** – physical features of rocks (porosity, permeability, density, capacity of insulation, thermal energy etc.), as well as geological structures which may be used in the national economy;
- 16) [16 December 2004];

17) **mineral resources of national significance** – hydrocarbons *untreated petroleum (crude oil)*, *natural gas* and groundwater (freshwater, mineral water, thermal water and water used in industry);

18) **deposit of mineral resources of national significance** – a deposit specified by the Cabinet, which is located in the territory of Latvia or in the exclusive economic zone and the stocks of which ensure the needs for the relevant mineral resource of the State or several regions thereof;

19) **section of subterranean depths of national significance** – districts of the Earth's crust specified by the Cabinet in the territory of Latvia or in the exclusive economic zone in which the properties of subterranean depths have been specified and the use of which may be of especially significant meaning in the national economic, protection and in other fields;

20) **subterranean depths** – a part of the Earth's crust which is located under the soil and surface water up to the depths in which it is economically and technically possible to perform geological research, extraction of mineral resources or use thereof;

21) **use of subterranean depths** – geological research, extraction of mineral resources and use of the useful properties of subterranean depths;

22) **licence for the use of subterranean depths** – an administrative act, which grants to the addressee thereof the right to use the subterranean depth within the specified limits, in the specified form and for the specified period of time, taking into account the provisions of the licence;

23) **the Earth's crust** – the outer, solid part of the Earth the thickness of which in Latvia is 40-64 km;

24) **subterranean depths fund** – all usable and non-useable subterranean depths in the territory of Latvia and in the exclusive economic zone regardless of the possession (owner) thereof;

25) **monitoring of subterranean depths** – the system of observation, control, analysis and forecasting of the state of subterranean depths;

26) **State geological supervision of the subterranean depths fund** – the system of measures specified in regulatory enactments the task of which is to follow, how the procedures for the use of subterranean depths specified in regulatory enactments, normative documents and authorisations or licences (the programme of compliance of geological research of mineral resources and evaluation of results achieved, acceptance and record-keeping of stocks of mineral resources) are being complied with.

[11 February 1999; 16 December 2004; 5 October 2006]

## **Section 2. Purpose of this Law**

The purpose of this Law is to ensure complex, efficient, environmentally-friendly and sustainable use of subterranean depths, as well as specify the requirements for the protection of subterranean depths.

[16 December 2004]

## **Section 3. Ownership**

(1) Subterranean depths and all mineral resources present therein shall be owned by the land owner.

(2) The land owner may deal with subterranean depths as far as this Law and other regulatory enactments do not restrict his or her rights.

## **Chapter II**

### **Supervision of Use of Subterranean Depths Fund**

#### **Section 4. Supervisory Bodies of Use of Subterranean Depths Fund**

(1) The supervision of subterranean depths fund regardless of possession (owner) thereof, in accordance with the procedures specified in regulatory enactments, shall be performed by:

1) the Ministry of Environment and institutions that are subordinate thereto;

2) the Ministry of Economics; and

3) local governments.

(2) The competence of the referred to authorities shall be determined by this Law and other laws, as well as by-laws and other regulatory enactments of the relevant ministries and bodies (authorities) approved by the Cabinet.

(3) The Latvian Environment, Geology and Meteorology Agency shall ensure the geological supervision of the subterranean depths fund and the efficient use of subterranean depths.

(4) The Ministry of Economics shall issue licences for prospecting, exploration and extraction of hydrocarbons in the licence areas specified by the Cabinet in accordance with the procedures specified by the Cabinet, as well as shall perform administrative supervision of the prospecting, exploration and extraction of hydrocarbons.

(5) Local governments in the administrative territories thereof shall:

1) issue authorisations for the extraction of widespread mineral resources in accordance with the procedures specified by the Cabinet and in compliance with the limits specified by the Latvian Environment, Geology and

Meteorology Agency, except for the cases specified in Section 10, Paragraph one, Clause 3, Sub-clauses (a) and (b) of this Law; and

2) supervise recovering of places of extraction of mineral resources.

(6) Income from the State fee received regarding the authorisations for extraction of widespread mineral resources shall be used for covering the expenses for the fulfilment of functions assigned to local governments.

(7) [16 December 2004]

[11 February 1999; 16 December 2004; 5 October 2006]

### **Section 5. Forms of Supervision of the Use of Subterranean Depths**

(1) The Latvian Environment, Geology and Meteorology Agency shall, in accordance with the procedures specified in this Law and other regulatory enactments:

1) accept and record stocks of mineral resources;

2) draw up the register of deposits of mineral resources and balance of the stock of mineral resources;

3) determine the limits for the extraction of mineral resources (except for hydrocarbons);

4) obtain, compile and store geological information; and

5) perform the geological mapping of the State territory.

(2) The Cabinet is entitled to burden the land owned by legal persons and natural persons and depths thereof with restrictions on ownership rights necessary for the State in the cases specified by the laws.

(3) The land may be alienated from owners in accordance with the Law On the Expropriation of Immovable Property for the State or Public Needs for national security, environment and subterranean depths protection needs, use of mineral resources and deposits of national significance, as well as use of sections of subterranean depths of national significance, arrangement and exploitation of structures of national significance.

[11 February 1999; 16 December 2004]

## **Chapter III**

### **Use of Subterranean Depths**

#### **Section 6. Guiding Principles for the Use of Subterranean Depths**

(1) Subterranean depths are a non-renewable asset, which is to be used for the benefit of land owners, the State and public.

(2) The value of subterranean depths shall not be included in the cadastral value of the land and tax on wealth shall not be paid for the subterranean depths. The users of subterranean depths shall use the subterranean depths for satisfaction of personal needs free of charge in the land owned by them or in the land that is in their permanent use. Use of subterranean depths for commercial gain is permissible, if the relevant authorisation or licence has been received in accordance with the procedures specified in Section 10 of this Law.

(3) Regulations for the conservation and use of specially protected nature territories and objects, regulations for the protection of cultural monuments, as well as other regulations restricting the use of subterranean depths shall be observed in using subterranean depths.

(4) In ensuring the rational use and protection of subterranean depths, the State and local government may restrict, suspend or terminate any activity of legal persons and natural persons in the use of subterranean depths in the cases provided for in and in accordance with the procedures specified in this Law and other regulatory enactments.

[5 October 2006]

#### **Section 7. Types of Use of Subterranean Depths**

The types of use of subterranean depths shall be the following:

1) geological, hydrogeological, engineering geological, geo-ecological and geophysical research, scientific research activities, occupational training, establishment and performance of monitoring for subterranean depths;

2) the extraction of mineral resources or use of useful properties of subterranean depths;

3) the construction and exploitation of such underground structures, which are not related to the extraction of mineral resources;

4) the performance of recreation and tourism activities;

5) the extraction of materials for creating mineralogical, palaeontological and other geological collections;

6) establishment, use, conservation and liquidation of boreholes.

[16 December 2004.]

#### **Section 8. Users of Subterranean Depths**

Subterranean Depths may be used by:

1) a land owner;

2) a person to which the land is assigned for permanent use; and

3) a legal person or natural person, who has entered into an agreement with a land owner, in which the type of use of subterranean depths is indicated. This agreement is a mandatory precondition for the receipt of the licence for use of subterranean depths or the authorisation for the extraction of widespread mineral resources.

*[16 December 2004; 5 October 2006]*

### **Section 9. Terms for the Use of Subterranean Depths**

Subterranean depths may be transferred for use for the following periods of time:

- 1) for geological, hydrogeological, engineering geological, geo-ecological and geophysical research, scientific research activities, occupational training, establishment and performing of monitoring of subterranean depths and implementation of recreational and tourism activities – for the period of time up to 5 years;
- 2) for the extraction of mineral resources, use of useful properties of subterranean depths, construction and exploitation of such underground structures, which are not connected with the extraction of mineral resources – for the period of time up to 25 years;
- 3) for geological research and extraction of mineral resources or use of the useful properties of subterranean depths which follows thereto – for the period of time up to 30 years; and
- 4) for the creating of mineralogical, palaeontological and other geological collections – for the period of time up to 2 years.

*[16 December 2004]*

### **Section 10. Procedures for the Use of Subterranean Depths**

(1) The use of subterranean depths may be commenced only then, if in accordance with the procedures specified by the Cabinet (except for the cases referred to in Section 11 of this Law) the following documents have been received:

- 1) an authorisation issued by the local government – in the cases specified in Section 4, Paragraph five of this Law;
- 2) a licence issued by the Ministry of Economics – in the cases specified in Section 4, Paragraph four of this Law;
- 3) a licence issued by the Latvian Environment, Geology and Meteorology Agency:
  - a) in the case, when the deposit of widespread mineral resources is included in the administrative territory of several local governments;
  - b) in the case, when in addition to widespread mineral resources in the deposit of mineral resources the stocks of other mineral resource has been accepted, and
  - c) in all other cases.

(2) The authorisations for extraction of mineral resources in respect of the lands owned by the State or local governments or licences for use of subterranean depths shall be issued in accordance with the competition or tendering procedures in the cases specified by the Cabinet.

(3) For the extraction of mineral resources in the deposits of national significance, as well as for the use of subterranean depths of national significance, the licences for the use of subterranean depths and authorisations for the extraction of widespread mineral resources shall be issued in accordance with the competition procedures.

(4) The State fee shall be paid for a licence for use of subterranean depths, an authorisation for the extraction of widespread mineral resources and a passport of the deposit. The amount for the State fee and procedures for payment shall be determined by the Cabinet.

(5) If it is intended to use mineral resources extracted as a result of the use of subterranean depths for maintaining of roads of the local government, for improvement of the territory or the maintaining of buildings owned by them, then on the basis of the request of the local government and determining the extraction limits required for these works, the State fee for the issuance of the licence for use of subterranean depths to local governments in respect of land owned by them or that is in their permanent use shall not be paid.

(6) It is prohibited to sell, gift, pledge, change or otherwise alienate the authorisations for the extraction of widespread mineral resources and licences for the use of subterranean depths. If the user of the subterranean depths changes, an authorisation or licence issued previously shall lose effect, but the new user of the subterranean depths has the right to receive a new authorisation or licence without competition (tendering), if he or she undertakes the duties specified in the authorisation or licence issued previously. The change of the user of a licence issued for exploration and production of hydrocarbons shall be approved by the Order of the Cabinet.

(7) The procedures for the use of mineral resources of national significance, deposits of national significance and the procedures for prospection, exploration and extraction of hydrocarbons, as well as the provisions regarding environment protection in works of exploration and extraction of hydrocarbons carried out in the sea shall be regulated by the Cabinet. The Cabinet regulations shall also regulate the procedures for the use of mineral resources of national significance in the cases when the owner of the land and installation for the extraction of mineral resources of national significance is not the same person.

(8) The provisions for the use of a section of the subterranean depths of national significance shall be determined by

the Cabinet separately for each section.

(9) Ground water may be used only then, if the authorisation for the use of water resources, the authorisation for the category A or B polluting activities or certification for the category C polluting activity has been received in accordance with the regulatory enactments regarding environment protection.

(10) General procedures for competition or tendering of issuance of authorisations for the extraction of mineral resources and licences for the use of subterranean depths, as well as the procedures for licensing of works related to the prospection, exploration and production of hydrocarbons shall be determined by the Cabinet.

(11) In order to commence the extraction of mineral resources (except for hydrocarbons), the passport of deposit issued by the Latvian Environment, Geology and Meteorology Agency shall be received. The content of the passport shall be determined by the Cabinet.

*[16 December 2004; 5 October 2006]*

### **Section 11. Use of Subterranean Depths Without an Authorisation for the Extraction of Mineral Resources or a Licence for the Use of Subterranean Depths**

(1) Land owners and permanent users, taking into account the requirements referred to in Section 6, Paragraph three of this Law, may use the subterranean depths within the frontiers of his or her property without an authorisation for the extraction of mineral resources or licence for the use of subterranean depths in the following cases:

1) for the extraction of the widespread mineral resources specified in Annex to this Law, except for cases when these activities have the nature of commercial activities;

2) for personal needs in installing and using a concrete ring well, sunken or drilled wells – in depths up to 20 metres, different structures (cellars, containers, etc.) - in depths up to 5 metres from the initial surface in the deepest point, as well as water outlets for amelioration needs for surface water drainage.

(2) The Latvian Environment, Geology and Meteorology Agency may use subterranean depths using the types of use specified in Section 7, Paragraph 1 of this Law without a licence for use of subterranean depths previously notifying landowners thereof.

*[16 December 2004; 5 October 2006]*

### **Section 11.<sup>1</sup> Use of Subterranean Depths when Acquiring Mineral Resources as a Result of the Construction of Underground and Surface Structures**

(1) If as a result of the construction of underground and surface structures, including the installation ponds and other bodies of water, cleaning of surface bodies of water or deepening, mineral resources are obtained and it is intended to realise them, then an authorisation for the use of the natural resources issued by the regional Environmental Board shall be required.

(2) Performing construction of surface and underground structures, cleaning and deepening works of surface bodies of water as a result of which mineral resources in an amount of less than 1 000 cubic meters are obtained, the authorisation specified in Paragraph one of this Section is not required.

*[16 December 2004]*

### **Section 12. Servitude Rights Using Subterranean Depths**

*[16 December 2004].*

### **Section 12.<sup>1</sup> Restriction for Proprietary Rights of Subterranean Depths in the Sections of Subterranean Depths of National Significance**

(1) Restriction for proprietary rights of subterranean depth may be specified in the sections of subterranean depths of national significance, if it is necessary in the interests of public and State to use useful properties of subterranean depths or obtain ground water. The Cabinet shall decide separately regarding each restriction of proprietary rights and each case of the use of subterranean depths or properties thereof.

(2) Procedures by which compensation regarding the restriction of proprietary rights specified in accordance with Paragraph one of this Section is to be calculated and disbursed to a landowner, shall be determined by the Cabinet. An agreement in writing regarding the amount of compensation to be disbursed regarding the restriction of proprietary rights shall be entered into.

*[16 December 2004]*

### **Section 13. Rights of Users of Subterranean Depths**

The users of subterranean depth have the following rights:

1) to use the subterranean depths for economic activities (also for commercial activities) indicated in the authorisation for the extraction of widespread mineral resources or the licence for the use of subterranean depths;

- 2) utilise the obtained as a result of the use of subterranean depths in accordance with the authorisation or licence and regulatory enactments in force;
- 3) use by-products obtained during the extraction and processing of mineral resources, if restrictions have not been provided for in the authorisation or licence;
- 4) propose reviewing of provisions indicated in the authorisation or licence by the issuer of the authorisation or licence, if conditions, which significantly differ from the information indicated in the authorisation or licence, have arisen during the use of subterranean depths;
- 5) receive an extension of the term of the authorisation or licence or a new authorisation or licence, if the provisions of the previous authorisation or licence have been duly performed and if it is allowed by the contract of the use of subterranean depths entered into with the landowner.

*[5 October 2006]*

#### **Section 14. Duties of the Users of Subterranean Depths**

The users of subterranean depths have the following duties:

- 1) to observe the requirements of regulatory enactments, standards, norms, provisions of the authorisation or licence and other regulations in works connected with the use of subterranean depths;
- 2) to observe the procedures for the obtaining of mineral resources approved by the Cabinet;
- 3) to ensure preparation of geological documentation and take care of the storage thereof during the course of the geological exploration of subterranean depths;
- 4) to submit the geological information to the Latvian Environment, Geology and Meteorology Agency in accordance with the procedures and within the period of time specified in the authorisation or licence, as well as the data obtained regarding the stocks of mineral resources and components thereof;
- 5) to submit reports required regarding the use of subterranean depths in accordance with the procedures specified in regulatory enactments;
- 6) to observe the standards, norms and regulations regulating environmental protection, protection of cultural monuments, land transformation, as well as protection of structures and other objects and to prevent that the use of subterranean depths leaves harmful effect to them; the users of subterranean depths shall not be liable regarding deviations from the relevant standards, norms and regulations committed by previous users;
- 7) to remove and preserve the part of fertile soil for recovering;
- 8) to recover at their own expense damages caused as a result of the use of subterranean depths within the term indicated in the authorisation or licence;
- 9) to compensate all losses caused to owners of subterranean depths, users, environment, cultural monuments as a result of use of subterranean depths thereof;
- 10) to suspend the use of subterranean depths, if geological formations, meteorites, archaeological or other objects significant for science, culture and environmental protection have been discovered, as well as immediately notify the issuer of the authorisation or licence, State Environmental Service or State Inspection for Heritage Protection, as well as the Latvian Environment, Geology and Meteorology Agency regarding the find. If further use of subterranean depths endangers or damages these objects, the use of subterranean depths shall be terminated. As a result of termination of the use of subterranean depths, the damage committed to the user of subterranean depths shall be compensated in accordance with the procedures specified in the Law On Use of Land and Land Survey; and
- 11) to manage the waste from extraction in accordance with the procedures for **the management of waste from extractive industries specified by the Cabinet.**

*[16 December 2004; 5 October 2006]*

### **Chapter IV**

#### **Protection of Subterranean Depths**

##### **Section 15. Main Requirements in the Protection of Subterranean Depths**

Main requirements in the protection of subterranean depths shall be as following:

- 1) the complete and complex exploration of subterranean depths;
- 2) the rational extraction of mineral resources, as well as use of the by-products present in deposits;
- 3) in the use of subterranean depths to not allow harmful effect on the stock of mineral reserves and the properties of subterranean depths;
- 4) use of subterranean depths preventing pollution with ecologically dangerous substances to be stored in underground and surface structures and storehouses, as well as waste water; and
- 5) adjustment and control of subterranean depths.

##### **Section 16. Limitation, Suspension of Use of Subterranean Depths, Cancellation of an Authorisation or Licence**

(1) The use of subterranean depths shall be restricted for a holder of an authorisation for the extraction of widespread mineral resources or a licence for the use of subterranean depths, if geological formations, meteorites, archaeological or other findings significant for science and culture have been discovered, as well as in compliance with requirements of regulatory enactments regulating the field of environmental protection.

(2) The use of subterranean depths may be suspended, if:

- 1) the requirements specified in the authorisation or licence or regulatory enactments regulating the use of subterranean depths have been violated in the use of subterranean depths;
- 2) as a result of the use of subterranean depths threats to human health, life, environment and property have arisen;
- 3) emergency situations (flood, fires, etc.) arise as a result of use of subterranean depths or at the place of use thereof;
- 4) the user of subterranean depths changes (suspension shall be in force up to the receipt of a new authorisation for the extraction of mineral resources or a licence for the use of subterranean depths);
- 5) as a result of the use of subterranean depths cultural monuments are endangered.

(3) The use of subterranean depths shall be terminated, if:

- 1) the term indicated in the authorisation or licence has expired;
- 2) the user of subterranean depths voluntarily resigns from further use of subterranean depths or terminate his or her commercial activity;
- 3) the use of subterranean depths has not been commenced within a year after the receipt of the authorisation or licence;
- 4) subterranean depths are used for objectives not indicated in the authorisation or licence, or the requirements of Section 11 of this Law are violated;
- 5) the land is alienated for the State or public needs;
- 6) the provisions for the use of subterranean depths and protection thereof are violated systematically.

(4) The use of subterranean depths (except for prospection, exploration and extraction of hydrocarbons) shall be:

- 1) restricted in the case referred to in Paragraph one of this Section by the decision of the Latvian Environment, Geology and Meteorology Agency or the State Environmental Service;
- 2) suspended in the cases referred to in Paragraph two, Clauses 1, 2, 3 and 4 of this Section by a decision of the Latvian Environment, Geology and Meteorology Agency or the State Environmental Service; in the case referred to in Paragraph two, Clause 5 of this Section– by a decision of the State Inspection for Heritage Protection or the State Environmental Service; in the cases referred to in Paragraph two, Clauses 1, 3 and 4 of this Section - by a decision of the local government;
- 3) suspended in the cases referred to in Paragraph three of this Section by a decision of the local government or the Latvian Environment, Geology and Meteorology Agency; in the cases referred to in Paragraph three, Clauses 1, 2, 3, 4 and 6 of this Section– by a decision of the Latvian Environment, Geology and Meteorology Agency or the State Environmental Service.

(5) The operation of the licence for prospection, exploration and production of hydrocarbons shall be restricted, suspended or cancelled in the cases referred to in this Section by a decision of the issuer of the licence upon the proposal of responsible State institutions in accordance with the procedures specified in regulatory enactments.

(6) An authorisation for the extraction of mineral resources or a licence for the use of subterranean depths shall be cancelled by the issuer thereof, if:

- 1) the use of subterranean depths is suspended in accordance with provisions of this Section; or
- 2) within 3 years after the date of receipt of the authorisation or licence the extraction of mineral resources has not been commenced and has not been resumed within a year.

*[11 February 1999; 16 December 2004; 5 October 2006]*

### **Section 17. Conditions for the Construction of Areas of Spread of Mineral Resources**

(1) In reviewing the projects for construction of populated areas, industrial or recreational complexes, as well as other objects, the environmental protection institutions shall evaluate, whether in the subterranean depths of the land to be constructed there are no deposits of mineral resources of national significance.

(2) Construction of areas of deposits of mineral resources of national significance or areas of spread of subterranean depths sections of national significance, as well as designing and construction of underground structures shall be permissible only after the receipt of the authorisation of the Latvian Environment, Geology and Meteorology Agency.

*[16 December 2004]*

### **Section 18. Control of the Use and Protection of Subterranean Depths**

(1) The control of the use and protection of subterranean depths shall be performed in accordance with the

procedures specified in this Law and other regulatory enactments regulating the use of subterranean depths by the issuer of the authorisation for the extraction of mineral resources or the issuer of the licence for the use of subterranean depths or the State Environmental Service.

(2) Local government after the co-ordination with the State Environmental Service may perform measures for the protection of subterranean depths of local significance and for the control of the use thereof within the framework of this Law.

*[16 December 2004]*

## **Chapter V**

### **Liability for Violations in the Use of Subterranean Depths and the Recovery of Damages**

#### **Section 19. Liability for Violations in the Use of Subterranean Depths**

Persons who, in using subterranean depths, have violated the requirements specified in this Law and in other regulatory enactments, as well as officials, which in contrary to the requirements of this Law and other regulatory enactments have issued authorisations for the extraction of mineral resources or licences for the use of subterranean depths shall be held liable in accordance with the laws.

*[11 February 1999]*

#### **Section 20. Recovery of Damages**

(1) Irrespective of being held administratively or criminally liable, the user of subterranean depths shall recover damages caused to subterranean depths.

(2) The methodology and tariff (rate) for the recovery of damages caused to subterranean depths shall be determined by the Cabinet.

(3) Irrespective of being held liable, the user of subterranean depths shall perform measures in order to reduce or prevent damage caused to subterranean depths.

*[11 February 1999]*

#### **Section 21. Liability Regarding the Harm Caused by Previous Land Owners and Users of Subterranean Depths**

(1) A land owner for which the ownership rights have been restored to the land or to which the land has been handed over in the ownership anew in accordance with the Laws On Land Reform in the Cities of the Republic of Latvia and On Land Privatisation in Rural Areas, shall not be held liable regarding the harm caused by previous land owners or users of subterranean depths to the land and subterranean depths.

(2) The owner of subterranean depths or the user of subterranean depths may eliminate harm caused to the land and subterranean depths by other persons prior the obtaining of ownership rights to the land, by performing recovering and purification at his or her own expense. In such case it shall be indicated in the authorisation for the extraction of widespread mineral resources or the licence for use of subterranean depths and the relief for the State fee for the receipt of the authorisation or licence shall be applied.

(3) The land owners shall be exempted from the payment for court costs during the State reform, if they bring an action in court regarding the recovery of damages against institutions that have issued an unjustified authorisation for the use of subterranean depths or against persons who have used the subterranean depths owned by the land owners arbitrarily.

*[5 October 2006]*

#### **Section 22. Informative Basis for the Use and Protection of Subterranean Depths**

(1) The informative basis for the use and protection of subterranean depths shall be formed on the basis of geological exploration, scientific research works, results of subterranean depths monitoring, as well as according to the data obtained as a result of the extraction of mineral resources and the use of other types of subterranean depths.

(2) Geological exploration, scientific research works and monitoring of subterranean depths shall be performed upon the procurement of the government, local governments, or order of the users or owners of subterranean depths.

(3) The geological exploration and scientific research in the lands owned by the State and local governments shall be performed in accordance with the programmes for geological and scientific research or government and local governments procurements received. In the land owned by legal persons and natural persons these works shall be performed in accordance with the programmes for scientific research or the government, local governments procurements, orders of the users of subterranean depths or land owners and within the period of time (terms) co-ordinated with the land owner or user of subterranean depths.

(4) Persons who perform geological exploration of subterranean depths, scientific research, as well as the monitoring of subterranean depths, shall ensure a careful and economical attitude towards the environment and land owner and



the property of the user of subterranean depths.

(5) The harm caused as a result of geological exploration, scientific research, as well as the monitoring of subterranean depths shall be recovered in accordance with the procedures specified in the Law On Land Use and Land Survey.

### **Section 23. Essential Provisions for the Use of Geological Information**

(1) The information obtained as a result of geological exploration and scientific research, as well as the monitoring of subterranean depths or as a result of the use of other types of subterranean depths shall be possessed by the State, if these works have been performed by the funds from the State budget or local government. If such information has been obtained by the order of legal persons or natural persons and by their funds, it shall be owned by the relevant legal person or natural person.

(2) The local government, any legal person or natural person regardless of the types of financing shall hand over the geological information obtained as a result of the use of subterranean depths to the State on behalf of the Latvian Environment, Geology and Meteorology Agency by entering into the agreement regarding the use thereof. The Latvian Environment, Geology and Meteorology shall submit to the Ministry of Economics the information obtained as a result of the geological exploration of hydrocarbons, as well as prospection, exploration and production of hydrocarbons.

(3) The owner of geological information may not prohibit to use the information, if as a result of the non-use thereof potentially ecologically dangerous situations, ecologically dangerous situations or situations of ecological disasters may arise.

(4) The general provisions for use of geological information shall be determined by the Cabinet.

*[11 February 1999; 16 December 2004]*

## **Chapter VI Final Provision**

### **Section 24. Procedures for the Examination of Disputes**

Disputes arising during the course of the use of subterranean depths shall be examined in accordance with the regulatory enactments in force.

#### **Transitional Provisions**

1. With the coming into force of this Law, the Law On Approval of Code of Subterranean Depths of Latvia, Code of Subterranean Depths (*Latvijas PSR Augstākās Padomes un Valdības Ziņotājs*, 1976, No. 23; 1980, No. 9; 1982, No. 52; 1985, No. 1; . 1988, No.1).

2. The Cabinet shall approve the list of deposits of mineral resources of national significance within 6 months after coming into force of this Law.

3. Up to the approval of the list of deposits of mineral resources of national significance the deposits of mineral resources of industrial significance referred to in the Decision of the Council of Ministers, of 13 November 1991, No. 316, Regarding Approval of the List of Mineral Deposits and Peat Deposits of Industrial Significance, shall be considered as deposits of mineral resources of national significance.

4. The Cabinet shall develop regulations regarding the procedures for the use of mineral resources and deposits of national significance, as well as sections of subterranean depths of national significance; regulations regarding the procedures for licensing of prospection, exploration and production of hydrocarbons, as well as regulations for prospecting, exploration and production of hydrocarbons within six months after entering into force of this Law.

*[16 December 2004]*

5. Until the day of coming into force of the new Cabinet regulations, but not longer than until 1 July 2005, the following Cabinet Regulations shall be in force insofar as they are not in contradiction with this Law:

1) Cabinet Regulation No.239, of 8 July 1997, Regulations for Use of Subterranean Depths;

2) Cabinet Regulation No. 307, of 5 September 2000, Procedures for Use of Mineral Resources and Deposits of National Significance, as well as for Use of Sections of Subterranean Depths of National Significance;

3) Cabinet Regulation No. 412, of 28 November 2000, Regulations Regarding the Protection of the Environment during Exploration and Production of Hydrocarbons in the Sea;

4) Cabinet Regulation No. 51, of 8 February 2000, Regulations for Prospection, Exploration and Production of Hydrocarbons; and

5) Cabinet Regulation No. 52, of 8 February 2000, Procedures for Licensing Competition of Prospection,

Exploration and Production of Hydrocarbons.

[16 December 2004]

6. By 1 September 2005 the Cabinet shall issue the following:

- 1) the Regulations referred to in Section 12.<sup>1</sup>, Paragraph two of this Law; and
- 2) the Regulations referred to in Section 14, Clause 2 of this Law.

[16 December 2004]

7. If the use of useful properties of subterranean depths has been commenced prior to the day of coming into force of the amendments to this Law accepted on 16 December 2004, the user of subterranean depths shall not have to receive the authorisation for extraction of mineral resources or a licence for the use of subterranean depths up to the end of the term of validity of the contract entered into regarding the use of subterranean depths. These users of subterranean depths shall observe the requirements of regulatory enactments regulating the use of subterranean depths up to the receipt of the authorisation (licence), as well as he or she shall submit all geological information related to the use of subterranean depths to the relevant environmental protection institution

[16 December 2004]

8. Up to the day of coming into force of new Cabinet Regulations, but no longer than up to 30 April 2007 the Cabinet Regulation No. 449 of 21 June 2005, General Procedures for Issuance of Licences for Use of Subterranean Depths and Authorisations for Extraction of Widespread Mineral Resources, as well as Use of Geological Information and the Cabinet Regulation No. 691 of 13 September 2005, Regulations Regarding Prospection, Exploration and Production of Hydrocarbons” shall be in force.

[5 October 2006]

9. The Cabinet shall issue the regulations referred to in Section 10, Paragraph four of this Law by 1 October 2006. Up to the day of coming into force thereof the licences for the use of subterranean depths and authorisations for the extraction of widespread mineral resources shall be issued for charge in accordance with the Cabinet Regulation No. 449 of 21 June 2005, General Procedures for Issuance of Licences for Use of Subterranean Depths and Authorisations for Extraction of Widespread Mineral Resources, as well as Use of Geological Information.

[5 October 2006]

10. By 1 May 2008 the Cabinet shall issue the regulations referred to in Section 14, Clause 11 of this Law.

[5 October 2006]

11. Section 14, Clause 11 of this Law shall come into force on 1 May 2008.

[5 October 2006]

#### **Informative Reference to European Union Directive**

[16 December 2004; 5 October 2006]

This Law includes legal norms arising from **Directive 94/22/EC of the European Parliament and of the Council of 30 May 1994 on the conditions for granting and using authorizations for the prospection, exploration and production of hydrocarbons and Directive 2006/21/EC of the European Parliament and of the Council of 15 March 2006.**

This Law has been adopted by the *Saeima* on 2 May 1996.

President  
Rīga, 21 May 1996

G. Ulmanis

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[16 December 2004]

**Annex**

### **List of Widespread Mineral Resources**

1. Clay.
2. Sand, sand-gravel.
3. Loose freshwater rocks.
4. Peat deposits up to the area of 5 hectares within the borders of the property owned by one owner.
5. Loam, sandy loam, aleirite.

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