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**⚠ The translation of this document is outdated.**  
**Translation validity: 18.06.2013.–17.01.2018.**  
**Amendments not included: 21.12.2017.**

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Text consolidated by Valsts valodas centrs (State Language Centre) with amending laws of:

- 11 February 1999 [shall come into force from 10 March 1999];
- 7 September 2000 [shall come into force from 28 September 2000];
- 16 December 2004 [shall come into force from 11 January 2005];
- 5 October 2006 [shall come into force from 1 November 2006];
- 12 June 2009 [shall come into force from 1 July 2009];
- 17 June 2010 [shall come into force from 21 July 2010];
- 21 October 2010 [shall come into force from 11 November 2010];
- 16 December 2013 [shall come into force from 1 January 2011];
- 16 May 2013 [shall come into force from 18 June 2013].

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.

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 separation of the mineral resources from their natural environment;

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 exploration 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 exploration** - geological works of all types, including geological research, 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) **borehole of water abstraction** - 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;

15<sup>3</sup>) **prospection of hydrocarbons** - geophysical and geochemical exploration of a territory and data processing to analyse geological structure thereof and evaluate the potential spread of hydrocarbon deposits;

15<sup>4</sup>) **exploration of hydrocarbons** - geological, geophysical and geochemical exploration of hydrocarbons, arrangement of exploration well, exploration works in a well, including core lifting, geophysical exploration, pumping out of liquid (also hydrocarbons) from experimental well, quality testing and other works in order to evaluate and choose extraction technologies and calculate stocks of hydrocarbons;

15<sup>5</sup>) **experimental extraction of hydrocarbons** - pumping of hydrocarbons performed during their exploration from the exploration well of hydrocarbons in order to determine the size of a hydrocarbon deposit, composition thereof, as well as the most efficient applicable technology for the extraction of hydrocarbons;

15<sup>6</sup>) **extraction of hydrocarbons** - separation of hydrocarbons from their natural environment in order to obtain profit from the sale of such hydrocarbons;

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, inland and sea water up to the depths in which the use thereof is economically and technically possible;

21) **use of subterranean depths** - geological exploration, 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 exploration 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; 17 June 2010; 16 May 2013]*

## **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 or an accordingly authorised person thereof, if the land owner is the State or local government (hereinafter - authorised person), may deal with subterranean depths as far as this Law and other regulatory enactments do not restrict his or her rights.

*[17 June 2010]*

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

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

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

1) the Ministry of Environmental Protection and Regional Development, institutions that are subordinate thereto and the State limited liability company "Latvian Environment, Geology and Meteorology Centre";

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 Ministry of Environmental Protection and Regional Development shall ensure the geological supervision of the subterranean depths fund and the control of the efficient use thereof.

(4) The Ministry of Economics shall issue licences for prospection, 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 prospection, 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 State Environmental Service, 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; 12 June 2009; 17 June 2010; 16 December 2010]

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

(1) The State limited liability company "Latvian Environment, Geology and Meteorology Centre" 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) [12 June 2009];
- 4) obtain and compile geological information and store it in the State Geology Fund; and
- 5) organise 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.

(4) The Cabinet shall:

1) determine the procedures, by which the State limited liability company "Latvian Environment, Geology and Meteorology Centre" shall accept the stocks of mineral resources and co-ordinate the passport of the borehole of water abstraction and source; and

2) approve the price list of paid services related to the accepting of the stocks of mineral resources and the co-ordination of the passport of the borehole of water abstraction and source.

[11 February 1999; 16 December 2004; 12 June 2009; 17 June 2010]

## **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 land owner or his or her authorised person shall use the subterranean depths within the boundaries of his or her property free of charge in accordance with the provisions of Section 11 of this Law.

(3) Users of subterranean depths shall use the subterranean depths, observing the requirements of regulatory enactments regarding the protection of cultural monuments, environmental impact assessment, the protection and use of specially protected nature territories, as well as the requirements of other regulatory enactments in the field of environmental protection.

(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; 17 June 2010]

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

The types of use of subterranean depths shall be as follows:

- 1) geological, hydrogeological, engineering geological, geo-ecological or geophysical exploration;

- 2) establishment of a monitoring system of subterranean depths or performance of monitoring;
- 3) prospection, exploration or extraction of mineral resources;
- 4) use of useful properties of subterranean depths; and
- 5) establishment, conservation and liquidation of boreholes, except establishment of boreholes using the subterranean depths in the way referred to in Clauses 1 and 2 of this Section.

*[16 December 2004; 17 June 2010]*

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

(1) Subterranean depths may be used by:

- 1) a land owner or legal possessor;
- 2) an authorised person of the land owner;
- 3) a person who has entered into a contract with the land owner or his or her authorised person, in which the type of use of subterranean depths is indicated. This contract is a mandatory precondition for the receipt of the licence for the use of subterranean depths or the authorisation for the extraction of widespread mineral resources. If in cases specified by the Cabinet the licence for the use of subterranean depths is issued for the use of subterranean depths throughout the territory of Latvia, the contract with the land owner or authorised person thereof shall be entered into prior to the commencement of the use of subterranean depths;
- 4) in inland public water - a person who has been issued the licence for the use of subterranean depths or the authorisation for the use of natural resources; and
- 5) in internal maritime water, territorial sea and exclusive economic zone of the Republic of Latvia in the licence areas specified by the Cabinet - a person who has been issued the licence for the use of subterranean depths or the authorisation for the use of natural resources.

(2) The Cabinet shall determine:

- 1) the procedures for the use of subterranean depths in public water;
- 2) the procedures for the use of subterranean depths in the territorial sea and exclusive economic zone of the Republic of Latvia;
- 3) the procedures for the extraction of mineral resources; and
- 4) the procedures for the calculation of land lease payment if a public person rents the land for the use of subterranean depths.

*[16 December 2004; 5 October 2006; 17 June 2010; 21 October 2010; 16 May 2013]*

#### **Section 9. Time Period for the Use of Subterranean Depths**

A licence for the use of subterranean depths or an authorisation for the extraction of widespread mineral resources shall be issued, as well as State or local government land shall be leased for the use of subterranean depths or transferred for the use for the following periods of time:

- 1) for geological, hydrogeological, engineering geological, geo-ecological or geophysical exploration, exploration of mineral resources, establishment of a monitoring system of subterranean depths or performing of monitoring thereof - for the period of time up to 5 years;
- 2) for exploration of hydrocarbons - for the period of time up to 10 years;
- 3) for prospection of mineral resources - for the period of time up to five years;
- 4) for establishment, conservation or liquidation of a borehole - for the period of time up to one year;
- 5) for the extraction of mineral resources or use of useful properties of subterranean depths - for the period of time up to 25 years; and
- 6) for geological exploration 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.

*[16 December 2004; 17 June 2010]*

#### **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 State Environmental Service:

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;

c) in the case, when mineral resources are extracted by a local government;

d) in the case, when subterranean depths are used in public water, the territorial sea and exclusive economic zone of the Republic of Latvia; and

e) in all other cases.

(2) In the cases specified by the Cabinet in respect of the lands owned by the State or local governments the licence for the use of subterranean depths, except production of hydrocarbons, or the authorisation for the extraction of widespread mineral resources shall be issued to a person who has won in a competition or tender regarding the land lease rights and the receipt of the licence or authorisation.

(2<sup>1</sup>) The Cabinet shall determine the cases when a licence shall be issued for the use of subterranean depths throughout the territory of Latvia.

(2<sup>2</sup>) For the use of subterranean depths in public water, the territorial sea and exclusive economic zone of the Republic of Latvia, the licences for the use of subterranean depths shall be issued in accordance with the competition procedures. If the licence for the use of subterranean depths is necessary for geological exploration related to the construction, establishment or operation of buildings in the sea, the competition shall not be organised and the referred to licence shall be issued to one of the following persons:

1) a person who, in accordance with the regulatory enactments regarding maritime environment protection and management, has received an authorisation or permit for the use of the relevant licence area for the construction, establishment, including the research related thereto, and operation of buildings in the sea; or

2) a person who has entered into a written contract regarding the performance of geological exploration with the person referred to in Clause 1 of this Paragraph.

(3) For the use of subterranean depths of national significance, the licences for the use of subterranean depths shall be issued in accordance with the competition procedures. The by-law of the competition shall be developed and approved by the State Environmental Service.

(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.

(4<sup>1</sup>) State Environmental Service shall issue permits for storage of waste from extraction. The State Environmental Service shall examine a submission on a permit for storage of waste from extraction and take a decision within a time period which is no longer than 60 days.

(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 pledge, sell, give as present, change or otherwise alienate licences for the use of subterranean depths and the authorisations for the extraction of widespread mineral resources. If the user of the subterranean depths changes, a licence or authorisation issued previously shall lose its effect, but the new user of the subterranean depths has the right to receive a new licence or authorisation without competition (tender), if he or she undertakes the duties specified in the licence or authorisation issued previously. Licences for prospection, exploration and production of hydrocarbons may be alienated in accordance with Paragraph thirteen of this Section.

(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, if the passport of the borehole of water abstraction or sources has been coordinated or the stocks of the deposit of ground water have been accepted and the passport of the deposit has been received. In the cases specified in the regulatory enactments regarding environment protection an authorisation for the use of water resources or a relevant authorisation for the performance of polluting activity must be received prior to the commencement of water abstraction.

(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) Mineral resources, except for hydrocarbons and ground water, shall be extracted, if the stocks of mineral resources have been accepted, the passport of deposit has been received and a project for extraction of mineral resources has been developed (if it is specified in the regulatory enactments regulating the use of subterranean depths that such project is necessary). The contents of the passport shall be determined by the Cabinet.

(12) A State fee shall be paid for the production of hydrocarbons. The amount of the fee and the procedures for the calculation and payment thereof shall be determined by the Cabinet.

(13) Licences for prospection, exploration and production of hydrocarbons may be alienated. The holder of the licence for prospection, exploration and production of hydrocarbons must conform to the requirements specified by the Cabinet and must undertake all the liabilities specified in the licence. The issuer of the licence shall issue the licence to the holder of the licence for prospection, exploration and production of hydrocarbons with the same conditions, without changing the period of validity of the previously issued licence. The procedures and conditions for the change of the licensee shall be regulated by the Cabinet.

(14) A user of subterranean depths shall, in accordance with the procedures and the amount specified by the Cabinet, pay an annual State fee into the State basic budget for the right to use the subterranean depths in public water, the territorial sea and exclusive economic zone of the Republic of Latvia, except for the prospection, exploration and production of hydrocarbons, as well as geological exploration, which is related to the construction, establishment and operation of buildings in the sea and which takes place in accordance with the regulatory enactments in the field of maritime environment protection and management.

*[16 December 2004; 5 October 2006; 12 June 2009; 17 June 2010; 21 October 2010; 16 May 2013]*

#### **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 or their authorised persons shall use the subterranean depths, except hydrocarbons, within the boundaries of their property without a licence for the use of subterranean depths or authorisation for the extraction of mineral resources in the following cases:

1) for the extraction of the widespread mineral resources specified in Annex to this Law in the total area up to 0.5 hectares and in depths up to 2 metres, if the mineral resources extracted are used within the boundaries of their land property; and

2) in installing and using concrete ring wells and boreholes of water abstraction in depths up to 20 metres, if it is intended to abstract not more than 10 cubic metres ground water per day.

(2) [17 June 2010]

*[16 December 2004; 5 October 2006; 12 June 2009; 17 June 2010; 21 October 2010]*

#### **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.

(3) If as a result of establishment, cleaning or deepening of surface water bodies mineral resources are extracted, the licence for the use of subterranean depths shall be received in cases when:

1) a surface water body is established, cleaned or deepened within a territory of a deposit of mineral resources included in the register of deposits of mineral resources;

2) during establishment of one or several surface water bodies it is intended to extract the mineral resources referred to in Annex to this Law in amount of not exceeding 20 000 cubic metres; and

3) during establishment of a surface water body it is intended to extract mineral resources, which are not referred to in Annex to this Law.

*[16 December 2004; 17 June 2010]*

## **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.

(3) The contract referred to in Section 8, Paragraph one, Clause 3 of this Law for the receipt of the licence for the use of subterranean depths for the performance of geological exploration works within the interests of the society and the State in sections of subterranean depths of national significance shall not be necessary, except for the cases when new boreholes are established for the needs of geological exploration or if, in performing works of geological exploration, losses to the land owner will be made. The user of subterranean depths shall inform the relevant land owner in writing regarding the time and place of performance of geological exploration works at least two weeks prior to the commencement of the works.

(4) The compensation referred to in Paragraph two of this Section shall not be paid, if the user of subterranean depths, which has received the licence for the use of subterranean depths in accordance with the procedures specified in regulatory enactments, performs geological exploration within the interests of the society and the State in sections of subterranean depths of national significance.

*[16 December 2004; 17 June 2010]*

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

The users of subterranean depth have the following rights:

1) to use the subterranean depths for the activity indicated in the licence for the use of subterranean depths or the authorisation for the extraction of widespread mineral resources;

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 land owner or his or her authorised person.

*[5 October 2006; 17 June 2010]*

## **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, the licence for the use of subterranean depths, the authorisation for the extraction of widespread mineral resources or the licence for the extraction of natural resources 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 State limited liability company "Latvian Environment, Geology and Meteorology Centre" 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 properties 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 requirements of the laws and regulations governing 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 infringements of the laws 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) [17 June 2010];
- 10) to suspend or restrict 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, if necessary - the State Inspection for Heritage Protection, regarding the find. If further use of subterranean depths endangers or damages these objects, the use of subterranean depths shall be discontinued;
- 11) to manage the waste from extraction in accordance with the procedures for the management of waste from extractive industries specified by the Cabinet; and
- 12) to compensate to the State expenses related to rectification of negative consequences caused by deforestation (if extraction of mineral resources is intended in a forest) in conformity with the laws and regulations in the field of forest and activities related thereto.

*[16 December 2004; 5 October 2006; 12 June 2009; 17 June 2010; 16 May 2013]*

## **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 State Environmental Service shall take a decision regarding limitation or suspension of the use of subterranean depths if it detects that the requirements of a licence for the use of subterranean depths, an authorisation

for the extraction of widespread mineral resources or the regulatory enactments regulating the use of subterranean depths are being violated, as well as if the use of subterranean depths results in threats to human health, the environment or property. The decision of the State Environmental Service may be contested to the Environment State Bureau. The decision of the Environment State Bureau may be appealed to a court in accordance with the procedures specified in the Administrative Procedure Law.

(2) The State Inspection for Heritage Protection shall initiate the limitation or suspension of the use of subterranean depths to a holder of the licence for the use of subterranean depths or authorisation for the extraction of widespread mineral resources, if it may result in threats to cultural monuments.

(3) The licence for the use of subterranean depths or authorisation for the extraction of widespread mineral resources shall be cancelled by the issuer thereof, if the addressee of the licence or authorisation:

1) has not commenced the use of subterranean depths within a year from the coming into effect of the licence for the use of subterranean depths (except the licence for the extraction of mineral resources);

2) has not commenced the extraction of mineral resources (except the production of hydrocarbons) within three years from the coming into effect of the relevant licence or authorisation;

3) uses the subterranean depths in a way not specified in the licence for the use of subterranean depths; or

4) systematically violates the requirements of regulatory enactments in relation to the use and protection of subterranean depths or the conditions of the licence for the use of subterranean depths or authorisation for the extraction of widespread mineral resources.

(4) The decision of the State Environmental Service regarding the cancellation of the licence for the use of subterranean depths may be contested to the Environment State Bureau. The decision of the Environment State Bureau may be appealed to a court in accordance with the procedures specified in the Administrative Procedure Law.

(5) A decision of a local government regarding cancellation of the authorisation for the extraction of widespread mineral resources may be contested and appealed in accordance with the procedures specified in the Law On Local Governments and the Administrative Procedure Law.

(6) The submitting of a submission for contesting of the decision referred to in this Section regarding the limitation or suspension of the use of subterranean depths or the cancellation of the licence for the use of subterranean depths or authorisation for the extraction of widespread mineral resources or the submitting of an application to the court regarding the revocation or validity of such decision or the recognition thereof as unlawful shall not suspend the operation of the decision.

*[11 February 1999; 16 December 2004; 5 October 2006; 12 June 2009; 17 June 2010]*

#### **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 State Environmental Service.

*[16 December 2004; 12 June 2009]*

#### **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.**

*[17 June 2010]*

## **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) Geological information shall be compiled and stored in the Geological Information System. It shall include the results of geological exploration, scientific research works, results of subterranean depths monitoring, as well as the data obtained as a result of the extraction of mineral resources and the use of other types of subterranean depths. The State Geological Information System belongs to the State, it shall be managed by the State limited liability company "Latvian Environment, Geology and Meteorology Centre".

(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) coordinated 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) *[17 June 2010]*

*[17 June 2010]*

## **Section 23. Basic Provisions for the Creation and Use of the Geological Information System**

*[17 June 2010]*

(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 type of financing of works shall hand over the geological information obtained as a result of the use of subterranean depths to the State on behalf of the State limited liability company "Latvian Environment, Geology and Meteorology Centre" free of charge by entering into a contract regarding the use thereof. The State limited liability company "Latvian Environment, Geology and Meteorology Centre" 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. The State limited liability company "Latvian Environment, Geology and Meteorology Centre" shall compile, process and store information, as well as ensure access thereto.

(3) The owner of geological information may not prohibit to use the information, if as a result of the non-use thereof a damage to the environment has been caused or such may arise.

(3<sup>1</sup>) The Geological Information System shall be the property of the State. The system shall include the State geology fund, the archives, the library of geologically technical literature, the depository of borehole cores and the collections created therein, the electronic information systems developed using the resources from the State budget and other data.

(4) The content and conditions for the use of the Geological Information System shall be regulated by the Cabinet.

(5) Geological information and samples have the status of restricted access information (except for the case referred to in Paragraphs three and six of this Section), which have been extracted:

1) during prospection, exploration and extraction of hydrocarbons on land - for 10 years from the transfer of information to the centre; and

2) during prospection, exploration and extraction in the sea - during the entire time period of validity of a relevant licence for use of subterranean depths.

(6) Geological information that is not referred to in Paragraph five of this Section has the status of restricted access information (except for the case referred to in Paragraph three of this Section) for five years, if the owner of the information has specified it upon transferring the geological information to the State.

[11 February 1999; 16 December 2004; 12 June 2009; 17 June 2010; 16 May 2013]

## 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 prospections, 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]*

12. By 7 August 2009 the Cabinet shall issue the regulations referred to in Section 10, Paragraph twelve of this Law.

*[12 June 2009]*

13. [17 June 2010]

14. Amendments to Section 4, Paragraph three and five, Section 5, Paragraph one, Section 10, Paragraphs one and eleven, Section 11, Paragraph two, Section 14, Clauses 4 and 10, Section 16, Paragraph four, Section 17, Paragraph two and Section 23, Paragraph two of this Law regarding the change of the competent authority shall come into force on 1 August 2009.

*[12 June 2009]*

15. By 1 September 2011 the Cabinet shall issue the regulations referred to in Section 5, Paragraph four of this

Law.

*[17 June 2010]*

16. By 1 September 2011 the Cabinet shall issue the regulations referred to in Section 8, Paragraph two of this Law.

*[17 June 2010; 21 October 2010]*

17. By 1 September 2011 the Cabinet shall issue the regulations referred to in Section 10, Paragraphs two and eleven, as well as Section 23, Paragraph four of this Law. Until the date of the coming into force of these Cabinet regulations, but no longer than up to 1 September 2011 Cabinet Regulation No. 448 of 21 June 2005, *Regulations Regarding Deposits of Mineral Resources of National Significance and the Procedures for the Use thereof, the Procedures for the Use of Mineral Resources of National Significance, as well as the Procedures for Competition or Tendering of Issuance of Authorisations or Licences for the Use of Subterranean Depths*, and Cabinet Regulation No. 280 of 24 April 2007, *General Procedures for the Issue of Licences for the Use of Subterranean Depths and Authorisations for the Extraction of Widespread Mineral Resources, and for the Use of Geological Information*, shall be in force insofar as they are not in contradiction with this Law.

*[17 June 2010]*

18. By 1 September 2011 the Cabinet shall issue the regulations referred to in Section 10, Paragraph thirteen of this Law. Until the date of the coming into force of these Cabinet regulations, but no longer than up to 1 September 2011 Cabinet Regulation No. 597 of 4 September 2007, *Regulations Regarding Prospecting, Exploration and Production of Hydrocarbons and Procedures for Payment and Amount of State Fee*, shall be in force insofar as they are not in contradiction with this Law.

*[17 June 2010]*

19. By 31 December 2010 the Cabinet shall issue the regulations referred to in Section 10, Paragraphs 2.<sup>1</sup> and fourteen of this Law.

*[17 June 2010]*

20. Section 10, Paragraph fourteen of this Law shall come into force on 1 January 2011.

*[17 June 2010]*

21. Amendments to Section 10, Paragraph 2.<sup>2</sup> of this Law shall come into force concurrently with the Maritime Environment Protection and Management Law.

*[21 October 2010]*

22. Amendments to Section 8 of this Law on the procedures for calculating a land lease payments, if a public person rents the land for the use of subterranean depths, shall come into force from 1 November 2013.

*[16 May 2013]*

## **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 G. Ulmanis

Rīga, 21 May 1996

*[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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<sup>1</sup> The Parliament of the Republic of Latvia

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