

# Subsurface Resources Act

Promulgated State Gazette No. 23/12.03.1999, amended SG No. 28/4.04.2000, SG No. 108/14.12.2001, amended and supplemented SG No. 47/10.05.2002, amended SG No. 86/30.09.2003, SG No. 28/1.04.2005, effective 1.04.2005, SG No. 94/25.11.2005, effective 25.11.2005, amended, SG No. 30/11.04.2006, effective 12.07.2006, supplemented, SG No. 36/2.05.2006, effective 1.07.2006, amended, SG No. 37/5.05.2006, effective 1.07.2006, amended and supplemented, SG No. 55/6.07.2007, effective 6.07.2007, SG No. 70/8.08.2008, amended, SG No. 19/13.03.2009, effective 10.04.2009, SG No. 82/16.10.2009, effective 16.10.2009, amended and supplemented, SG No. 46/18.06.2010, effective 18.06.2010, supplemented, SG No. 61/6.08.2010, amended and supplemented, SG No. 100/21.12.2010, amended, SG No. 19/8.03.2011, effective 8.03.2011

Text in Bulgarian: Закон за подземните богатства

## PART ONE GENERAL

### Chapter One SUBJECT AND SCOPE

**Article 1.** (Amended, SG No. 70/2008) (1) This Act shall govern the terms and procedure for:

1. prospecting, exploration and extraction of subsurface resources on the territory of the Republic of Bulgaria, its continental shelf and the exclusive economic zone in the Black Sea;
2. (amended, SG No. 100/2010) conservation of the bowels of the earth through rational use of the subsurface resources in the course of prospecting, extraction and primary processing.
3. management of mining waste resulting from prospecting, extraction and primary processing of subsurface resources.

(2) The Act shall not apply to activities pertaining to:

1. research, training and teaching activities;
2. extraction of gold from river beds via manual cradling;
3. extraction of salts and elements from sea water.

(3) (New, SG No. 61/2010) Extraction of subsurface resources shall be prohibited in:

1. river beds
2. littoral zones of rivers and water reservoirs
3. flood plains of rivers

**Article 2.** (Amended, SG No. 70/2008) (1) Subsurface resources under this Act shall be the mineral resources and mining waste resulting from extraction and primary processing which are grouped as:

1. metalliferous mineral resources;
2. non-metal mineral resources - industrial minerals;

3. oil and gas;
4. solid fuels;
5. building materials;
6. facing-stone materials;
7. mining waste;

(2) (Supplemented, SG No. 100/2010) The subsurface resources under paragraph 1, item 5 and 6 are wide-spread mineral resources.

(3) (Amended, SG No. 100/2010) Subsurface mineral resources on the territory of the Republic of Bulgaria, in the continental shelf and in the exclusive economic zone in the Black Sea, registered with the National Balance of the Deposits and Subsurface Resources, reserves and/or resources for the exploitation of which no rights have been acknowledged or ceded and a procedure has not been opened on acknowledgment or ceding of rights under the provisions of this Act or under the Concessions Act, as well as the residual reserves and/or resources after technical liquidation of mining facilities shall be considered subsurface resources of established deposit site.

(4) (Amended, SG No. 100/2010) An updated list of information about the location, the group of mineral resources and the state of the deposits and/or the resources of the subsurface resources of established deposit site under paragraph 3 shall be produced annually by the Minister of Economy, Energy and Tourism and shall be published on the web site of the Ministry of Economy, Energy and Tourism.

**Article 3.** (1) The subsurface resources shall be exclusive state property.

(2) (Repealed, SG No. 70/2008).

**Article 4.** (1) (Amended, SG No. 70/2008) Prospecting and exploration for subsurface resources shall be carried out on the grounds of a licence granted for:

1. prospecting and exploration of subsurface resources under Article 2, paragraph 1, items 1 - 4;
2. exploration of subsurface resources under Article 2, paragraphs 1 and 3;

(2) Extraction of subsurface resources shall be carried out on the basis of granted concession.

**Article 5.** Rights on subsurface resources shall be granted by:

1. (amended, SG No. 100/2010) licences for prospecting and exploration and for exploration, issued by the Minister of Economy, Energy and Tourism upon approval by the Council of Ministers;

2. (amended, SG No. 100/2010) licences for prospecting and exploration and for exploration for oil and gas and licences for prospecting and exploration and for exploration of subsurface resources in the continental shelf and the exclusive economic zone, issued by the Council of Ministers by proposal of the Minister of Economy, Energy and Tourism;

3. (amended, SG No. 100/2010) concessions for extraction granted by the Council of Ministers by proposal of the Minister of Economy, Energy and Tourism;

4. (repealed, SG No. 70/2008).

**Article 5a.** (New, SG No. 70/2008, amended, SG No. 100/2010) Rights to managing mining waste shall be granted by the Minister of Economy, Energy and Tourism under the provisions of Chapter Eight.

## Chapter Two

# AUTHORITIES FOR MANAGEMENT OF SUBSURFACE RESOURCES

**Article 6.** (1) (Amended, SG No. 100/2010) The competent body under Article 5, sub-paragraph 1 shall be the Minister of Economy, Energy and Tourism.

(2) (Amended, SG No. 100/2010) The competent body under Article 5, sub-paragraph 2 shall be the Council of Ministers, which shall authorize the Minister of Economy, Energy and Tourism to conclude contract for prospecting and exploration or for exploration.

(3) (Amended, SG No. 100/2010) The competent body under Article 5, sub-paragraph 3 shall be the Council of ministers, which shall authorize the Minister of Economy, Energy and Tourism to conclude contract for extraction of subsurface resources.

(4) (Repealed, SG No. 70/2008).

(5) (Supplemented, SG No. 70/2008, repealed, SG No. 100/2010).

**Article 7.** (Amended, SG No. 108/2001, SG No. 47/2002, supplemented, SG 55/2007, amended SG No. 70/2008, SG No. 82/2009, effective 16.10.2009, SG No. 100/2010) (1) The Council of Ministers shall determine the state policy for management of the subsurface resources aimed at sustainable development of the country, the national security and the attraction of investors and shall adopt the National Mining Industry Development Strategy.

(2) The Minister of Economy, Energy and Tourism shall:

1. develop and after coordination with other ministries, departments and organizations concerned shall submit for adoption by the Council of Ministers the strategy referred to in paragraph 1;

2. coordinate and conduct public procurement procedures for selection of a contractor and shall assign the implementation of investment and other projects for geological and geological environmental surveying of the territory of the Republic of Bulgaria, in the continental shelf and in the exclusive Black Sea economic zone;

3. manage the National Geological Fund;

4. organize collection, updating and storage of the data under Article 32, paragraph 1, item 1 of the Cadastre and Property Register Act, as well as the elaboration and updating of specialized maps, registers and an information system, based on such data and data from the cadastre for

a) permits for prospecting and exploration and for exploration;

b) finds and deposits of subsurface resources

c) granted concessions for extraction of subsurface resources;

d) permits for management of mining waste facilities;

5. issue certificates for registered finds of deposits;

6. organize the establishment and updating of the National Balance of reserves and deposits of subsurface resources concerning all types of natural resources under Article 2;

7. perform all actions envisaged under this Act, including, carry out competitions and tenders, conduct negotiations and grant permits for prospecting and exploration and for exploration of the subsurface resources under Article 2, paragraph 1, items 1, 2, 4 - 7 after an approval by the Council of Ministers and conclude the contracts in the cases specified under this Act.

8. establish the necessary organization and make proposals to the Council of Ministers for granting licences for

prospecting and exploration and for exploration for subsurface resources under Article 2 in the continental shelf and in the Black Sea exclusive economic zone, as well as for granting licences for prospecting and exploration and for exploration for oil and natural gas and shall conclude contracts in the cases specified under this Act;

9. exercise control over the implementation of the obligations of the holders of permits for prospecting and exploration and for exploration in accordance with the contracts concluded under this Act;

10. establish the necessary organization and make proposals to the Council of Ministers for granting concessions for extraction of subsurface resources under Article 2;

11. organize competitions and tenders, and shall conduct negotiations and conclude concession contracts in the cases specified in this Act;

12. supervise the compliance of concessionaires with their obligations under contracts concluded pursuant to this Act

13. grant rights for management of mining waste under the provisions of Part One, Chapter Eight;

14. in his/her capacity of competent authority for the application of Directive 2006/21/EC of the European Parliament and the Council of 15 March 2006 on Management of the Waste from the Mining Industries and on Amendment of Directive 2004/35/EC, shall prepare and submit to the European Commission the reports envisaged in the directive;

15. exercise other powers assigned to him/her by a statutory instrument.

## **Chapter Three**

# **GOVERNMENT PROCUREMENT FOR GEOLOGICAL SURVEYS**

**Article 8.** (Amended SG No. 37/2006, SG No. 100/2010) Government-funded geological surveys in the Republic of Bulgaria shall be carried out under the procedure of the Public Procurement Act and on the grounds of elaborated strategy under Article 7(1).

**Article 9.** (Amended, SG No. 100/2010) The Ministry of Economy, Energy and Tourism shall elaborate and finance the priority subjects and the relevant annual tasks in the field of geology.

**Article 10.** (Repealed, SG No. 70/2008).

**Article 11.** All the geological information obtained, as well as the resulting intellectual product shall become property of the state, and shall be delivered to the National Geological Fund for safekeeping and use.

## **Chapter Four**

# **INFORMATION AND DOCUMENTATION**

**(Title amended, SG No. 70/2008)**

**Article 12.** (1) (Amended, SG No. 70/2008) Geological information shall be the aggregate of all information and data obtained in the process of geological surveying, prospecting and/or exploration and extracting of subsurface resources, which shall be subject to delivery, acceptance, processing and storage.

(2) According to the information carrier type, the geological information may be classified as natural and original, whereas:

1. natural geological information shall be carried by natural information carriers- samples of rocks and mineral raw materials from natural developments and geological survey works, drilling cores, sections, laboratory samples, etc.;

2. original geological information shall be the information and data obtained in the process of implementation of geological

tasks, stored on paper, transparent, magnetic and optical media, as well as on various hard-bodied storage devices.

(3) The information may be printed and digital, depending on the method of storage of geological information and data, whereas:

1. printed geological information shall be texts, graphics, tables, sections, maps, layouts, etc.;

2. digital geological information shall be the digital information and data which may be processed, recorded, stored and reproduced by computer devices and systems.

(4) The geological information may be categorized as primary, intermediate and final, depending on the degree of implementation of geological tasks, whereas:

1. primary geological information shall be the aggregate of primary data from natural information, regardless of the information media; it shall be the basis for obtaining intermediate and final information;

2. intermediate geological information shall be data which are not final, but are subject to further processing and are stored until obtaining of final information;

3. final information shall be data which reflect the implementation of geological surveys, technological tests, research work, etc.; final information may be stored on information carriers of various types.

**Article 13.** (Amended, SG No. 70/2008) (1) (Amended, SG No. 100/2010) The holders of licences for prospecting and exploration and for exploration, the concessionaires and the contractors of public procurement orders for geological prospecting shall be obliged:

1. to keep full and detailed documentation of the geological surveys and other activities pertaining to the granted licences or concessions, and to provide it for examination pursuant to the terms of the concluded contracts;

2. to report the results from geological surveys and other activities pertaining to the granted licences or concessions by intermediate reports and a final report;

3. (Amended, SG No. 100/2010) to submit to the Minister of Economy, Energy and Tourism the obtained material evidence after completion of research work related thereto.

4. to collect, identify, store and document information about the mineral diversity in the areas and facilities in their charge.

5. to keep and store documentation concerning the activities aimed at management of technological waste and the mining waste facility until the facility is closed down and to provide the documentation for examination by the competent authorities while acting as mining waste operators.

(2) The results of the geological surveying, prospecting and exploring and the concession activities, their interpretation and the assessment of attained objectives shall be recorded in the geological reports.

(3) The requirements to the geological and technical documentation of exploration and mining and extraction sites shall be regulated by act of the Council of Ministers.

**Article 14.** (1) (Amended, SG No. 70/2008, No.100/2010) Throughout the term of validity of the licences for prospecting and exploration and for exploration or of the concessions for extraction the information and documentation under Article 13 shall be property of the Minister of Economy, Energy and Tourism, and of the holder of the licence or the concessionaire. The co owners shall be obliged to ensure the confidentiality of information in the course of its collection, storage, delivery and use in compliance with the terms of the concluded contract.

(2) (Amended, SG No. 70/2008, SG No. 100/2010) Copies of the information under paragraph 1 shall be delivered for safekeeping to the National Geological Fund by the holder of the licence or the concessionaire.

(3) (Amended, SG No. 70/2008) The entire information under Article 13 shall be delivered by the holder of the licence

or the concessionaire to the National Geological Fund in a term of 45 days after expiry of the licence or the concession and shall become property of the Bulgarian state.

**Article 15.** The geological and technical information about subsurface resources, obtained before or after the coming of this Act into force, shall be submitted to the National Geological Fund as state property.

## **Chapter Five**

### **NATIONAL GEOLOGICAL FUND**

**Article 16.** (1) (Amended and supplemented, SG No. 70/2008, SG No. 100/2010) The Minister of Economy, Energy and Tourism shall maintain a National Geological Fund, which shall collect, process, store and provide for use against payment the geological information from surveys and other activities pertaining to the prospecting, exploration and extraction of subsurface resources under Article 13.

(2) (Amended, SG No. 70/2008) Setup and updated with the National Geological Fund shall be specialized information systems to keep the data from the prospecting, exploration and extraction of subsurface resources.

(3) (Amended, SG No. 70/2008) The functions of the National Geological-Fund and the terms and procedure for use of the information kept in it by the relevant users shall be regulated by an act of the Council of Ministers.

## **Chapter Six**

### **SPECIALIZED MAPS AND REGISTERS OF LICENCES FOR PROSPECTING AND EXPLORATION AND FOR EXPLORATION, AND CONCESSIONS FOR EXTRACTION**

**(Title amended, SG No. 70/2008, SG No. 100/2010)**

**Article 17.** (Amended, SG No. 47/2002, SG No. 70/2008, SG No. 100/2010) The Minister of Economy, Energy and Tourism shall organize the collection, updating and storage of the data under Article 32, paragraph 1, item 1 of the CPRA regarding the permits for prospecting and exploration and for exploration, issued under the terms and procedure of the law, as well as the elaboration and maintenance of a specialized map, register and an information system, based on such data and data from the cadastre.

**Article 18.** (Supplemented, SG No. 70/2008, SG No. 100/2010) The Ministry of Economy, Energy and Tourism shall organize the compilation and maintenance of a specialized map and a register of the concessions for extraction granted in compliance with the terms and procedure under this Act.

**Article 19.** (Amended, SG No. 47/2002, SG No. 100/2010) (1) The specialized maps and registers of areas for prospecting and exploration and for exploration of the concession areas and the registers of the licences for prospecting and exploration and for exploration of the concessions for extraction of subsurface resources shall be created and kept in compliance with the terms and procedure specified by the Council of Ministers subject to strict compliance with the requirements of Chapter Four of the Cadastre and Property Register Act.

(2) The specialized maps and registers shall be public, shall be kept on the web site of the Ministry of Economy, Energy and Tourism and all persons shall be entitled to obtain transcripts and excerpts therefrom.

## **Chapter Seven**

### **NATIONAL BALANCE OF RESERVES AND ASSESSMENT OF RESOURCES. REGISTER OF FINDS AND SPECIALIZED MAPS AND REGISTER OF DEPOSITS**

## **(Amended, SG No. 47/2002)**

**Article 20.** (Amended and supplemented, SG No. 47/2002, amended, SG No. 37/2006, SG No. 70/2008) (1) (Amended, SG No. 100/2010) The Minister of Economy, Energy and Tourism shall compile and keep:

1. national balance of reserves and the subsurface resources under Article 2, paragraph 1;
2. specialized maps and a register of deposits of subsurface resources under Article 2, paragraph 1;
3. register of finds.

(2) (Amended, SG No. 100/2010) The national balance of subsurface resources, called hereinafter the "National Balance", shall be prepared annually on the basis of data for the status and changes of the reserves and the resources, such as may be provided by contractors of public procurement orders for geological surveys, holders of licences for prospecting and exploration and for exploration, concessionaires and sole proprietorships with the state as sole owner of capital, that carry out extraction of subsurface resources.

(3) The reserves of subsurface resources included in the National Balance shall be accounted for in compliance with endorsed by the Council of Ministers classifications of reserves of subsurface resources.

(4) Recorded in the specialized map and register of deposits of subsurface resources shall be all registered finds of deposits of subsurface resources.

(5) Recorded in the register shall be finds obtained:

1. in the course of implementation of geological prospecting tasks under public procurement orders;
2. (Amended, SG No. 100/2010) by holders of licences for prospecting and exploration and for exploration.

(6) (Amended, SG No. 100/2010) Find by statement of a person who is not a holder of or does not have licence for prospecting and exploration or for exploration, or where such licence has not been entered in the register under Article 17, shall not be entered in the register.

(7) (Amended, SG No. 100/2010) Finds under paragraph 5 shall be registered after consideration and acceptance of the presented geological reports with calculated reserves and/or resources by a specialized expert commission, appointed by the Minister of Economy, Energy and Tourism.

(8) (Amended, SG No. 100/2010) The Minister of Economy, Energy and Tourism shall endorse rules concerning the composition and the work of the specialized expert commission.

(9) A subsurface resource find resulting from geological prospecting under the provisions of Article 8 shall not establish rights of the finder under Article 29.

(10) The activities pertaining to the compilation and keeping of the National Balance shall be regulated by an act of the Council of Ministers.

(11) (Repealed, SG No. 100/2010).

**Article 21.** (Amended, SG No. 70/2008) (1) Finds shall be registered as:

1. geological finds;
2. commercial finds.

(2) (Amended, SG No. 100/2010) A geological find shall be the result of activities pertaining to a licence for prospecting and exploration or for exploration for subsurface resources, it shall give rise to rights of the holder under Article 31, paragraph

4 and the application for its registration shall include the following:

1. description of the location of the find;
2. coordinates of the end points and typical points of the area where the find is located;
3. the specific subsurface resources ascertained by the find, and the group to which they belong under Article 2, paragraph 1;
4. quality parameters of the subsurface resources;
5. preliminary assessment of the capacity of the find.

(3) (Amended, SG No. 100/2010) A commercial find shall be the result of activities pertaining to licence for prospecting and exploration or for exploration for subsurface resources and it shall give rise to rights to concession and the application for its registration shall include the following:

1. description of the location of the find;
2. coordinates of the end points and typical points of the area where the find is located;
3. the specific subsurface resources ascertained by the find, and the group to which they belong under Article 2, paragraph 1;
4. quality parameters of the subsurface resources;
5. technical and economic assessment of the deposits;
6. Proposed technologies of extraction and processing and their preliminary technical parameters;
7. Written statement by the competent authority on environment concerning applicable procedure under the provisions of Chapter Six of the Environment Protection Act concerning the investment proposal on extraction and primary processing of subsurface resources on the site.

(4) (Amended, SG No. 100/2010) A find shall be declared geological or commercial via an application under paragraph 2 or paragraph 3, filed by the holder of the licence for prospecting and exploration or for exploration with the Minister of Economy, Energy and Tourism. In case the application does not meet the requirements, the Minister of Economy, Energy and Tourism, or a person authorized by him, shall notify the applicant about the deficiencies in a term of 15 days following the filing of the application and shall give instruction about elimination of the deficiencies.

(5) The applications under paragraphs 2 and 3 shall be filed by holders of licences accompanied by a geological report on the results of the prospecting carries out and the calculated deposits and/or resources in compliance with an ordinance on the geological and technical documentation of prospecting and mining sites.

(6) The commission under Article 20, paragraph 7 shall consider the geological reports under paragraph 5 in a term of three months following their presentation and shall produce a protocol.

(7) In a 15-day term following production of the protocol under paragraph 6:

1. (Amended, SG No. 100/2010) the Minister of Economy, Energy and Tourism, or an official authorized by him, shall endorse the protocol under paragraph 6, shall effect the registration and shall issue a certificate concerning the geological find to the licence holder;

2. (Amended, SG No. 100/2010) after the licence holder has presented a valid decision on environment impact assessment (EIA) which approves implementation, or a decision not to carry out EIA of the investment proposal for extraction and primary processing of subsurface resources, issued under the provisions of the Environment Protection Act, the Minister of Economy, Energy and Tourism, or an official authorized by him, shall endorse the protocol under paragraph 6, shall effect the



registration and shall issue a certificate concerning the commercial find to the licence holder

(8) (Amended, SG No. 100/2010) The Minister of Economy, Energy and Tourism shall reject registration on the grounds of arguments in cases when:

1. The application does not meet the requirements under paragraphs 2 and 3 and the deficiencies have not been eliminated under the provisions of paragraph 4;

2. the geological report presented by the licence holder has been considered and not approved by the commission under Article 20, paragraph 7;

3. there is a decision on EIA in effect, which does not approve of implementation of the investment proposal for extraction and primary processing of subsurface resources.

(9) In the event of rejection under paragraph 8, applications filed under paragraphs 2 and 3 shall be returned to the licence holders and the geological reports under paragraph 5 shall be registered at the National Geological Fund to be kept and used.

(10) The rejection to perform registration of the find under Article 21, paragraph 1 shall be subject to litigation under the provisions of the Administrative Procedure Act.

**Article 22.** (Amended and supplemented, SG No. 70/2008, amended, SG No. 100/2010) Holders of licences for prospecting and exploration and for exploration and concessionaires and companies with the state as sole owner of the capital, such that pursue activities pertaining to extraction of subsurface resources, shall be obliged to submit to the Ministry of Economy, Energy and Tourism annually or upon request, but not less than twice per year, information about the status and changes of reserves and resources within areas provided thereto, as well as the required geological and technical documentation for verification of their authenticity.

## **Chapter Eight**

### **MANAGEMENT OF MINING WASTE**

#### **(New, SG No. 70/2008)**

**Article 22a.** (New, SG No. 70/2008) (1) Management of mining waste resulting from prospecting, extraction and primary processing of subsurface resources shall be exercised with a view to prevent or limit the harmful impact on environment components and health and safety of the population.

(2) Management of mining waste shall take into consideration the best available technologies and shall comprise measures aimed at:

1. mining waste quantity reduction;
2. prevention and limitation of harmful impacts;
3. use of and/or full extraction of the useful components contained in the waste;
4. safe storage;
5. provision of stability and safety of the mining waste facilities;
6. monitoring of mining waste facilities, including after they are closed down;

(3) The provisions of this act shall not be applied to:

1. waste, which does not result directly from activities relating to prospecting, exploring and primary processing of

subsurface resources;

2. waste resulting from activities relating to prospecting of subsurface resources in the continental shelf and the exclusive Black Sea economic zone of the Republic of Bulgaria;

3. injecting of water on the bowels of the earth, including re-injection of pumped out ground water.

**Article 22b.** (New, SG No. 70/2008) (1) Mining waste shall be classified according to the degree of risk for environment and human health on the basis of the quality parameters and composition as follows:

1. non-polluted soil, aggregate waste, non-harmful waste resulting from extraction and processing of peat;

2. non-harmful non-aggregate waste;

3. harmful waste.

(2) Mining waste shall be deposited and stored in designated for this purpose sites or depots, called technological mining waste facilities, the location, structure and management of which shall prevent or reduce to the maximum the negative impact of the waste on the environment components and human health without causing inconvenience through noise or odour and without negative effects on places of special interest.

(3) Backfilling or disposal of mining waste in places outside the facilities specified under paragraph 2 shall not be allowed, as well as leaving the facilities without supervision and monitoring.

(4) Mining waste facilities shall be categorized according to the degree of harm and risk they pose for the environment and human health as follows:

1. Category "A" facilities: facilities for mining waste, which as a result of unforeseen circumstances or bad management can cause major accidents and/or contain harmful waste under paragraph 1, item 3 and dangerous substances or preparations above a specified threshold.

2. Category "B" facilities: all other mining waste facilities.

(5) (Amended, SG No. 100/2010) The facility category shall be defined in compliance with the terms and procedure of the ordinance referred to in Article 22k by means of a risk assessment based on the qualitative characteristics and composition of the mining waste, including its modifications as a result of possible secondary impacts, as well as the degree of stability of the facility according to its technical characteristics.

(6) Exploited sites, formed as a result of underground or open extraction of subsurface resources, where mining waste is filled back as aggregate, shall not be considered mining waste facilities.

(7) (Repealed, SG No. 100/2010).

**Article 22c.** (New, SG No. 70/2008) (1) Licence holders and concessionaires whose activities produce mining waste, as well as any physical person or legal entity keeping mining waste shall be responsible for management of the mining waste in compliance with the requirements of this Act.

(2) (Supplemented, SG No. 46/2010, effective 18.06.2010, amended, SG No. 100/2010) The persons under paragraph 1 shall be obliged to undertake on own account all required measures under Article 22a, paragraph 2 in conformity with a plan of management of the mining waste, elaborated by them and endorsed by the Minister of Economy, Energy and Tourism or by an official authorized by him.

(3) The persons under paragraph 1 can assign the management of mining waste to third parties via a contract under the condition that the parties have the required qualification, knowledge and technical potential to perform the activities relating to mining waste management.

(4) (Amended, SG No. 100/2010) The persons under paragraphs 1 and 3 shall be operators of mining waste facilities

and shall be obliged to report annually by December 31 to the Minister of Economy, Energy and Tourism on the implementation of the mining waste management plan, including the quantities and the composition of the deposited waste, as well as on the results and the conclusions from the carried out internal monitoring.

(5) (Supplemented, SG No. 100/2010) The operators shall be obliged to notify the Minister of Environment and Waters and the Minister of Economy, Energy and Tourism immediately, as well as in writing, but not later than 48 hours following the events placing at risk the stability of mining waste facilities and/or human health and environment.

(6) Upon conclusion of the activities under the concession contract, including re-cultivation of the mining waste facilities, they shall be handed over to the owner of the mining waste - the state - for management and monitoring in compliance with the Ordinance under Article 22k, excluding the facilities servicing other concessions.

**Article 22d.** (New, SG No. 70/2008) (1) (Amended, SG No. 46/2010, effective 18.06.2010, SG No. 100/2010) Concerning waste management activities under Article 22b, paragraph 1, items 1 and 2 kept in Category B facilities, a management plan approved by the Minister of Economy, Energy and Tourism or by an official authorized by him shall be required.

(2) (Amended, SG No. 100/2010) Concerning activities relating to management of all mining waste kept in Category A facilities, a permit shall be required, including a management plan, issued by the Minister of Economy, Energy and Tourism.

(3) (Amended, SG No. 100/2010) When an activity producing mining waste is subject to an EIA procedure under the provisions of Chapter Six of the Environment Protection Act, the scope of the assessment shall obligatorily include also the mining waste management plan.

(4) (Amended, SG No. 46/2010, effective 18.06.2010, SG No. 100/2010) When an activity producing mining waste is not subject to EIA, the management plan shall be presented to the Minister of Economy, Energy and Tourism for approval.

**Article 22e.** (New, SG No. 70/2008) (1) (Amended, SG No. 46/2010, effective 18.06.2010, SG No. 100/2010) Any activity producing mining waste shall not be carried out without a waste management plan approved by the Minister of Economy, Energy and Tourism or by an official authorized by him.

(2) The mining waste management plan shall be elaborated by the operators and shall comprise:

1. type and proposed category of the facility under Article 22b, paragraph 4 accompanied by a justification;
2. parameters of the mining waste and the estimated quantities;
3. description of the activity producing mining waste;
4. possible risks for environment and measures to prevent them, including measures for prevention of water, air and soil pollution;
5. proposed control and monitoring procedures;
6. proposed plan for closing down of the facility;
7. measures to prevent major accidents and an emergency plan in cases of Category A facilities;

(3) In the mining waste management plan concerning a facility containing cyanide the operator shall propose measures for reduction of the concentration of the light acid decomposable cyanide to the lowest possible level using the best available technologies and in compliance with the terms of time specified under § 89.

(4) (Amended, SG No. 100/2010) Along with the plan operators shall provide the Minister of Economy, Energy and Tourism with documents certifying to the information under paragraph 2, as well as to:

1. (Amended, SG No. 100/2010) the qualifications, knowledge and technical capacity for performance of the activities pertaining to the management, as well as to rights to prospecting and exploring or to exploring, or to extraction of subsurface

resources under this Act, or that the operator is an authorized person under Article 22c, paragraph 3;

2. the location of the facility and other alternative indicators of location recorded in a plan specifying underground and ground public utility services, water basins, sanitary and security zones, buildings, etc.

3. engineering-geological, hydro-geological, hydrological, hydro-chemical, seismic and morphological information about the area, where the facility is to be located;

4. (New, SG No. 100/2010) EIA decision that has entered into effect and that has been issued pursuant to Chapter Six of the Environmental Protection Act or decision not to perform EIA;

5. (Renumbered from Item 4, SG No. 100/2010) evidence certifying that the holder has the qualifications, knowledge and technical capacity required for the activity.

(5) (Supplemented, SG No. 46/2010, effective 18.06.2010, amended, SG No. 100/2010) In the cases under Article 22d, paragraph 1, the documents under paragraph 2 shall be considered by the Minister of Economy, Energy and Tourism or by an official authorized by him in a 30-day term and, in the event of deficiencies or incomplete information, the applicant shall be given a deadline to eliminate them or they shall be returned for elimination of the deficiencies with specified mandatory instructions.

(6) (Amended and supplemented, SG No. 46/2010, effective 18.06.2010, amended, SG No. 100/2010) In a term of two months following elimination of the deficiencies under paragraph 5, or in the event of repeated filing of the documents under paragraphs 2 and 3, the Minister of Economy, Energy and Tourism or an official authorized by him shall approve, or shall reject to approve on the grounds of arguments, the mining waste management plan.

(7) (Amended, SG No. 46/2010, effective 18.06.2010) The procedure of development, approval and revision of mining waste management shall be defined in the Ordinance under Article 22k.

**Article 22f.** (New, SG No. 70/2008) (1) (Amended, SG No. 100/2010) In the cases under Article 22d, paragraph 2 operators shall file applications with the Minister of Economy, Energy and Tourism to be issued a permit, which shall specify the full name and the address of the physical person, or the title, the head office and the trade registration of the legal entity. Attached to the application shall be:

1. documents certifying to the identity of the applicant;

2. (Amended, SG No. 100/2010) a document certifying that the applicant holds the rights to prospecting and exploring or to exploring, or to extraction of subsurface resources under this Act, or has concluded a contract with parties holding these rights;

3. proposal concerning the location of the facility and other alternative indicators of location recorded in a plan specifying underground and ground public utility services, water basins, sanitary and security zones, buildings, etc.

4. engineering-geological, hydro-geological, hydrological, hydro-chemical, seismic and morphological information about the area, where the facility is to be located;

5. (Supplemented, SG No. 100/2010) a mining waste management plan prepared according to the requirements of Article 22e;

6. measures to prevent major accidents and an emergency plan;

7. proposal for financial provision under Article 22h;

8. evidence that the applicant has the qualifications, knowledge and technical capacity required for the activity;

9. declaration concerning the information which, according to the operator, constitutes commercial secret and should not be part of the public register under Article 22g, paragraph 8;

(2) The application and the documents under paragraph 1 shall be considered in a 30-day term and, in the event of deficiencies or incomplete information, the applicant shall be given a deadline to eliminate them, or they shall be returned for elimination of the deficiencies with specified mandatory instructions

(3) (Repealed, SG No. 100/2010).

(4) (Amended, SG No. 100/2010) After elimination of the deficiencies and/or supplementation of the provided information, the Minister of Economy, Energy and Tourism shall endorse the mining waste management plan under paragraph 1, item 5 and shall issue a permit.

(5) (Amended, SG No. 46/2010, effective 18.06.2010, repealed, SG No. 100/2010).

**Article 22g.** (New, SG No. 70/2008) (1) (Amended, SG No. 100/2010) Permits under Article 22f, paragraph 4 shall be unlimited in time

(2) Permits shall be re-considered every five years, or when:

1. (Supplemented, SG No. 100/2010) significant changes affecting its structure have occurred in the exploitation of the mining waste facility, in the quality composition or in the quantities of mining waste;

2. changes have been introduced in the management plan;

3. the results of the inspections performed by the authority under Article 5a require this;

4. the results of the monitoring require this;

5. (Amended, SG No.100/2010) possibilities are available to apply better available technologies in the sense of Article 22a (2).

(3) When re-considering a permit, the competent authority shall assess the necessity of amendment of the terms and conditions of the permit, or of their updating.

(4) (Amended, SG No. 100/2010) The Minister of Economy, Energy and Tourism shall be obliged to notify at an early stage the concerned public about the forthcoming amendment of the provisions of the issued permit under Article 22f, paragraph 4 and to provide access to the available documentation in the course of 30 days.

(5) The concerned public shall be entitled to express position in the term under paragraph 4, which should be taken into consideration when amending the permit.

(6) (Amended, SG No. 100/2010) The permit under Article 22f, paragraph 4, as well as its amendments shall be made public via mass media in a term of 14 days after its issuance and, in the cases of trans-border impacts; it should be also forwarded to the states affected by the activities of the facility. The applicant shall also be notified in writing in the same term of time

(7) The concerned parties shall be entitled to appeal against the permit under the Administrative Procedure Code in a term of 14 days following its publication under paragraph 6.

(8) (Amended, SG No. 100/2010) The Minister of Economy, Energy and Tourism shall keep a public register of the operators and of the issued permits under Article 22f, paragraph 4.

**Article 22h.** (New, SG No. 70/2008, in force as of 01.05.2014) (1) (Amended, SG No. 100/2010) Prior to commencing activities under the permit operators should present financial guarantees to the Minister of Economy, Energy and Tourism.

(2) The financial guarantees under paragraph 1 should comprise the total funds required for implementation of the obligations of the operator under the permit, as well as to provide the necessary funds specified in the mining waste management plan.

(3) (Amended, SG No. 100/2010) The amount of the financial guarantees shall be defined according to the expected impact on environment by the facility, its category, the parameters of the mining waste and the future use of the re-cultivated land and it should be sufficient to cover the expenses on the required reclamation works in case they are assigned by the Minister of Economy, Energy and Tourism to a third party.

(4) The financial guarantees can be provided via:

1. (Amended, SG No. 100/2010) presentation of an unconditional irrevocable bank guarantee issued in favour of the Minister of Economy, Energy and Tourism;

2. (Amended, SG No. 100/2010) opening of a trustee account at a bank specified by the operator and acceptable for the Minister of Economy, Energy and Tourism;

3. (Amended, SG No. 100/2010) provision of an insurance policy, where the Minister of Economy, Energy and Tourism is specified as beneficiary;

4. constitution of a documentary letter of credit, the funds of which can be spent only for performance of the activities under paragraph 2;

5. (Amended, SG No. 100/2010) provision of another statutory guarantee coordinated with the Minister of Economy, Energy and Tourism;

6. parallel application of the approaches under items 1 - 5 in a proportion proposed by the operator.

(5) The amount of financial guarantees shall be updated periodically in concordance with the measures specified in the management plan and carried out by the operator.

(6) (Amended, SG No.100/2010) The Minister of Economy, Energy and Tourism shall release the financial guarantees upon closing down of the facility and shall retain a part of it, sufficient to guarantee the obligations of the operator after closing down of the facility for its maintenance, monitoring and control and, when necessary, for reclamation works as well in accordance with the management plan.

(7) (Amended, SG No. 100/2010) The funds of the provided financial guarantees cannot be subject to compulsory execution.

**Article 22i.** (New, SG No. 70/2008) (1) Operators of mining waste facilities shall develop a complete rational design for construction, exploitation and closing down of the mining waste facility.

(2) (Amended, SG No. 100/2010) The design under paragraph 1 should take into consideration the facility management plan with the relevant technical requirements and best available technologies and should be coordinated with the Minister of Economy, Energy and Tourism.

(3) (Supplemented, SG No. 46/2010, effective 18.06.2010, amended, SG No. 100/2010) Operators should produce annual rational designs for exploitation of mining waste facilities, which shall be coordinated with the Minister of Economy, Energy and Tourism, together with the annual projects for prospecting and exploring or for extraction and primary processing of subsurface resources.

**Article 22j.** (New, SG No. 70/2008, amended, SG No. 100/2010) The following shall be stipulated by an ordinance of the Council of Ministers:

1. the specific requirements for mining waste management, construction, operation and closing down of mining waste facilities, their technical oversight and monitoring;

2. the terms and procedure for assessment of the risk of the mining waste facilities;

3. the procedure for endorsement of the mining waste management plan and for issue of permits for mining waste

facilities;

4. the criteria for determining the amount of the financial guarantee under Article 22h, the terms and procedure for its provision and release.

## **PART TWO PROSPECTING, EXPLORATION AND EXTRACTION OF SUBSURFACE RESOURCES**

### **Chapter One LICENCES FOR PROSPECTING AND EXPLORATION AND FOR EXPLORATION AND CONCESSIONS FOR EXTRACTION**

**(Title amended, SG No. 100/2010)**

#### **Section I General Provisions**

**Article 23.** (Amended, SG No. 47/2002, SG No. 70/2008) (1) (Amended, SG No. 100/2010) Licences for prospecting and exploration and for exploration and concessions for extraction shall be granted to natural and legal persons who have been duly registered as traders and who can prove that they have the required management and financial capacity to pursue the relevant activities.

(2) (Amended, SG No. 100/2010) Concerning a specific area, more than one licence for prospecting and exploration or for exploration and more than one concession for extraction can be granted provided they are issued for different types of subsurface resources, the activities under a licence or a concession shall not obstruct the activities under another licence or concession and the consent has been obtained of every operating holder of licence or concessionaire..

(3) (Amended, SG No. 100/2010) Procedures on granting of licences for prospecting and exploration or for exploration shall not be started concerning areas within the boundaries of which a commercial find under Article 21, paragraph 3 has been established and an application for its registration has been filed by the final conclusion of the registration procedure or the refusal of the competent authority to register the commercial find under the provisions of Article 21.

(4) (Amended, SG No. 100/2010) Procedures for granting of licences for prospecting and exploration and for exploration and for granting of concessions for extraction shall be carried out in compliance with the principles of transparency, publicity and competition.

**Article 24.** (1) (Amended, SG No. 70/2008) A person who meets the requirements under Article 23, paragraph 1 may obtain more than one licence or concession for extraction.

(2) (Amended, SG No. 100/2010) In the cases under paragraph 1, individual contracts shall be concluded with the Minister of Economy, Energy and Tourism for implementation of the activities under each licence and/or concession.

**Article 25.** (1) (Amended, SG No. 70/2008, SG No. 100/2010) The rights and obligations ensuing from the granted licence for prospecting and exploration or for exploration may be transferred, entirely or in part, to third parties who meet the requirements of Article 23, paragraph 1 only with permission of the authority having issued the licence.

(2) The rights and obligations ensuing from the granted concession for extraction may be transferred, entirely or in part, to third parties who meet the requirements of Article 23, only with permission of the Council of Ministers.

(3) The costs for transfer of rights and obligations under paragraphs 1 and 2 shall be on account of the holder of the licence or the concessionaire.

(4) In the case where the holder of the licence or the concessionaire retains some of his rights under granted licence or concession, he shall be jointly liable with the third party for the obligations undertaken, unless otherwise provided in the contract.

(5) In the case where the holder of the licence or the concessionaire transfers to a third party his rights under the granted licence or concession in full, all rights and obligations shall be transferred to the third party.

**Article 26.** (Amended, SG No. 70/2008, supplemented, SG No. 46/2010, effective 18.06.2010, amended, SG No. 100/2010) (1) Proceedings for granting of licences for prospecting and exploration and for exploration or for granting of concessions for extraction shall be initiated after an appropriate check in the specialized maps and registers under this act and after coordination with:

1. the competent ministers with respect to protection of the national security and the defence of the country and with respect to the territories, sites and cultural values protected by law.

2. the mayors on the territory of whose municipalities the area for prospecting and exploration or for exploration or the concession area is located for the sake of certification of whether the applied for area for prospecting and exploration or for exploration or for extraction of subsurface resources under Article 2 paragraph 1 item 5 or 6 falls within:

a) an urbanized territory with boundaries specified by a detailed spatial development plan that has entered into effect;

b) territory within the boundaries of which there is a spatial development plan for construction of a national project or a site of the social or technical infrastructure - public municipal property, where the said spatial development act has entered into effect;

c) a territory of public intended purpose which has been included in a municipality development program or plan adopted by the municipal council under Article 21, paragraph 1, item 12 of the Local Self-Government and Local Administration Act.

(2) The Minister of Economy, Energy and Tourism shall request the position of the authorities under paragraph 1 in a term of 14 days following receipt of the application under Article 51.

(3) The period of the coordinating procedures should not exceed 30 days. The failure to present a position within this period on the part of the authorities under paragraph 1 shall be considered as consent without any objections.

## **Section II**

### **Licences for prospecting and exploration and for exploration**

#### **(Title amended, SG No. 100/2010)**

**Article 27.** (Amended, SG No. 70/2008, SG No. 100/2010) Licences for prospecting and exploration or for exploration shall be granted for one of the groups of subsurface resources under Article 2, paragraph 1 observing the provisions of Article 4, paragraph 1.

**Article 28.** The licence for prospecting and exploration or for exploration shall entitle the holder, within the boundaries of the area granted:

1. to pursue all the necessary activities designed to find deposits of subsurface resources for which the licence has been granted;

2. (amended, SG No. 70/2008, SG No. 100/2010) to make assessment of deposits of subsurface resources for which the licence has been granted, inclusive of extraction for technological tests and the obtained quantities for technological samples and for technological tests, endorsed in the rational designs can be subject of sale under conditions and according to procedures specified in the contract on prospecting and exploration or for exploration before a concession for extracting is obtained.



3. to declare within the term of validity of the licence, pursuant to the requirements of Article 21, the find as commercial find in view of due registration thereof;

4. to obtain by right concession for extraction pursuant to the provisions of Article 29.

**Article 29.** The holder of licence for prospecting and exploration or for exploration shall be designated directly as concessionaire for extraction from a deposit found, subject to the following conditions:

1. (Amended and supplemented, SG No. 70/2008) he should have declared pursuant to Article 21, paragraphs 3 and 5, a find of deposit of subsurface resources within the term of validity and within the area of the granted licence;

2. (Amended, SG No. 70/2008) he should have obtained certificate for commercial find of deposit pursuant to Article 21, paragraph 7;

3. (Supplemented, SG No. 70/2008, amended, SG No. 100/2010) he should have filed a written application for concession to the Minister of Economy, Energy and Tourism within 6 months after obtaining of certificate for the registered commercial find.

**Article 30.** (Amended, SG No. 100/2010) The holder of licence for prospecting and exploration or for exploration shall be obliged:

1. to pursue all the activities pertaining to the granted licence in compliance with the law and pursuant to the terms and conditions of the concluded contract;

2. to notify the competent bodies about each find of subsurface resources and to provide the required information about it;

3. to provide information to the National Geological Fund pursuant to Article 13;

4. (Amended, SG No. 28/2005, SG No. 94/2005, SG No. 100/2010) in the event of discovering mineral, historic or archaeological finds which have the attributes of cultural values, to suspend work and to notify forthwith the the Minister of Economy, Energy and Tourism and the Minister of Culture.

**Article 31.** (Amended, SG No. 70/2008) (1) Concerning the subsurface resources under Article 2, paragraph 1, items 1 - 4, licences for prospecting and/or exploration shall be granted for a term of:

1. five years - for oil and natural gas;

2. three years - for metalliferous mineral resources, non- metalliferous mineral resources and solid fossil fuels.

(2) Concerning the subsurface resources under Article 2, paragraph 1, items 5 - 7, licences for prospecting shall be granted for a term of

1. two years - for facing-stone materials and mining waste;

2. one year - for building materials.

(3). The term under paragraph 1 may be augmented by two extensions of up to two years each, pursuant to terms and procedure specified in the concluded contract. Prerequisite for every extension shall be completion of the working programme.

(4) (Amended, SG No. 100/2010) In the event where before the end of the last extension under paragraph 3 the holder of licence for prospecting and exploration or for exploration ascertains a find of subsurface resources, the term of validity of the licence may be extended by up to one year, so that the holder may make assessment of such find

**Article 32.** (Amended, SG No. 70/2008)(1) (Amended, SG No. 100/2010) The area granted under licence for prospecting and exploration or for exploration may not exceed:

1. for inland oil and gas - 5000 km<sup>2</sup>, and in the continental shelf and within the exclusive economic zone in the Black Sea - 20000 km<sup>2</sup>;
2. for metalliferous mineral resources and solid fuels - up to 200 km<sup>2</sup>;
3. for non-metalliferous mineral resources - up to 50 km<sup>2</sup>;
4. for building materials - up to 1 km<sup>2</sup>;
5. for facing-stone materials - up to 3 km<sup>2</sup>;
6. for mining waste - up to 3 km<sup>2</sup>.

(2) (Amended, SG No. 100/2010) With registration of geological finds of subsurface resources under Article 2, paragraph 1, items 1 - 4, located on the boundary of the area granted for prospecting and exploration or for exploration, the licence holder shall be entitled to extension of the area with a view to full-scale assessment of the find provided the extension does not affect the rights of other licence holders or concessionaires.

(3) (Amended, SG No. 100/2010) Parts of the area under paragraph 1, items 1 - 4 shall be vacated by the holder of licence for prospecting and exploration or for exploration prior to each extension under Article 31, paragraphs 3 and 4 in compliance with terms and procedure specified in the concluded contract

(4) The holder of licence shall be entitled to vacate additional areas, by his own discretion, at the end of each calendar year, pursuant to the terms and conditions of the concluded contract.

## **Section III**

### **Concession for extraction**

**Article 33.** (Previous text of Article 33, supplemented, SG No. 70/2008) Concession for extraction shall be granted for a specific deposit of subsurface resources under Article 2, paragraph 1 with established reserves and/or for separate parts thereof (sections).

(2) (New, SG No. 70/2008) Rights to extraction of two and more groups of subsurface resources under Article 2, paragraph 1 can be granted via one concession, where reserves and deposits of various groups of subsurface resources are established and registered at the National Balance within the boundaries of one field.

(3) (New, SG No. 70/2008) The concession for extraction of subsurface resources shall also comprise the necessary available infrastructure as belonging to the concession.

**Article 34.** (Amended, SG No. 70/2008) A concession for extraction shall entitle the concessionaire:

1. to acquire right of ownership on the extracted subsurface resources for which the concession has been granted, as well as on the technological waste from extraction, in compliance with the terms and conditions of the concluded contract;

2. to acquire right to use on the mining waste resulting from extraction and primary processing in compliance with the concluded contract.

3. to pursue all the required activities pertaining to extraction, including further exploration within the deposit boundaries storage, processing, transportation and sale of subsurface resources for which the concession has been granted

4. to acquire right to further explore and, for the duration of the concession, to extract mineral resources from the mining waste resulting from the concession activities on the grounds of a supplementary agreement to the concession contract.

**Article 35.** (1) A concessionaire shall be obliged:

1. to pursue all the activities pertaining to the granted concession in compliance with the law and the concluded contract;

2. (Amended, SG No. 70/2008, SG No. 100/2010) to provide the information under Article 22 to the Minister of Economy, Energy and Tourism.

(2) (Amended, SG No. 28/2005, SG No. 94/2005, SG No. 100/2010) The concessionaire shall be obliged, in the event of finding unique mineral formations or movable cultural values, to notify within 7 days the Minister of Economy, Energy and Tourism and the Minister of Culture.

**Article 36** (1) Concessions for extraction shall be granted for terms of up to 35 years.

(2) The term of validity of a concession may be extended by up to 15 years under the terms and conditions of the concluded contract.

**Article 37.** (Amended, SG No. 86/2003, SG No. 70/2008) (1) (Amended, SG No. 100/2010) The concession granted shall specify the concession area, which shall comprise:

1. the area of the deposit site or separate segment thereof and
2. the areas necessary for implementation of the concession activities other than the extraction.

(2) Boundaries of concession areas and of concession sites shall be specified in the specialized maps under Article 18 and Article 20, paragraph 1, item 2.

(3) (Amended, SG No. 100/2010) Concession areas can be modified on the grounds of a justified request on the part of the concessionaire to the Minister of Economy, Energy and Tourism after coordination under Articles 23 and 26 and approval by the Council of Ministers.

**Article 38.** (Amended, SG No. 70/2008, SG No. 100/2010) The concession for extraction under Article 29 should be in conformity with the terms and conditions of the licence for prospecting and/or exploration and the contract on prospecting and exploration or for exploration for subsurface resources.

## **Chapter Two**

# **TERMS AND PROCEDURE FOR GRANTING LICENCES FOR PROSPECTING AND EXPLORATION AND FOR EXPLORATION AND FOR GRANTING OF CONCESSIONS FOR EXTRACTION**

**(Title amended, SG No. 100/2010)**

## **Section I**

### **General Provisions**

**Article 39.** (Amended, SG No. 70/2008) (1) (Amended, SG No. 100/2010) Licences for prospecting and exploration or for exploration of subsurface resources under Article 2, paragraph 1 shall be granted by:

1. competition;
2. tender;

3. (Amended, SG No. 100/2010) by right of application in cases of single applicant after expiry of a one-month terms from the date of the announcement for forthcoming granting of a licence published in the State Gazette and the Internet site of the Ministry of Economy, Energy and Tourism.

(2) Concessions for extraction of subsurface resources under Article 2, paragraph 1 shall be granted by:

1. competition;
2. tender;
3. (Amended, SG No. 100/2010) right of a holder of licence for prospecting and exploration or for exploration under the terms of Article 29;
4. by right to a company on the grounds of a privatization deal.

(3) (Amended, SG No. 100/2010) Licence for prospecting and exploration or for exploration and concession for extraction in an area or deposit of subsurface resources under Article 2, paragraph 2 shall be granted only via a tender for the same group of subsurface resources.

**Article 40.** (1) (Amended, SG No. 100/2010) For areas for which licence for prospecting and exploration or for exploration or concession for extraction of subsurface resources has been granted, other licences or concessions may not be granted for the same subsurface resources.

(2) (Amended, SG No. 100/2010) For areas for which licence for prospecting and exploration or for exploration or concession for extraction of subsurface resources has been granted, licences and concessions may be granted for other subsurface resources, in compliance with the requirements of Article 23.

**Article 41.** (Amended, SG No. 47/2002, SG No. 70/2008) (1) (Amended, SG No. 100/2010) The licences and concessions granted shall be promulgated in the State Gazette, published in the Internet site of the Ministry of Economy, Energy and Tourism and notifications shall be addressed to municipalities by location of the site, accompanied by the list of the boundary coordinate points of the area specified in the licence or of the concession area.

(2) (Amended, SG No. 100/2010) Licences for prospecting and exploration or for exploration and the decisions on granting concessions for extraction shall be registered in the specialized map and register under Articles 17 and 18 within 7 days following their promulgation in the State Gazette.

## **Section II**

### **Granting of licence for prospecting and exploration and for exploration and granting of concession for extraction by competition or tender**

#### **(Title amended, SG No. 70/2008, SG No. 100/2010)**

**Article 42.** (Amended, SG No. 70/2008, SG No. 100/2010) (1) Licences for prospecting and exploration and for exploration and concessions for extraction shall be granted as mandatory by competition:

1. for oil and natural gas;
2. for subsurface resources in the continental shelf and in the Black Sea exclusive economic zone;
3. in cases of filed application by another applicant in the term of time under Article 39, paragraph 1, item 3 for the same area and the same group of subsurface resources as specified in the announcement.

(2) Concessions for extraction shall be granted as mandatory by competition concerning subsurface resource deposits with registered pursuant to Article 21 commercial finds for which no application for the granting of a concession has been submitted within the deadline under Article 29, item 3.

(3) The terms and procedure for conducting a competition or tender for granting a licence for prospecting and exploration and for exploration, as well as for granting a concession for extraction, shall be specified by an ordinance of the Council of Ministers.

**Article 43.** (Amended, SG No. 70/2008) (1) (Amended, SG No. 100/2010) A competition or a tender for granting

of licence for prospecting and exploration and for exploration shall be initiated ex officio or upon application of natural persons or legal entities or alliances thereof before the Minister of Economy, Energy and Tourism.

(2) (Amended, SG No. 100/2010) Proceedings for granting of licence for prospecting and exploration or for exploration upon request of interested parties shall be initiated in a term of three months following placement of the request, excluding the cases of competent authority denials on the grounds of arguments under Article 56. The denial under Article 56, paragraph 1, item 1 and paragraph 2 shall not be subject to appeal in a court of justice.

(3) The order for holding a competition or a tender for issuance of licence in the cases under Article 5, item 1 shall set forth:

1. subject of the licence;

2. term to hold the competition, or tender, which cannot be shorter than 45 days and longer than 90 days as from the date of publication of the order;

3. term to buy the competition or tender relating documentation;

4. deadline for acceptance of the documents for participation in the competition or tender;

5. amount of the deposit and deadline to pay it;

6. other terms concerning the competition or tender.

(4) The order under paragraph 3 shall be promulgated in the State Gazette and the Internet site of the authority under Article 1.

(5) (Amended, SG No. 100/2010) The Minister of Economy, Energy and Tourism shall appoint a commission/jury to organize and hold the competition or tender. The commission shall consist of uneven number of members and shall include representatives of the Ministry of Economy, Energy and Tourism, the Ministry of Finance and the administration of the Council of Ministers. It shall be prohibited to form the majority of the commission members from representatives of the same institution.

(6) The commission under paragraph 5 shall organize the elaboration of the competition or tender documentation, which shall obligatorily specify the criteria to obtain the final complex assessment of the proposals, ranked according to priority or bidding step.

**Article 44.** (1) (Amended, SG No. 100/2010) Licences for prospecting and exploration and for exploration of oil and/or natural gas or licences for prospecting and exploration and for exploration of subsurface resources in the continental shelf and in the Black Sea exclusive economic zone shall be issued by the Council of Ministers upon proposal made by the Minister of Economy, Energy and Tourism.

(2) (Amended SG No. 28/2000, SG No. 70/208) The proposal for initiating of a licensing procedure under paragraph 1 should be motivated and it should contain justification in evidence of its compliance with the law and its feasibility.

(3) (Supplemented, SG No. 70/2008, amended, SG No. 100/2010) The Council of Ministers shall take decision on the proposal under paragraph 2, which shall comprise the requirements under Article 43, paragraph 3, and which shall authorize the Minister of Economy, Energy and Tourism to conduct the competition or tender and the deadline to buy the competition or tender documentation cannot be earlier than 120 days or later than 180 days following promulgation of the order.

(4) (New, SG No. 70/2008, amended, SG No. 100/2010) The decision under paragraph 3 shall authorize the Minister of Economy, Energy and Tourism to conduct the competition or tender.

(5) (Renumbered from Paragraph 4, amended, SG No. 70/2008) The decision under paragraph 3 shall be promulgated in the State Gazette, the web site of the Council of Ministers and the Official Journal of the European Union.

(6) (Renumbered from Paragraph 5, SG No. 70/2008, amended, SG No. 100/2010) The Minister of Economy, Energy and Tourism shall appoint a commission to organize and hold the competition or tender.

(7) (New, SG No. 70/2008, amended, SG No. 100/2010) The commission shall consist of uneven number of members and shall include representatives of the Ministry of Economy, Energy and Tourism, the Ministry of Finance and the administration of the Council of Ministers. The majority of the commission cannot be formed of representatives of the same institution.

**Article 45.** (1) (Amended, SG No. 100/2010) The Council of Ministers may take decision for granting of concession by proposal from the Minister of Economy, Energy and Tourism.

(2) (Amended, SG No. 70/2008) The proposal should be motivated and accompanied by legal, financial, economic, environmental and social analyses and should be co-ordinated with the concerned ministries.

(3) The decision for granting of concession shall set forth:

1. subject of the concession;
2. term of validity of the concession;
3. terms and conditions, major rights and obligations under the concession;
4. term for holding of competitive tender or auction;
5. term for purchase of competitive tender or auction documents;
6. deadline for acceptance of documents for participation in the competitive tender or auction;
7. amount and term of deposit;
8. (Repealed, SG No. 100/2010) ;
9. other terms and conditions.

(4) (Amended, SG No. 70/2008, amended and supplemented, SG No. 100/2010) The decision of the Council of Ministers to put up notice for competition or tender shall be promulgated in the State Gazette and the web site of the Council of Ministers and the web site of the Ministry of Economy, Energy and Tourism, and for oil and natural gas - in the Official Journal of the European Union, where the deadline for purchasing the competition documentation for oil and natural gas cannot be shorter than 120 days and cannot be longer than 180 days as of the date of promulgation.

(5) (Amended, SG No. 100/2010) On the grounds of the decision under paragraph 1 the Minister of Economy, Energy and Tourism shall designate the members of the competition or tender commission, which shall prepare the necessary competition or tender documentation for conducting the competition or tender

(6) (New, SG No. 70/2008, amended, SG No. 100/2010) The commission shall consist of uneven number of members and shall include representatives of the Ministry of Economy, Energy and Tourism, the Ministry of Finance and the administration of the Council of Ministers. The majority of the commission cannot be formed of representatives of the same institution..

**Article 46.** (Amended, SG No. 70/2008) (1) (Amended, SG No. 100/2010) The natural persons or legal entities or alliances thereof applying for participation in a competition or a tender for acquiring a licence for prospecting and exploration or for exploration or for acquiring a concession for extraction shall submit a written application in Bulgarian in accordance with the announced requirements.

(2) Attached to the application shall be:

1. certificate of registration of the applicant as trader;
2. (Supplemented, SG No. 100/2010) statements of the annual financial reports for the last three years, depending on the

date of establishment of the applicant or participant entity;

3. evidence of purchase of competition or tender documentation, deposit and participation fees paid;
4. declaration for confidentiality of the information contained in the competition or tender documentation.
5. references issued by banks and other financial institutions, as well as by business partners;

6. declaration that the applicant does not have overdue liabilities to the Bulgarian state or to the municipality under Article 162, paragraph 2 of the Tax and Insurance Procedure Code established via an act in force issued by a competent authority, unless the liabilities have been re-scheduled or deferred;

7. declaration of the manager or the members of the managing body of the applicant that they have not been sentenced for crimes against property, economy, the financial, tax or insurance system, for abuse of power or bribery, as well as for crimes pertaining to the activities of a criminal group.

(3) The documents under paragraph 2 shall be considered by the commission responsible for the competition or the tender in a term of 7 days as from the date of their submission, and should they fail to comply to the requirements, the applicant shall be given an opportunity to remedy the established deficiencies within a term specified in the competition or tender documentation.

(4) (New, SG No. 100/2010) When the applicant is an alliance of natural persons and/or legal entities, the documents under paragraph 2 items 1, 2, 4 - 7 shall be submitted for each specific member of the alliance.

**Article 47.** (Amended, SG No. 70/2008) (1) The commission shall take decision for admission for participation in the competition or tender and shall notify the applicants thereof in writing.

(2) The commission shall reject participation in the competition or tender to an applicant who fails to remedy the deficiencies under Article 46, paragraph 3 or the information submitted by him is false.

(3). Rejected admission for participation in the competition or tender shall be subject to appeal pursuant to judicial procedure according to the Administrative Procedure Code.

(4). A competition or a tender shall also be held when there is one candidate only

(5) The competition can be attended, or not attended by the applicants, and the tender - via open or secret bidding.

**Article 48.** (Amended, SG No. 70/2008) (1) The participants admitted to the competition shall submit proposals in sealed envelopes in compliance with the competitive tender terms and conditions.

(2) (Amended, SG No. 100/2010) In the event of a secret bidding tender, the admitted applicants shall submit their proposals concerning the price for the right to prospecting and exploration or to exploration or concerning the minimum concession payment amount for a concession for extraction of subsurface resources in sealed envelopes. When an open bidding tender is held, the commission shall announce the bidding increment step in advance.

(3) (Repealed, SG No. 100/2010).

**Article 49.** (1) (Amended, SG No. 100/2010) Within 14 days following the expiry of the term for submission of offers, the commission shall classify the participants in compliance with the competition or tender requirements.

(2) (Amended, SG No. 100/2010) In the cases under Article 5, sub-paragraph 1, the Minister of Economy, Energy and Tourism shall issue licence to the applicant classified in the first place, after approval by the Council of Ministers, and shall conclude a contract.

(3) (Amended, SG No. 100/2010) In the cases under Article 5, sub-paragraphs 2 and 3, the Minister of Economy, Energy and Tourism shall submit to the Council of Ministers proposal for determining the winner of the competition or tender.

**Article 50.** (Amended, SG No. 70/2008) (1) The Council of Ministers shall:

1. approve the issue of licence for prospecting and/or exploration pursuant to Article 49, paragraph 2;

2. (Amended, SG No. 100/2010) issue licence for prospecting and exploration or for exploration, and shall take decision for granting concession to the winner of the competition or tender pursuant to Article 49, paragraph 3, and shall authorize the Minister of Economy, Energy and Tourism to conclude a contract.

(2) (New, SG No. 100/2010) When the participant selected to be the holder of licence or concessionaire is an alliance, which is not a trader, the licence or concession shall be granted to a newly-established commercial company, in which the participants in the alliance hold the entire capital in the same proportion as the one from the alliance contract.

(3) (Renumbered from Paragraph 2, SG No. 100/2010) The Council of Ministers shall reject to endorse the acts under paragraph 1 where violations of Article 23, paragraph 4 or the facts under Article 56 are established.

**Article 50a.** (New, SG No. 100/2010) The competition or tender for granting a licence or a concession shall be terminated by a decision of the authority which initiated the procedure, when:

1. no application and no offer has been submitted;

2. no participant has been admitted to the procedure;

3. none of the offers is conformant with the requirements of the act for initiating the competition or tender and/or with the terms for participation announced in the documentation;

4. the necessity to hold the competition or tender no longer exists as a result of circumstances which have not been foreseen or could not have been foreseen at the time of adoption of the act for initiating the procedure;

5. violations are found in the initiation or conducting of the competition or tender, which cannot be remedied without affecting fundamentally the terms announced under the procedure;

6. the participant selected to be the holder of the licence or to be the concessionaire and the participant ranking second and third in the procedure sequentially decline to conclude a contract.

## **Section III**

### **Granting of licence for prospecting and exploration and for exploration and of concessions for extraction by rights**

#### **(Title amended, SG No. 70/2008, SG No. 100/2010)**

**Article 51.** (Amended, SG No. 70/2008) (1) (Amended, SG No. 100/2010) For the purpose of granting of licence for prospecting and exploration or for exploration by rights, an application in writing shall be submitted to the Minister of Economy, Energy and Tourism.

(2) The application should be in Bulgarian and it should comprise the following:

1. (Amended, SG No. 100/2010) full name, address and nationality of the natural person or the name, head office, company registration and nationality of the legal entity;

2. subsurface resources under Article 2, paragraph 1 for which the licence is requested;

3. name, location, size and coordinates of the typical border points of the area, illustrated with a map of appropriate scale with indication of numbers of the typical border points.

3. declaration that the applicant does not have overdue public liabilities;



4. references issued by banks and other financial institutions certifying to the fact that the applicant is capable of financing the work programme implementation.

(3) Attached to the application in sealed envelope shall be: working programme with a summary of the aims and objectives, the deadlines of activity launch, the type, the volume, the methodology, the duration and the value of the proposed activities, as well as the measures to protect the bowels of the earth and the environment, human health and the cultural values.

(4) The documents under paragraph 2 above shall be examined within 14 days and, should they fail to meet the requirements, the applicant shall be given a term to remedy the eventual deficiencies.

**Article 52.** (Amended, SG No. 70/2008) The application and the working programme under Article 51, paragraph 3 shall be considered within 30 days after expiry of the term under Article 39, paragraph 1, item 3 and the applicant shall be notified in writing about the decision in a term of 14 days.

**Article 53.** (Amended, SG No. 70/2008) (1) (Amended, SG No. 100/2010) In the cases under Article 51 the Minister of Economy, Energy and Tourism shall assess the feasibility and compliance of proposals for granting of licence for prospecting and exploration or for exploration pursuant to the provisions of Article 56.

(2) (Amended, SG No. 100/2010) The rejection to initiate proceedings for granting of licence for prospecting and exploration or for exploration shall not be subject to appeal in court of justice in the cases under Article 56, paragraph 1, item 1 and paragraph 2..

(3) Within 30 days as from the notification under Article 52 the body under paragraph 1 shall prepare and submit to the Council of Ministers draft of licence for approval.

(4) Within 15 days following the approval by the Council of Ministers the body under paragraph 1 shall issue licence for prospecting and/or exploration and shall publish it in its Internet site and promulgate it in the State Gazette.

(5) Within 30 days following the promulgation in the State Gazette the body under paragraph 1 shall conclude a contract with the applicant who has been granted the licence

**Article 54.** (Amended, SG No. 70/2008) (1) (Amended, SG No. 100/2010) To grant concession for extraction by rights under the terms of Article 29 an application in writing shall be submitted, including over the Internet, to the Minister of Economy, Energy and Tourism, which shall comprise:

1. (Amended, SG No.100/2010) full name, address and nationality of the natural person or the name, head office, company registration and nationality of the legal entity;

2. subsurface resources under Article 2, for which the concession is requested;

3. name, location and coordinates of the typical border points of the deposit;

4. (Supplemented, SG No. 100/2010) number and date of a certificate of commercial find;

5. plan of deposit development with a summary of the aims and objectives, the deadlines of activity launch, the type, the volume, the methodology, the duration and the value of the proposed activities, as well as the measures to protect the bowels of the earth and the environment, human health and the cultural values

6. mining waste management plan;

7. references issued by banks or other financial institutions, as well as by business partners;

8. declaration that the applicant does not have overdue liabilities to the state;

9. (Amended, SG No. 100/2010) legal, financial - economic justification;

(2) (Amended, SG No. 100/2010) The Minister of Economy, Energy and Tourism shall assess the lawfulness of the proposal for granting of concession for extraction under the terms of Article 56

(3) The refusal to initiate proceedings for granting of concession for extraction shall be subject to appeal under the provisions of the Administrative Procedure Code.

(4) (Amended, SG No. 100/2010) Within 6 months following the submission of the application the Minister of Economy, Energy and Tourism shall submit to the Council of Ministers motivated proposal for granting of concession, draft decision of the Council of Ministers and draft of contract for concession.

(5) Within 1 month the Council of Ministers shall pass decision on the proposal submitted pursuant to paragraph 4.

(6) (Amended, SG No. 100/2010) The decision for granting concession for extraction shall set forth: subject and term of the concession, the person being granted the concession, the terms and conditions of the concession, the major rights and obligations of the parties, the mandatory improvements, the type and amount of guarantees for implementation of the obligations under the concession contract, the requirements pertaining to the national security, the defence of this country, the conservation of the bowels of the earth and the environment, the territories and cultural values protected by law, as well as other requirements appropriate to the nature of the concession.

(7) (Amended, SG No. 100/2010) The decision of the Council of Ministers shall be subject to appeal before the Supreme Administrative court within 14 days following its promulgation in the State Gazette.

**Article 55.** (Amended, SG No. 70/2008) Negotiations shall be conducted and contract for concession shall be concluded within three months following the coming into force of the decision under Article 54.

**Article 56.** (Amended, SG No. 70/2008, SG No. 100/2010) (1) Granting of licence for prospecting and exploration or for extraction or granting of concession for extraction may be denied on the ground of arguments where:

1. this creates risks for the national security and the defence of this country, the bowels of the earth and the environment, the health and the safety of the employees, and the territories, sites and cultural values protected by law;

2. the applicant has provided untrue information;

3. the applicant offers a working programme, respectively a plan, which do not conform with the established technical and technological standards and the requirements for preservation of the bowels of the earth and the environment;

4. the applicant places a request for an area within the boundaries of which rights for prospecting and exploration or for extraction have been granted, and the terms and conditions under Article 23, are not at hand.

5. the applicant places a request for being granted rights to subsurface resources under Article 2, paragraph 1, item 5 or 6 for an area located within the territory under Article 26, paragraph 1, item 2.

(2) With a view to limit the intensity on the territory of the country of mining activities, the Council of Ministers can adopt a decision to limit the granting of licences for prospecting for the most widely spread mineral resources for a certain period. The decision of the Council of Ministers shall serve as grounds to deny granting of licences.

**Article 57.** (Amended, SG No. 70/2008, SG No. 100/2010) Granting of concession for extraction pursuant to the provisions of Article 29 may be denied, if after a deposit has been registered certain circumstances occur which pose risk for the national security and the defence of this country, the bowels of the earth and the environment, and territories, sites and cultural values protected by law. In the cases under Article 56, paragraph 1, Item 1, the applicant who has ascertained the find shall be compensated pursuant to procedure established by an act of the authority having issued the license for prospecting and exploration or for extraction.

## **Chapter Three**

# **FINANCIAL TERMS AND CONDITIONS**

**Article 58.** (Amended, SG No. 70/2008, SG No. 100/2010) Granting of rights to prospecting and/or exploration or for extraction of subsurface resources by licence for prospecting and exploration or for exploration or by concession for extraction shall be done in return for due consideration.

**Article 59.** (1) (Amended, SG No. 100/2010) The applicants for licence for prospecting and exploration or for exploration and the applicants for concession for extraction shall pay charges upon submission of applications.

(2) (Amended, SG No. 100/2010) The charges under paragraph 1 shall be collected to cover the administrative costs pertaining to the proceedings for granting of licence or concession.

(3) The procedure for collection and the amount of the charges under paragraph 1 shall be determined by an act of the Council of Ministers.

**Article 60.** (Amended, SG No. 70/2008) (1) (Amended, SG No. 100/2010) The holder of licence for prospecting and exploration or for exploration shall pay annual charges per area.

(2) The amount of the charges under paragraph 1 shall be determined according to the term of the licence, the size of the area granted, and the group of subsurface resources for which licence has been granted.

(3) The procedure, amount and terms for payment of the charges under paragraph 1 shall be determined by an act of the Council of Ministers.

**Article 61.** (Supplemented, SG No. 36/2006, amended, SG No. 70/2008) (1) The concessionaire shall owe concession payment, the amount of which shall be determined taking into account the type, group and value of subsurface resources, as well as the specific terms of extraction and primary processing implementation.

(2) The principles and methods to determine the concession payment, as well as the limits of the minimum and maximum amount for the various types and groups of subsurface resources under Article 2, paragraph 1 shall be adopted by an act of the Council of Ministers.

(3) (Amended and supplemented, SG No. 100/2010, effective 1.07.2011 concerning the number "50", whereas concerning sentence three - effective from 1.01.2011 ?.) The amount, terms and conditions and procedure for effecting concession payment shall be set forth in the concession contract. A portion of the concession payment amounting to 50 percent shall be transferred to the budgets of the municipalities, where the areas under Article 37, paragraph 1, items 1 and 3 are located. When the concession is for extraction of the commonly found mineral resources from a deposit of reserves of up to 500,000 m<sup>3</sup>, the entire concession payment shall be paid into the budgets of the respective municipalities.

(4) Where the area under concession is located on the territory of two or more municipalities, the deductions from the concession payment shall be allocated according to the proportion of the concession area on the territory of the respective municipality

(5) The concession payment shall be due regardless of final financial results of the concessionaire activities.

(6) For deposits of subsurface resources of established unfavourable mining, geological, technological and economic parameters or for resumption of extraction from deposits where extraction has been suspended in regions of municipalities with lasting unemployment, the Council of Ministers is entitled to adopt a decision to:

1. release the concessionaire from concession payment for a period of five years, or;
2. reduce the amount of concession payment to 50% for the already defined for a period up to 5 years.

(7) The decision of the Council of Ministers under paragraph 6 shall be specified in the concession contract or in a supplementary agreement to it.

**Article 62.** (1) The amounts under Article 61, paragraph 1 shall be considered revenues from concession operations and shall be distributed pursuant to the Concessions Act.

(2) (Amended, SG No. 100/2010) The amounts under Article 59, paragraph 1 shall be paid into the budget of the Ministry of Economy, Energy and Tourism.

(3) (Amended, SG No. 70/2008, SG No. 100/2010) The amounts under Article 60, paragraph 1 shall be paid into the budget of the Ministry of Economy, Energy and Tourism, and shall be spent to cover the costs for granting of rights for prospecting and exploration or for exploration, for funding of geological projects and for protection of the bowels of the earth and the environment, related to geological surveys and mining operations.

**Article 63.** (Amended, SG No. 100/2010) In the event of changes in the Bulgarian legislation that may restrict the rights or may cause material damage to the holder of licence for prospecting and exploration or for exploration or to the concessionaire, upon request thereby the terms and conditions of the concluded contract shall be amended so as to restore his rights and interests in conformity with the initially concluded contract.

**Article 63a.** (New, SG No. 70/2008) (1) The activities related to technical liquidation, conservation and re-cultivation of geological-surveying and mining sites shall be at the account of holders of licences and concessionaires.

(2) Holders of licences or concessionaires shall provided funding of the activities under paragraph 1 via:

1. (Amended, SG No. 100/2010) provision of an unconditional irrevocable bank guarantee issued in favour of the Minister of Economy, Energy and Tourism;

2. (Amended, SG No. 100/2010) opening of a confidential account at a bank specified by the licence holder or concessionaire and acceptable by the Minister of Economy, Energy and Tourism;

3. provision of an insurance policy where the authority having concluded the contract is specified as a third party - beneficiary.

4. (Amended, SG No. 100/2010) any other statutory guarantee coordinated with the Minister of Economy, Energy and Tourism;

5. parallel use of any of the options under items 1 - 4.

(3) The mode of financial guarantees and the envisaged amount of the funds shall be agreed between the parties and shall be integral element of the respective contract.

**Article 63b.** (New, SG No. 70/2008) (1) (Amended, SG No. 100/2010) The financial guarantees under Article 63a, paragraph 2 shall be provided per each year of the duration of the respective contract. The specific amount of the guarantees shall be defined on the basis of the envisaged in the whole rational design for prospecting and exploration or for exploration or for extraction activities under Article 63a, according to the endorsed schedule of their implementation.

(2) Change of the amount and/or partial release of the financial guarantees shall be effected after acceptance of the performed activities under paragraph 1 and according to terms and procedure specified in the contract.

(3) (Amended, SG No. 100/2010) The financial resources from the provided financial guarantee cannot be subject to compulsory execution.

**Article 63c.** (New, SG No. 70/2008, amended, SG No. 100/2010) In the event of pre-term termination of the contract for prospecting and exploration or for exploration or for concession, the financial guarantees shall be entirely transferred to the Ministry of Economy, Energy and Tourism and shall be spent for the activities under Article 63a, paragraph 1.

**Article 63d.** (New, SG No. 70/2008) (1) Where on the date of termination of the contract the amount of the financial guarantee does not cover wholly the factual value of the funds necessary for implementation of the activities under Article 63a, paragraph 1, the difference to the total amount shall be at the expense of the licence holder or concessionaire.

(2) Where on the date of termination of the contract the amount of the financial guarantee exceeds the factual value of the funds necessary for implementation of the activities under Article 63a, the excess amount shall be released in favour of the

licence holder or concessionaire after completion of the activities.

**Article 64.** (1) (Amended, SG No. 100/2010) In the case where the holder of licence for prospecting and exploration or for exploration is granted concession for extraction pursuant to the provisions of Article 29, the costs for prospecting and exploration or for exploration, except those under Articles 59 and 60, paragraph 1, shall be recognized as actual costs.

(2) The costs for development of the deposit for the purpose of extraction shall be recognized as actual costs.

(3) The costs under paragraphs 1 and 2, accounted for as financial loss, shall be deducted subsequently in the course of the next five as from the year of starting the extraction. In the event of formation of new losses in the course of operation of the deposit, their reimbursement shall commence as from the time of their occurrence and the five-year term for reimbursement shall apply to each loss.

(4) The source for reimbursement of costs incurred for prospecting, exploration, development and the operation costs shall be the revenues from extracted subsurface resources after effecting of the concession payment.

(5) The costs for recovery of the natural environment shall be included in the costs before taxation of profit.

(6) The costs incurred additionally by the holder of the licence or the concessionaire, and explicitly agreed upon in the contract pursuant to Article 66, paragraph 1, sub-paragraphs 16 and 17, shall be recognized as actual costs.

## **Chapter Four**

# **CONTRACTS, TERMINATION, ARBITRATION AND EXPERT ANALYSES**

### **Section I**

#### **General**

**Article 65.** (Amended, SG No. 70/2008, supplemented, SG No. 100/2010) The licence for prospecting and exploration or for exploration or for the concession for extraction shall come into force as from the date of signature of contract, unless otherwise provided therein.

**Article 66.** (Amended, SG No. 70/2008) (1) The contract shall contain as mandatory the following:

1. parties to the contract;

2. requisites to the concession site;

3. subject of the contract, coordinates and size of the area granted;

4. (Amended, SG No. 100/2010) the term of the licence or of the concession, the point in time from which this term starts to elapse and the terms and conditions for its extension.

5. rights and obligations of the parties;

6. working programme, respectively development plan comprising types, volumes, values and deadlines to implement the activities under the granted licence or concession;

7. financial terms and conditions and procedure for payments to effected, as well as type and amount of liabilities in the event of non-performance of the obligations under the contract;

8. terms and procedure for ceding rights and obligations under Article 25;

9. terms and procedure for termination of the contract;

10. terms and procedure for preparation and submission of designs, reports, primary data, accounting documents and other information;;

11. conditions determining the rights on geological and other information obtained by the holder of the licence or the concessionaire in the course of operations under the contract;

12. procedure and manner of implementing the activities and for temporary suspension thereof;

13. terms and procedure for inspections;

14. terms and conditions for conservation of the bowels of the earth, the environment, the protected territories, the cultural values, and the safety and the health of the employees;

15. (Amended, SG No. 100/2010) terms and procedure for settlement of disputes;

16. terms and procedure for action in the event of occurrence of force majeure;

17 programmes for training and creation of new jobs;

18. Supplementary terms and conditions.

(2) (Amended, SG No. 100/2010) The contract for prospecting and exploration or for exploration shall comprise the obligation of the holder of licence to vacate parts of the area in favour of the state, pursuant to the requirements of Article 32, paragraph 3.

## **Section II**

### **Termination**

**Article 67.** (1) (Amended, SG No. 70/2008, supplemented, SG No. 100/2010) The rights acquired on the grounds of licence for prospecting and exploration or for exploration or on the grounds of concession for extraction shall be terminated upon termination of the relevant contract.

(2) The contract shall be terminated:

1. (Amended, SG No. 100/2010) upon expiry of the term of the licence or of the concession and after acceptance by the competent authorities of the activities for liquidation of the geological research site or the mining extraction site and/or reclaiming of the affected land and forests;

2. in the event of objective impossibility to pursue the activities under the granted licence or concession;

3. where a decision for declaration of bankruptcy of the holder of licence or the concessionaire has come into force;

4. by mutual agreement;

5. (New, SG No. 70/2008, amended, SG No. 100/2010) in the event of established fact of extraction of subsurface resources for technological samples and technological tests under Article 28, item 2 in quantities exceeding the specified in the contract.

6. (Renumbered from Item 5, SG No. 70/2008) by virtue of ruling of a court of justice or a court of arbitration;

7. (Renumbered from Item 6, SG No. 70/2008) for other reasons provided for in the contract.

(3) (Amended, SG No. 100/2010) In the event of death of the natural person or dissolution of the legal person - holder of the licence for prospecting and exploration or for exploration, the contract may be extended by additional agreement upon decision of the Minister of Economy, Energy and Tourism, provided the successor files within 30 days application for extension of the contract and assumes all obligations thereunder and meets the requirements under Article 23.

(4) (Amended, SG No. 100/2010) In the event of death of the natural person or dissolution of the legal person - concessionaire, the contract may be extended by decision of the Council of Ministers upon proposal of the Minister of Economy, Energy and Tourism, provided the successor files within 90 days application for extension of the contract and assumes all obligations thereunder and meets the requirements under Article 23.

**Article 68.** (1) (Amended, SG No. 70/2008, SG No. 100/2010) The Minister of Economy, Energy and Tourism shall be entitled to suspend the validity of the licence for prospecting and exploration or for exploration or the validity of the concession, if the holder of the licence or the concessionaire pursue activities that are in conflict with the legislation in force or violate the provisions of the concluded contract.

(2) In the event of suspension the body under paragraph 1 shall notify in writing the holder of the licence or the concessionaire of the reasons and shall set him an appropriate term to come in compliance with the terms and conditions of the contract.

(3) Holders of licence or concessionaires with suspended activities pursuant to paragraph 1 may not exercise their rights under the relevant contract, nor seek compensation for unrealized profit for the relevant period of suspension.

(4) A licence or concession suspended pursuant to paragraph 1 shall be renewed provided the holder of the licence or the concessionaire remedies the reasons therefore within the term under paragraph 2.

(5) The suspension under paragraph 1 shall not be reason to extend the term of validity of the relevant contract and that of the licence or the concession.

**Article 69.** (Amended, SG No. 70/2008) (1) (Amended, SG No. 100/2010) The licence or concession can be terminated only by a decision of the body having granted them in the following cases

1. the validity of the licence or the concession has been suspended and the holder of the licence or the concessionaire have failed to remedy the reasons within the term under Article 68, paragraph 2;

2. this creates risks for the national security and the defence of this country, the environment, the health and safety of the population, as well as for destruction or damaging of cultural values.

3. the licence holder or concessionaire does not comply with the requirements to conservation of the bowels of the earth and the rational use of subsurface resources, the protection of environment and re-cultivation of the excavated sites or management of mining waste.

(2) (Amended, SG No. 100/2010) Where the facts under paragraph 1, items 2 and 3 are established, the competent authorities shall notify the Council of Ministers and the Minister of Economy, Energy and Tourism and the notification shall be accompanied by a justified proposal on the necessity to start actions for termination of the respective contract.

**Article 70.** (1) (Amended, SG No. 100/2010) In the cases under Article 69, sub-paragraph 1 and 3 the holder of the licence or the concessionaire shall be liable for damages and unrealized profit caused by the early termination, inclusive of the period of suspension.

(2) (Supplemented, SG No. 100/2010) In the cases under Article 69, paragraph 1, sub-paragraph 2 compensation shall be due to the holder of the licence or the concessionaire, except where such danger has resulted from their actions.

(3) (Amended, SG No. 100/2010) On the basis of the decision under Article 69 (1), the Minister of Economy, Energy and Tourism shall forward advance notice in writing to the holder of the licence or the concessionaire for termination.

(4) In the event of termination under Article 69 the holder of the licence or the concessionaire shall carry out full re-cultivation of the affected land.

**Article 71.** (Amended, SG No. 70/2008) The provisions of Part Three of the Commerce Act, the Obligations and Contracts Act and the Concessions Act shall apply to cases of conclusion, execution and termination of the contracts, which have not been provided for.

## **Section III**

### **Arbitration and expert analyses**

**Article 72.** (1) All disputes between the contracting parties, which fail to be settled by mutual agreement, shall be settled by court proceedings or by court of arbitration, unless otherwise provided in the relevant contract.

(2) In the case where provisions for international arbitration have been agreed, the language, the place of arbitration and other terms and conditions must be specified in the relevant contract.

**Article 73.** The parties to the contract may agree to refer some disagreements or disputes to be settled by experts pursuant to procedure specified in the concluded contract.

## **Chapter Five**

### **USE OF LAND**

**Article 74.** (1) The registration of find of subsurface resources and its entry in the register for finds of subsurface resources shall not change the ownership, the designation and use of the real property on the surface of the Earth.

(2) (Amended, SG No. 100/2010) The granted licences for prospecting and exploration or for exploration or the granted concession for extraction shall entitle the holder of such licence or the concessionaire to undertake on his own the relevant legal and actual actions to reach an agreement with the holders of rights on the land in the granted area, who hinder or create difficulties to the implementation of the activities pertaining to the licence or the concession and to the execution of the relevant contract.

**Article 75.** (1) (Amended, SG No. 100/2010) The holder of licence for prospecting and exploration or for exploration or the concessionaire and the owner of the land may sign a contract for establishment of proprietary rights on the land in favour of the holder of the licence or the concessionaire for the purpose of use of the land for the term of the licence or the concession, where the terms and conditions and procedure and compensation for use of the land are specified.

(2) (Supplemented, SG No. 47/2002, amended, SG No. 100/2010) Where no agreement is reached under paragraph 1, the interested party may refer the matter to be solved by the Minister of Economy, Energy and Tourism, who may, depending on the nature of the works, their duration and impact on the bowels of the earth and the environment, submit a request through the Governor of the region by location of the land, to the Minister of Finance or the Minister of Regional Development and Public Works for compulsory appropriation of the private properties or part thereof in view of the needs of the exploration and the extraction of subsurface resources, pursuant to Chapter Three of the State Property Act, and after equivalent compensation in advance. The request for compulsory appropriation shall be accompanied by a draft-design based on data from the cadastral map and an excerpt from the cadastral register of real estates.

(3) The manner of compensation of the owner and the price of the real property shall be specified by the Governor of the region by location of the real property, after confirmation from the Minister of Finance and the Minister of Regional Development and Public Works.

(4) The property shall be considered appropriated upon payment of the specified compensation or where a title deed is issued for the real property granted as compensation.

(5) (Amended, SG No. 100/2010) The Minister of Economy, Energy and Tourism shall follow the procedure specified by the laws governing the changes in designation of land, should it be farm land, land from the state forestry fund, municipal land or of some other type.

(6) Putting in possession shall be conducted pursuant to the administrative procedure in compliance with the provisions of paragraph 2.

(7) (Amended, SG No. 30/2006, effective 1.03.2007) Where within three years following the compulsory appropriation of the property the concessionaire has failed to undertake actions pertaining to the implementation of the rational design, the



former owner or the Governor of the region shall be entitled to request the administrative court by location of the real property to revoke the compulsory appropriation and to rule for restitution of what has been delivered by both parties.

(8) (Amended, SG No. 100/2010) After the termination of activities pertaining to the licence for prospecting and exploration or for exploration or pertaining to the concession for extraction, the holder of rights or the concessionaire shall be obliged to undertake all measures to mend the damages to the land in compliance with the terms and conditions of the contract under paragraph 1, the licence for prospecting and exploration or for exploration or the concession for extraction, the existing legislation on conservation of the environment, other applicable laws and the concluded contract.

(9) (Amended, SG No. 100/2010) The decisions under the preceding paragraphs shall be communicated to the parties concerned by the Minister of Economy, Energy and Tourism, pursuant to the Civil Procedure Code. A decision shall be subject to appeal before the Supreme Administrative court within two weeks of the communication. The decision of the Supreme Administrative Court shall be final and not subject to appeal.

**Article 76.** (1) (Amended, SG No. 100/2010) The compensations under Article 75, paragraph 1 shall be determined on the basis of the damages resulting as direct and immediate consequence of the damage to the land caused by the activities pertaining to the licence for prospecting and exploration or for exploration or pertaining to the concession for extraction and the relevant contract.

(2) Should it turn out that after the termination of the licence for prospecting and exploration or for exploration or the concession for extraction the land may not be used as formerly designated, the properties shall be appropriated pursuant to the State Property Act.

## **PART THREE**

# **CONSERVATION OF THE BOWELS OF THE EARTH THROUGH RATIONAL USE OF THE SUBSURFACE RESOURCES IN THE PROCESS OF PROSPECTING, EXPLORATION AND EXTRACTION**

**(Title amended, SG No. 100/2010)**

## **Chapter One GENERAL**

**Article 77.** (Amended, SG No. 100/2010) The conservation of the bowels of the earth through the rational use of the subsurface resources shall be major obligation of all who pursue activities for their exploration and use, who design mine construction, prepare the operation of and extract subsurface resources.

**Article 78.** (Amended and supplemented, SG No. 70/2008, amended, SG No. 100/2010) All holders of licence for prospecting and exploration or for exploration and all concessionaires shall be obliged to pursue the activities pertaining to the granted licences or concessions for extraction and the relevant contracts in compliance with the requirements of this act and the currently effective legislation for conservation of the environment, the agricultural land, the forests and the cultural values.

**Article 79.** (Amended, SG No. 70/2008, SG No. 100/2010) Extraction of subsurface resources shall be done only from deposits registered as commercial finds pursuant to Article 21 and/or deposits of resources and/or reserves ascertained and registered in the National Balance.

## **Chapter Two MINES AND QUARRIES**

**Article 80.** (Amended, SG No. 70/2008) (1) (Amended, SG No. 100/2010) The boundaries of each mine or quarry shall be determined in reference of the established outlines of reserves and/or subsurface resources - subject to operation and the areas necessary for performing the activities under the concession other than the extraction under Article 37, paragraph 1, item 2.

(2) The boundaries under paragraph 1 shall be specified in the specialized maps under Articles 17 and 18.

**Article 81.** (Amended and supplemented, SG No. 47/2002, amended, SG No. 70/2008) (1) For each mine and quarry elaborated shall be:

1. mine or quarry map in relevant scale;
2. a map and other graphic information concerning the underground sections of the mine;
3. maps of the general layout of the individual sections of mine or quarry indicating the boundaries of the reserves and the deposits, as well as of the mining works;
4. geological plan specifying the necessary profiles and information concerning the deposit;
5. surveying, technical and other data for performed monitoring of mining operations;
6. the required registers, layouts and statistical data pertaining to the requirements for the operations and health and safety of the employees working in mines and quarries.

(2) (Amended, SG No. 100/2010) The maps under paragraph 1, items 1, 2 and 3 shall be elaborated on the basis of data from the cadastre, from a large- scale topographic map of this country, as well as from other specialized maps. The content of maps under paragraph 1, as well as the terms and conditions and the procedure of their production and updating shall be defined by the Minister of Economy, Energy and Tourism and the Minister of Regional Development and Public Works via an ordinance under Article 32, paragraph 3 of the Cadastre and Property Register Act.

## **Chapter Three**

### **RATIONAL DESIGNS**

**Article 82.** (Amended, SG No. 70/2008) (1) (Amended, SG No. 100/2010) The prospecting, exploration, extraction and primary processing of subsurface resources, the technical liquidation and/or conservation of geological surveying and mining sites shall be carried out on the basis of comprehensive and/or annual rational designs, endorsed by the holders of licences for prospecting and exploration or for exploration, or by the concessionaires after coordination with the Minister of Economy, Energy and Tourism.

(2) (Repealed, SG No. 19/2011, effective 8.03.2011).

**Article 83.** (Amended, SG No. 70/2008) (1) The rational designs for prospecting and exploration, extraction and primary processing of subsurface resources should comprise information about the volume, the technical and technological conceptions and the terms of planned geological surveying and mining activities, the amounts of required investment, measures for conservation of the bowels of the earth, the environment, the cultural values, and for the safety and health of the employees.

(2) The comprehensive and annual rational designs for prospecting and exploration, extraction and primary processing should provide for:

1. the application of methods, technology and systems, which alleviate the negative impact on the bowels of the earth and the environment;
2. the optimum extraction of reserves of subsurface resources from the bowels of the earth and of useful components they contain in the course of primary processing;
3. the compliance with the requirements for disposal and storing of soil materials and mining waste;
4. (Supplemented, SG No. 100/2010) the conservation and recovery of the environment through the planning of actions for liquidation or conservation of geological research sites or mining extraction sites and reclaiming (including stage-by-stage reclaiming) of the affected land and forests;

5. the health and safety of the employees.

6. the cultural values preservation.

**Article 84.** (Amended, SG No. 70/2008) (1) (Amended and supplemented, SG No. 100/2010) The holders of licences for prospecting and exploration and for exploration and the concessionaires shall produce comprehensive and annual rational designs for liquidation or conservation of geological surveying or mining projects as well as for re-cultivation of the damaged land constituting an integral part of the designs under Article 83(2).

(2) The designs under paragraph 1 should contain information about the volume, the technical specifications and the deadlines for liquidation or conservation and re-cultivation, the amounts of required investment, measures for conservation of the bowels of the earth, the environment and for the safety and health of the employees and the cultural values.

**Article 85.** (Amended, SG No. 70/2008) The requirements to the scope and the contents of the designs under Article 83, paragraph 1 and Article 84, paragraph 1 and their amendments and supplements, as well as the terms and procedure of their coordination with the competent authorities shall be defined via an ordinance of the Council of Ministers.

**Article 86.** (Amended, SG No. 70/2008, SG No. 100/2010) The holders of licences for prospecting and exploration and for exploration and the concessionaires shall report the implementation of the rational designs under Articles 83 and 84 annually via a written report to the Minister of Economy, Energy and Tourism.

## **Chapter Four**

# **CONSERVATION OF THE BOWELS OF THE EARTH**

**Article 87.** (Amended, SG No. 70/2008, SG No. 100/2010) The conservation of the bowels of the earth in the course of prospecting, exploration, extraction and primary processing of subsurface resources shall be ensured through their rational use.

(2) The rational use of the subsurface resources in the course of the prospecting, exploration, extraction and primary processing shall comprise the following:

1. compliance with the endorsed in the rational designs methods, technologies and procedure of prospecting and exploration of subsurface resources;
2. compliance with the procedure for utilization of reserves of subsurface resources, approved in the rational design;
3. optimum extraction of reserves of subsurface resources in the course of operation of deposits thereof;
4. optimum extraction of useful components from extracted subsurface resources in the course of primary processing;
5. conservation of deposits of subsurface resources in respect of industrial and other construction which may complicate the operation and rational use of reserves;
6. compliance with the approved plan and coordination of comprehensive rational design and annual rational designs for management of mining waste;
7. compliance with the approved and coordinated designs for liquidation and/or conservation of geological surveying and mining projects, as well as for re-cultivation of the damaged areas.

**Article 88.** (Amended, SG No. 70/2008, SG No. 100/2010) For the purpose of compliance with the requirements to conservation of the bowels of the earth through rational use of subsurface resources, each holder of licence for prospecting and exploration and for exploration and each concessionaire shall be obliged to:

1. carry out activities pertaining to prospecting, exploration, extraction and processing of subsurface resources in compliance with the provisions of the Bulgarian legislation in force;

2. (Amended, SG No. 70/2008) elaborate and approve after coordination with the Minister of Economy, Energy and Tourism economically justified and meeting the requirements to environment protection conditions for calculation of reserves and the resources of the explored deposits of subsurface resources;

3. co-ordinate with the Minister of Economy, Energy and Tourism the rational designs for prospecting, exploration, extraction and primary processing of subsurface resources, and the rational designs for technical liquidation and/or conservation of the geological surveying and mining projects;

4. comply to the procedure for industrial utilization of reserves and subsurface resources, the primary processing thereof and the measures for conservation and recovery of the bowels of the earth and the environment, as approved in the rational designs;

5. keep, in compliance with the current regulative provisions, the required geological and mine-surveying and statistical documentation for monitoring the movement of reserves and subsurface resources and the indicators of the rate and quality of extraction thereof from the bowels of the earth (losses and depletion);

6. seek optimum extraction of useful components from extracted subsurface resources in the course of primary processing;

7. document and co-ordinate with the Minister of Economy, Energy and Tourism admissible unplanned losses of subsurface resources and useful components in the course of extraction and primary processing;

8. avoid development of deposits without reserves of subsurface resources, approved and recorded in the National Balance of subsurface resources;

9. re-cultivate the terrain damaged by prospecting, exploration, extraction and primary processing of subsurface resources, on the basis of design co-ordinated with the Minister of Economy, Energy and Tourism;

10. provide the authorities in charge of conservation of the bowels of the earth and environment with statements and explanations required for the implementation of their duties.

**Article 89.** (Amended, SG No. 47/2002, SG No. 70/2008, repealed, SG No. 100/2010).

## **Chapter Five**

# **CONTROL OF THE CONSERVATION OF THE BOWELS OF THE EARTH THROUGH THE RATIONAL USE OF SUBSURFACE RESOURCES**

### **(Title amended, SG No. 100/2010)**

**Article 90.** (Amended, SG No. 70/2008, SG No. 100/2010) (1) The state control on the conservation of the bowels of the earth through the rational use of subsurface resources, including also the control over implementation of the comprehensive and annual rational designs for prospecting and exploration, extraction and primary processing of subsurface resources and for management of mining waste on the territory of the Republic of Bulgaria, in the continental shelf and the exclusive Black Sea economic zone, as well as the control over implementation of the designs for conservation, liquidation and re-cultivation shall be exercised by the Minister of Economy, Energy and Tourism. .

(2) The Minister of Environment and Waters shall exercise control over the activities under granted licences for prospecting and exploration and for exploration and under granted concessions for extraction under the terms and conditions of Chapter Nine of the Environmental Protection Act.

(3) Control over the implementation of the projects under paragraph 1 shall be exercised also by the Minister of Culture, when the said implementation affects cultural values.

(4) The Minister of Environment and Waters and the Minister of Culture can authorize various officials to perform the control activity under paragraph 2 and 3.

(5) The mayor of the respective municipality shall exercise control over:

1. the performance by the holders of rights and by the concessionaires respectively of activities for prospecting and exploration or for exploration or of activities for extraction of subsurface resources outside of the areas designated by the respective contract;

2. the extraction of subsurface resources without a duly granted concession or with a concession the validity of which has been suspended pursuant to Article 68 and pursuant to the contract concluded.

**Article 91.** (Amended, SG No. 70/2008, SG No. 100/2010) The authorities under Article 90, in accordance with their competence, shall be entitled:

1. (Amended, SG No. 100/2010) to access freely all sites, buildings and facilities of the holder of licence for prospecting and exploration or for exploration or of the concessionaire, within the boundaries of the granted area, as well as to the mining waste facilities;

2. to organize geological surveying measurements and to take samples and specimens for laboratory control tests;

3. (Amended, SG No. 100/2010) to issue instructions in writing for remedy of ascertained deficiencies and violations related to conservation of the bowels of the earth through the rational use of subsurface resources, as well as to implementation of rational designs and preservation of the cultural values;

4. (Amended, SG No. 100/2010) to request from the Minister of Economy, Energy and Tourism to suspend provisionally, following notification in writing, the activities pertaining to prospecting, exploration, extraction, processing or use of subsurface resources and management of mining waste, in the event of default on the requirements under sub-paragraph 3;

5. (Amended, SG No. 100/2010) to impose fines and/or property sanctions for ascertained violations with regards to conservation of the bowels of the earth through the rational use of subsurface resources and with regard to the preservation of the cultural values.

**Article 92.** (Amended, SG No. 70/2008) The control bodies under Article 90 shall be obliged:

1. to ascertain objectively the facts and to record the results of inspections in protocols of established facts;;

2. to keep in confidence official, manufacturing and commercial secrets, as well as to avoid divulgence of information relevant to inspections prior to the completion thereof;

## **Chapter Six**

### **ADMINISTRATIVE AND PENAL PROVISIONS**

**Article 93.** (Amended, SG No. 70/2008) (1) (Amended and supplemented, SG No. 100/2010) A person who pursues prospecting and exploration or exploration of subsurface resources without a duly issued licence or with a licence the validity of which has been suspended pursuant to Article 68 and pursuant to the concluded contract shall be penalized by fine or property sanction from BGN 5000 to BGN 50 000.

(2) (Amended and supplemented, SG No. 100/2010) A person who pursues extraction of subsurface resources without a duly granted concession or with a concession the validity of which has been suspended pursuant to Article 68 or pursuant to the concluded contract shall be penalized by fine or property sanction, unless subject to more severe punishment.

1. from BGN 50 000 to BGN 100 000 - first case of violation;

2. from BGN 200 000 to BGN 300 000 - second case of violation;

3. from BGN 400 000 to BGN 500 000 - every next case of violation.;

(3) (Amended, SG No. 100/2010) Any person who fails to present the whole obtained information and documentation concerning subsurface resources, as well as the developed intellectual product to the National Geological Fund, or fails to present the obtained evidence in a term of 45 days following completion of geological surveying to the Ministry of Economy, Energy and Tourism shall be penalized by fine or property sanction from BGN 1000 to BGN 2 000 and, in the event of repeated violation - to the amount from BGN 5 000 to BGN 10 000.

(4) (Amended, SG No. 100/2010) A holder of licence for prospecting and exploration or for exploration, or a concessionaire who hinders the access to the site of the control bodies under Article 90, or violates rights in course of implemented operations under granted licences for prospecting and exploration or for exploration and under concessions for extraction, shall be penalized by fine or property sanction from BGN 5000 to BGN 10 000

(5) In the cases under paragraph 2, parallel with the fine or the property sanction, the body imposing the sanction shall also pronounce requisition in favour of the state of the extracted quantities of subsurface resources, as well as of the technical equipment designated for their extraction and transportation. When the person in violation has disposed of the extracted quantities of extracted subsurface resources, the body imposing the sanction shall pronounce requisition in favour of the state of their equivalent in cash.

**Article 94.** (Amended, SG No. 70/2008) (1) (Amended, SG No. 100/2010) A person who is in default of the obligations pertaining to conservation of the bowels of the earth through the rational use of subsurface resources, or who deposits the mining waste without the licence under Article 22d, paragraph 2 and/or plan for management under Article 22e, shall be penalized by fine or property sanction from BGN 50 000 to BGN 500 000.

(2) A person who is in default of the terms and conditions of a licence issued under Article 22f and/or endorsed plan of management under Article 22e, shall be penalized by fine or property sanction from BGN 5 000 to BGN 50 000

(3) In the case of repeated violation under paragraphs 1 and 2 the fine or the property sanction shall be tripled, unless a more severe sanction is envisaged.

**Article 95.** (Amended, SG No. 100/2010) (1) The violations under Articles 93 and 94 shall be ascertained by protocols made by officers of the Ministry of Economy, Energy and Tourism.

(2) The violations under Article 93, paragraphs 1 and 2 can be established also by virtue of acts issued by mayor-authorized officials from the municipal administration on the territory of which the violation is committed.

(3) Penal rulings shall be issued by the Minister of Economy, Energy and Tourism or by officers authorized thereby.

(4) The violations under Article 93(4) shall be established also by virtue of acts issued by officers from the Ministry of Environment and Waters or the Ministry of Culture, where the penal rulings shall be issued by the respective minister or by officers authorized by the respective minister.

**Article 96.** (1) (Supplemented, SG No. 70/2008) A person who, by action or inaction, is in default of the requirements for technical safety and labour safety, or who endangers the health of the employees as per Article 83, paragraph 2, item 5, shall be penalized by fine or property sanction from BGN 5 000 to BGN 50 000, unless subject to more severe punishment.

(2) Violations under paragraph 1 shall be ascertained by protocols made by officers of the Ministry of Labour and Social Policy, and the penal rulings shall be issued by the Minister of Labour and Social Policy or officers authorized thereby.

**Article 97.** The proceedings for imposing of administrative punishments and for appeal of penal rulings shall be pursuant to the Procedure of the Administrative Violations and Sanctions Act.

## **SUPPLEMENTARY PROVISIONS**

### **(Title amended, SG No. 70/2008)**

**§ 1.** For the purposes of this Act:

1. (Amended, SG No. 70/2008, SG No. 100/2010) "Geological find" shall be the availability of deposit of subsurface resources, established in result of activities pertaining to licence for prospecting and exploration or for exploration, characterized by preliminary assessment of reserves;

2. (Amended, SG No. 70/2008, SG No. 100/2010) "Activities pertaining to granted licence for prospecting and exploration or for exploration or pertaining to concession for extraction" shall be all activities pertaining to the prospecting, exploration, discovery, preparation for extraction, extraction and primary processing of subsurface resources, referred to in the licence or concession, pursued in compliance with the terms and procedures of the licence, the concession and the relevant contract;

3. (Amended, SG No. 70/2008) "Activities which are not related to prospecting, exploration, extraction and primary processing of subsurface resources" shall be storing of waste, use of the bowels of the earth as reservoirs for hydrocarbons, engineering operations of national significance - tunnels, highways, pipelines for transit of hydrocarbons, etc.;

4. (Amended, SG No. 70/2008) "Extraction" shall be the process of obtaining of solid, liquid and gaseous resources from the bowels of the earth, including via transformation of their natural state.;

5. (Amended, SG No. 70/2008) "Reserves" shall be the certain quantities of mineral resources in the deposit of resources, for which it is technically possible, environmentally friendly and, economically feasible to be subject of extraction;

6. "Bowels of the earth" shall be the parts of the crust of the Earth (the lithosphere), which are accessible for human activity;

7. (Amended, SG No. 70/2008) "Quarry" shall be the aggregate of mine works and facilities for open pit extraction and facilities and equipment for processing of subsurface resources.

8. (Amended, SG No. 70/2008) "Conditions" shall be the aggregate of requirements to the quality and quantity of subsurface resources in the bowels of the earth, in conformity with the mining, technical and economic conditions for their exploitation;

9. (Repealed, SG No. 100/2010).

10. "Metalliferous mineral resources" shall be natural mineral resources containing metals or metal compounds of quantity and type appropriate for technological extraction and industrial use;

11. (Amended, SG No. 70/2008) "Mine" shall be a production unit (enterprise), including one or several projects for extraction via open pit extraction, underground or combined operations and facilities and equipment for primary processing of subsurface resources;

12. "Mine region" shall be the surface area of the deposit where the mine is located, extended to include the technological territory required for the normal functioning of the mine;

13. (Amended, SG No. 70/2008) "Deposit of subsurface resources" shall be natural or technogenic concentration of mineral and organic substances (mineral resources), which could be subject to extraction under certain technical, environmental, and financial and economic conditions;

14. (Amended, SG No. 70/2008) "Non-metal mineral resources" shall be such which are used in material production in their natural state after being extracted, or as separate minerals or chemical compounds obtained therefrom;

15. (Amended, SG No. 70/2008) "Oil and natural gas" shall be all natural liquid and gaseous hydrocarbons in the bowels of the earth;

16. (Amended, SG No. 70/2008) "Conservation of the bowels of the earth" shall be compliance with the regulated by legislative provision requirements and procedures for the use of the bowels of the earth, as well as with the requirements to

reasonable and rational use of subsurface resources in the course of prospecting, exploration, extraction and primary processing;

17. (Amended, SG No. 70/2008) "Optimum extraction" shall be the fullest drawing out (separation) of reserves from the deposits of subsurface resources during extraction and of the useful components contained therein in the course of primary processing via employment of appropriate and environmentally friendly technologies;

18. (Amended, SG No. 70/2008) "Separate parts (sections) of deposit" shall be autonomous parts of a deposit of subsurface resources of ascertained reserves and/or resources, which may be ceded individually for extraction via a concession in conformity with the requirements for conservation of the bowels of the earth, the environment and labour safety;

19. (Amended, SG No. 70/2008, SG No. 100/2010) "Commercial find" shall be a deposit of subsurface resources, discovered and registered in result of activities pertaining to licence for prospecting and exploration or for exploration at location and time where its development, extraction and processing of mineral resources therefrom are economically feasible, environmentally friendly and have commercial value according to current market criteria;

20. (Amended, SG No. 100/2010) "Surface area of licence" shall be the surface area for which rights have been granted for prospecting and exploration or for exploration of subsurface resources;

21. (Amended, SG No. 70/2008) "Subsurface resources" shall be natural solid, liquid and gas mineral and organic formations in the bowels of the earth (the crust of the Earth) and mining waste from their exploration, extraction and primary processing, which may be used in material production;

22. (Amended, SG No. 100/2010) "Use of land in compliance with licence designation" shall be the transit through real property or temporary occupation and conducting activities for the purposes of prospecting and exploration or of exploration;

23. (Amended, SG No. 70/2008) "Primary processing" or "processing" shall be the mechanic, physical, biological, thermal or chemical processes, or a combination of processes performed on extracted subsurface resources to draw out or produce useful components and elements, including modification of size, classification, separation, filtration, and leaching, excluding melting, thermal production processes (without production of hydrated lime) and all metallurgical processes.

24. (Amended, SG No. 70/2008, SG No. 100/2010) "Mining waste" shall be the technological waste from exploration, extraction and processing of subsurface resources, accumulated in the course of activities under licence for prospecting and exploration or for exploration or under concessions for extraction; mining waste shall also be all types of metallurgical slag, cinder and ash from thermal-electrical power and thermal plants, phosphorous gypsum, pyrite cinder, outwash, sludge, etc. deposited prior to the coming into force of this Act and which are not property of physical persons or legal entities;

25. (Amended, SG No. 70/2008, SG No. 100/2010) "Exploratory operations" shall be the activities conducted in implementation of a licence obtained for prospecting and exploration or for exploration with a view to discover a deposit and make an assessment of the deposit, as well as its characteristics and eventual conduct in the course of extraction; here shall be included: geological, geophysical, geochemical and other required specialized observations, analyses and tests, drilling or mining works, additional sinking, abandoning or completion thereof, technological tests, as well as any relevant contingency operations;

26. (Amended, SG No. 70/2008, SG No. 100/2010) "Prospecting and exploration costs or exploration costs" shall be the costs, expenses and debts incurred in the course of implementation of exploratory operations;

27. "Development costs" shall be the costs, expenses and debts incurred by the concessionaire in the course of development of the deposit before proceeding to continuous extraction;

28. (Amended, SG No. 70/2008) "Resources" shall be the presumable quantities or volumes of mineral resources in the deposit, which have not been outlined or proven with sufficient certainty by geological exploration, or which lack sufficient technical, technological, environmental and economic assessment required for design and extraction;

29. (Amended, SG No. 70/2008) "Building materials" shall be natural magma, metamorphic and sediment rocks and rock varieties used for the purposes of the construction sector in natural state or after being processed;



30. (Amended, SG No. 70/2008) "Solid fuels" shall be all formations of organic origin, energy-yielding and technological formations, such as peat, coal, bitumen, etc.;

31. "Holder of licence" or "Concessionaire" shall be any natural person or legal entity pursuing activities in the Republic of Bulgaria by virtue of granted licence or concession pursuant to this Act and other applicable laws;

32. (Amended, SG No. 70/2008) "Prospecting and/or exploration" shall be the aggregate of activities designed for prospecting, finding and assessment of subsurface resources deposits with the intent to determine their location in terms of space, quantity or volume, quality and other geological, economic, mining, technical, technological and environmental parameters, required for design and extraction;

33. (Amended, SG No. 70/2008) "Rock facing materials" shall be natural sediment, magma or metamorphic rocks and rock varieties of expressed pattern lines and decorative qualities.

34. (Amended, SG No. 70/2008) "Infrastructure of subsurface resource deposit" shall be the approaches to the deposit, the excavating works and structures (shafts and galleries), etc. relating to works under concession.

35. (New, SG No. 70/2008) "Repeated violation" shall be a violation performed after a punitive sanction has come into force imposed on the violator for the same type of offence;

36. (New, SG No. 70/2008) "Technical and economic assessment" shall be a comprehensive analysis of the available engineering and geological, technical, technological, environmental, economic and legal information and shall comprise definition of the expedience of future investment projects concerning the design, the construction and the production operations of the mining enterprise; it shall be based on thoroughly explored reserves and resources, calculated on the grounds of technically and economically justified and environmentally friendly conditions.

37. (New, SG No. 70/2008) "Geological and economic assessment" shall be preliminary analysis of the available engineering and geological, technical, technological, environmental, economic and legal information and shall comprise justification of the necessity to invest in geological exploration activities concerning perspective sections of the deposit; it shall be based on the quantitative assessment of the ascertained resources of the deposit and shall represent a form of technical and economic considerations about the eventual industrial significance of the resources by analogy with other deposits.

38. (New, SG No. 70/2008) "Comprehensive rational design" shall comprise the general concept for implementation of the activities for the duration of the licence or the duration of the concession and shall provide information about their total volume, the technical and technological solutions, the terms of time for performance of the envisaged geological-exploration, extraction and processing activities, activities aimed at conservation, technical liquidation and re-cultivation, the amount of the required investment, the measures aimed at conservation of the bowels of the earth, the environment and the health and safety of the population.

39. (New, SG No. 70/2008) "Annual rational design" shall comprise detailed information and plans of technical and technological solutions, the volume of geological-exploration, extraction and processing activities, activities aimed at conservation, technical liquidation and re-cultivation, the amount of the required investment, the measures aimed at conservation of the bowels of the earth, the environment and the health and safety of the population

40. (New, SG No. 70/2008) "Mining waste facility" shall be any area, designated for collection and disposal of mining waste in hard or liquid state, in solution or suspension for the following period of time:

- a) unlimited - for facilities of Category A and for waste facilities classified as harmful in the waste management plans;
- b) over 6 months - for facilities designated for harmful, non-aggregate waste generated due to unforeseen developments;
- c) over one year - for facilities designated for non-harmful, non-aggregate waste;
- d) over 3 years - for facilities designated for non-polluted soil, non-harmful waste resulting from exploration, for waste resulting from extraction and processing of peat and for aggregate waste;

41. (New, SG No. 70/2008) "Operator of mining waste facility" shall be a legal entity or a physical person dealing in

exploration, extraction and primary processing of subsurface resources, or a person authorized by him, who is in charge of the management of mining waste, including concerning temporary storage and for the specified period after closing down of the technological waste facility;

42. (New, SG No. 70/2008) "Management of mining waste" shall be activities relating to transportation, disposal and storage of mining waste, as well as to construction, exploitation and closing down of the technological waste facilities and follow-up monitoring, maintenance and technical supervision of the closed down facility.

43. (New, SG No. 70/2008) "Aggregate waste" shall be mining waste which does not undergo significant physical, chemical or biological changes in time, does not dissolve, does not leach, does not burn and does not react in any other physical or chemical way, which is not bio-degradable and does not affect negatively another substance when in contact with it, which as a result could provoke pollution of the environment or harm human health.

44. (New, SG No. 70/2008) "Unpolluted soil" shall be the soil layer removed from the ground surface in the course of exploration or extraction, which does not contain harmful substances from a natural and/or antropogenic source, the concentration of which causes disintegration of soil functions under the provisions of the Soils Act.

45. (New, SG No. 70/2008) "Harmful waste" shall be mining waste, the composition and the quality parameters of which engender risks for human health and environment, have one or more properties, which define them as harmful and/or contain components which transforms them into harmful.

46. (New, SG No. 70/2008) "Primary processing waste" shall be solid waste or sludge resulting from the processing of subsurface resources via processes of separation (crushing, grinding, sorting, floatation or other physical and chemical techniques) with a view to dissociate the useful components and minerals from the bulk of rock masses.

47. (New, SG No. 70/2008) "Major accident" shall be an event on the territory of the mining project in the course of operations, including also mining waste management, resulting in serious threat to human health and environment, whether directly or in the course of time both on the territory of the site and beyond its boundaries.

48. (New, SG No. 70/2008) "Significant change" shall mean changes of the structure or the operations of the mining waste facility, which, in the opinion of the authority under Article 5a, can have negative impacts on human health and environment.

49. (New, SG No. 70/2008) "Concerned public" shall be non-governmental organizations entered into the Register under Article 134 of the Environment Protection Act, as well as physical persons and/or legal entities being affected or likely to be affected, or have interest in the adoption of the respective decision.

50. (New, SG No. 70/2008) "Hydro-chemical data" shall be information about the main chemical and physical-chemical parameters of the composition of water and their dependence on chemical, physical and biological processes.

51. (New, SG No. 70/2008) "Weak acid decomposable cyanide" shall be cyanide and cyanide compounds which decompose under the action of weak acids or diluted strong acids at specific pH factor.

52. (New, SG No. 70/2008) "Holder of mining waste" shall be legal entity or physical person, the operations of which produce mining waste, or is in charge of technological waste.

53. (New, SG No. 70/2008) "Potential of the find" shall be preliminary and/or detailed assessment of the parameters of a deposit and of the quantity and quality of the ascertained in it subsurface resources on the basis of calculated resources and/or reserves.

54. (New, SG No. 61/2010) "river beds, lands adjoining rivers and water reservoirs and rivers' flood planes" shall be the lands under the meaning of the Water Act.

**§ 1a.** (New, SG No. 70/2008) This Act shall introduce the requirements of Directive 2006/21/EC of March 15, 2006 of the European Parliament and the Council on mining industry waste management and amendment of Directive 2004/35/EC.

# TRANSITIONAL AND FINAL PROVISIONS

§ 2. The existing instances of implementation of activities regulated by this Act shall be governed pursuant to its provisions as from the date of its coming into force.

§ 3. Persons who pursue activities pertaining to prospecting and/or exploration for subsurface resources shall, within three months following the coming into force of this Act, file an application with the authorities under Article 7, for the purpose of bringing their operations in compliance with the terms and procedures of this Act.

§ 4. The regulative normative acts relevant to the application of this Act shall be adopted within 3 months following the coming of this Act into force.

§ 5. In Article 4, paragraph 4, sub-paragraph 1 of the Concessions Act (promulgated, SG, No. 92/1995; No. 16/1996 Decision No. 2 of the Constitutional Court of 1996; as amended, No. 44/1996, Nos. 61 and 123/1997, No. 93/1998) the words "natural" and "prospecting, exploration and" shall be deleted, and the word "тяжното" shall be replaced by "техния" [applicable to the Bulgarian version].

§ 6. Article 69, sub-paragraph 3 of the Municipal Property Act (promulgated, SG, No. 44/1996; as amended, No. 104/1996, No. 55/1997, Nos. 22 and 93/1998) shall be amended as follows:

"3. aggregate and other materials used to meet the construction needs of the population, produced by quarrying in quantities not exceeding 10000 cubic meters per year;"

§ 7. This Act shall repeal the Mines and Quarries Act (promulgated, Izvestia, No. 92/1957; as corrected, No. 17/1958; as amended, No. 68/1959, No. 104/1960, SG, No. 84/1963, No. 27/1973, No. 36/1979, Nos. 27 and 56/1986, No. 35/1996, No. 11/1998).

§ 8. Article 43 of the Territorial Waters of the Republic of Bulgaria Act (promulgated, SG, No. 55/1987; as amended, Nos. 11 and 59/1998) shall be hereby repealed.

§ 9. The implementation of this Act shall be hereby assigned to the Council of Ministers.

This Act was passed by the XXXVIII National Assembly on 26 February 1999 and the official seal of the National Assembly was affixed thereto.

Lev Re-denomination Act

Promulgated, State Gazette No. 20/1999,

amended, SG No. 65/1999 (effective 5.07.1999).

## TRANSITIONAL AND FINAL PROVISIONS

§ 4. (1) (Amended, SG No. 65/1999) Upon the entry of this Act into force, all figures expressed in old lev terms as indicated in the laws which will have entered into force prior to the 5th day of July 1999 shall be replaced by figures expressed in new lev terms, reduced by a factor of 1,000. The replacement of all figures expressed in old lev terms, reduced by a factor of 1,000, shall furthermore apply to all laws passed prior to the 5th day of July 1999 which have entered or will enter into force after the 5th day of July 1999.

(2) The authorities, which have adopted or issued any acts of subordinate legislation which will have entered into force prior to the 5th day of July 1999 and which contain figures expressed in BGN terms, shall amend the said acts to bring them in conformity with this Act so that the amendments apply as from the date of entry of this Act into force.

.....  
§ 7. This Act shall enter into force on the 5th day of July 1999.

TRANSITIONAL AND FINAL PROVISIONS

of the Administrative Procedure Code

(SG, No. 30/2006, effective 12.07.2006)  
.....

§ 102. Everywhere in the Subsurface Resources Act (Promulgated, State Gazette No. 23/1999, amended SG No. 28/2000, SG No. 108/2001, amended and supplemented SG No. 47/2002, amended SG No. 86/2003, SG No. 28/2005, SG No. 94/2005), shall be amended as follows:

.....  
2. Everywhere in the act the words "the Administrative Procedure Act" shall be replaced by "the Administrative Procedure Code".

.....  
TRANSITIONAL AND FINAL PROVISIONS

to the Act on Amendment and Supplementment of

the Energy Efficiency Act

(SG, No. 55/2007, effective 6.07.2007)  
.....

§ 28. In Subsurface Resources Act (Promulgated State Gazette No. 23/1999, amended SG No. 28/2000, SG No. 108/2001, amended and supplemented SG No. 47/2002, amended SG No. 86/2003, SG No. 28/2005, SG No. 94/2005, amended, SG No. 30/2006, supplemented, SG No. 36/2006, amended, SG No. 37/2006), shall be amended as follows:

.....  
2. Everywhere in the act the words "minister of energy and energy resources" and "minister of industry" shall be replaced by "minister of economy and energy".

.....  
Act on Amendment and Supplementment of Subsurface Resources Act

(SG No. 70/2008)  
.....

SUPPLEMENTARY PROVISION

§ 84 Everywhere in the Act:

1. The words "National Geo-Fund" and "The National Geo-Fund" shall be replaced by "National Geological Fund" and "the National Geological Fund".

2. The words "the geological and the technical information" and "geological and technical information" shall be replaced by "the information and the documentation" and "information and documentation"

## TRANSITIONAL AND CONCLUSIVE PROVISIONS

§ 85. Secondary legislation acts shall be issued in a term of 6 months following coming into force of this Act.

§ 86. The procedures having stated by coming into force of this Act shall be finalized in compliance with the current provisions for a term of two years following its coming into force.

§ 87. Concessionaires under contracts concluded by the date of coming into force of this Act shall reserve the rights and obligations under the terms and conditions of the concluded contracts by the time of expiry of the concession term.

§ 88. (1) In a term of 6 months following coming into force of this Act all holders of mining waste shall put their activities in compliance with this Act.

(2) The existing mining waste facilities shall be re-organized in compliance with the requirements of this Act by May 1, 2012.

(3) The provisions of Article 22h shall come into force as of May 1, 2014.

§ 89. The provisions of Article 22e, paragraph 3 shall be applied as follows:

1. for mining waste facilities launched into exploitation after May 1, 2008, the concentration of weak acid decomposable cyanide shall not exceed 10 mg/kg;

2. for operating mining waste facilities, technological waste facilities shall be reduced gradually and it shall not exceed the following values:

(a) from May 1, 2008 to May 1, 2013 - 50 mg/kg;

(b) from May 1, 2013 to May 1, 2018 - 25mg/kg

(c) after May 1, 2018 - 10mg/kg.

§ 90. (1) The provisions of Chapter Eight "Mining Waste Management" of Section I shall not be applied to mining waste facilities, closed down by May 1, 2008.

(2) Closing down of mining waste facilities, exploitation of which has been terminated prior to May 1, 2006, which is to be effected by December 31, 2010 shall be performed under the current procedures in accordance with the endorsed rational designs for liquidation and re-cultivation.

(3) By May 1, 2012 the Executive Agency on Environment shall produce a list of the closed down mining waste facilities located on the territory of the Republic of Bulgaria, including disused facilities, which cause serious negative impacts on environment and human health.

§ 91. (1) In the cases of concessions for extraction of subsurface resources under the repealed paragraph 2 of Article 3 concluded by the date of entering into force of this Act, the functions of Municipal Councils shall be transferred to the Council of Ministers and the functions of municipal mayors - to the Minister of Regional Development and Public Works. In these cases concessionaires shall reserve the rights and obligations under the concluded contracts unless they are at variance with this Act.

(2) In the event of actions being undertaken as to the date of entering of this Act into force for granting a concession for extraction of subsurface resources the procedure shall be completed under the provisions of this Act, excluding the cases under § 4, 4a and 4b of the Transitional and Concluding Provisions of the Concessions Act. When the actions are undertaken for

granting a concession for extraction of subsurface resources under the repealed paragraph 2 of Article 3, the procedure shall be completed by the Minister of Regional Development and Public Works.

(3) Municipal Mayors shall present to the Minister of Regional Development and Public Works:

1. the original documents for completion of the procedure under paragraph 2, second sentence in a term of 7 days after entering into force of this Act;

2. In a term of 3 months after entering into force of this Act:

(a) Municipal property deeds concerning subsurface resources on the grounds of § 7, item 2 of the Transitional and Concluding provisions of the Local Government and Local Administration Act and on the grounds of the repealed paragraph 2 of Article 3.

(b) the original copies of the concluded contracts on concessions for extraction of subsurface resources under the repealed paragraph 2 of Article 3 with all annexes and supplementary agreements to them, as well as the original copies contained in the files of the granted concessions.

.....

#### TRANSITIONAL AND CONCLUSIVE PROVISIONS to the Cultural Heritage Act

(SG No. 19/2009, effective 10.04.2009)

§ 34. In the Subsurface Resources Act (promulgated, SG, No. 23 of 1999; amended, Nos. 28 of 2000, 108 of 2001, 47 of 2002, 86 of 2003, 28 and 94 of 2005, 30, 36 and 37 of 2006, 55 of 2007, 70 of 2008), the words "monuments of culture" and "the monuments of culture" shall be replaced by the words "cultural values" and "the cultural values" everywhere in the text.

#### TRANSITIONAL AND FINAL PROVISIONS to the Subsurface Resources Act Amendment and Supplementation Act

(SG No. 100/2010)

§ 102. (1) The Council of Ministers shall adopt the strategy under Article 7(1) within a time limit of 6 months from the entry into force of this act.

(2) The Council of Ministers shall adopt the statutory acts of secondary legislation for the application of the Subsurface Resources Act and shall bring the currently effective statutory acts of secondary legislation in conformance with this act within a time limit of 6 months from its entry into force.

§ 103. (1) The Constituent Regulations of the Ministry of Economy, Energy and Tourism, the Ministry of Environment and Waters and the Ministry of Regional Development and Public Works shall be brought in conformity with this act within a time limit of 2 (two) months from its entry into force.

(2) The Minister of Finance must make the necessary corrections in the budgets of the Ministry of Environment and Waters, the Ministry of Regional Development and Public Works and the Ministry of Economy, Energy and Tourism for year 2010 as of the entry into force of the amendments of the Constituent Regulations referred to in paragraph 1.

(3) The employment and official relations of the employees of the Ministry of Environment and Waters and the Ministry of Regional Development and Public Works, who carry out functions under the Subsurface Resources Act, shall be transferred onto the Ministry of Economy, Energy and Tourism under the terms and conditions and according to the procedure of Article 87a of the Public Servants Act and Article 123 of the Labor Code and in accordance with the Constituent Regulations of the administrations.

§ 104. (1) The information and documentation that is available as of the date of entry into force of this act and that has to do with the maintenance of the National Geological Fund and the specialized maps and registers, including those in electronic

format, must be handed over to the Minister of Economy, Energy and Tourism within a time limit of two months from the entry into force of this act.

(2) The Minister of Economy, Energy and Tourism shall organize the creation of an electronic data base for the National Geological Fund within a time limit of 6 months from the entry into force of this act.

(3) The Minister of Economy, Energy and Tourism shall ensure that up-to-date information is kept on the progress of all procedures under this act on the web site of the Ministry of Economy, Energy and Tourism.

§ 105. (1) Within a time limit of two months from the entry into force of this act, the Minister of Environment and Waters and the Minister of Regional Development and Public Works shall hand over to the Minister of Economy, Energy and Tourism all the files of applications and open procedures pertaining to granting of licences for prospecting and exploration or for exploration and to granting of concessions for extraction, which have not been completed yet.

(2) The procedures which started prior to the entry into force of this act shall be completed by the Minister of Economy, Energy and Tourism according to the procedure which has been in effect until now.

(3) The procedures under Chapter Six of the Environmental Protection Act for investment proposals for extraction and primary processing of subsurface resources, which started given an issued certificate of commercial find under the procedure of the Subsurface Resources Act in effect as of 8 August 2008 or under a granted concession, shall be completed according to the procedure that was in effect until 8 August 2008. In those cases in which the decision of the competent environmental authority is not to approve the investment proposal, the granted concession shall be terminated and the certificate of commercial find shall become null and void.

§ 106. (1) The concessionaires and the holders of licences under concession contracts and under contracts for prospecting and exploration or for exploration, that have already been concluded as of date of entry into force of this act, shall retain their rights and obligations under the terms and conditions of the concluded contracts.

(2) The control over the contracts for prospecting and exploration and for exploration and for extraction of subsurface resources, that have already been concluded as of the date of entry into force of this act, shall be exercised by the Minister of Economy, Energy and Tourism.

(3) Within a time limit of two months from the entry into force of this act, the Minister of Environment and Waters and the Minister of Regional Development and Public Works shall hand over to the Minister of Economy, Energy and Tourism all the control and archive files of concluded contracts for prospecting and exploration and for exploration and of concessions for extraction.

§ 107. (1) The operators of mining waste facilities under licences for prospecting and exploration or for exploration or under concessions for extraction, that are in effect as of the moment of entry into force of this act, as well as all natural persons or legal entities in the possession of whom/which there are mining waste facilities, shall submit to the Ministry of Economy, Energy and Tourism, within a time limit of one year from the entry into force of this act, a request for endorsement of a mining waste management plan or for issue of a licence for management of mining waste stored in Category A facilities.

(2) For the sake of endorsement of the mining waste management plan, the operators shall submit:

1. a mining waste management plan under Article 22e;
2. a risk assessment report on the mining waste and the facilities for their storage under Article 22b paragraph 5.

(3) For the sake of issue of a licence for management of mining waste stored in Category A facilities, the operators shall also submit a proposal for financial guarantee under Article 22h.

(4) The monitoring of all the mining waste facilities closed down in accordance with the provisions of Council of Ministers' Decree No.74 of 1998 on Liquidation of the Consequences from the Extraction and Processing of Uranium raw material (Promulgated, SG No.39/1998; amended No.48/2000, No.78/2005, No.108/2007 and No.93/2009), Council of Ministers' Decree No.140 of 1992 on Restructuring of the Ore Extraction Industry and Stage-by-Stage Closure of Inefficient Production Capacities (Promulgated, SG No.61/1992; amended No.69/1992, No.54, 91 and 107/1993; corrected

No.2/1994; amended No.87/1994, No.19/1995, No.16/1996, No.42/1997, No. 98/1998, No.75 and 112/1999, No.36 and 101/2000, No.62/2003 and No.2 and 93/2009) and Council of Ministers' Decree No.195 of 2000 on Technical Liquidation, Conservation and Overcoming of the Harmful Consequences from Termination or Limitation of the Production Activity in the Coal Mining Industry (Promulgated, SG No.81/2000; amended No.18/2001, No.74/2002, No.78/2005, No.42/2007 and No.93/2009) shall be conducted by the respective sole owner commercial companies with financial resources from the state budget through assignment of orders pursuant to the Public Procurement Act and in strict compliance with the provisions of the ordinance under Article 22k.

(5) Within a time limit of 1 (one) year from the entry into force of this act, the district governors of the districts, on the territory of which there are closed-down mining waste facilities (other than the cases under paragraph 4) the operators of which are unknown, shall submit before the Ministry of Economy, Energy and Tourism a request for endorsement of their own monitoring plan.

(6) The monitoring of the facilities under paragraph 5 shall be conducted by the district governor of the district, on the territory of which the facility is situated, together with the respective regional inspectorate of the environment and waters through assignment of an order pursuant to the Public Procurement Act and in strict compliance with the provisions of the ordinance under Article 22k.

§ 108. (1) In the cases when as of the date of entry into force of this act, there is a concluded contract for concession for extraction of subsurface resources under the repealed § 3 of the Subsurface Resources Act Amendment and Supplementation Act (SG No.70/2008), paragraph of Article 3 and the obligations under § 91 of the Transitional and Final Provisions of the Subsurface Resources Act Amendment and Supplementation Act (SG No.70/2008) have not been fulfilled, the functions of the municipal council shall be transferred onto the Council of Ministers and the functions of the mayor of the municipality - onto the Minister of Economy, Energy and Tourism. In these cases, the concessionaires shall retain the rights and obligations under the concluded concession contract, unless they are in conflict with this act.

(2) The mayors of municipalities, who have not performed the actions under § 91, paragraph 3 of the transitional and final provisions of the Subsurface Resources Act Amendment and Supplementation Act (SG No.70/2008) shall submit before the Minister of Economy, Energy and Tourism, not later than 31 May 2011:

1. the original documents for completion of the proceedings, in the cases when the actions are for the granting of concession for extraction of subsurface resources under the repealed paragraph 2 of Article 3;

2. acts for municipal property for subsurface resources drawn up on the grounds of § 7, item 2 of the transitional and final provisions of the Local Self-Government and Local Administration Act and on the grounds of the repealed paragraph 2 of Article 3;

3. the originals of the concluded contracts for concession for extraction of subsurface resources under the repealed paragraph 2 of Article 3 with all the appendices and supplementary agreements thereto, as well as the originals contained in the dossiers of the granted concessions.

§ 109. Paragraph 66, item 1, letter "a" shall enter into force from 1

July 2011, whereas § 66, item 2 shall enter into force from 1 January 2011.