

No. 19778

**JAPAN
and
REPUBLIC OF KOREA**

Agreement concerning joint development of the southern part of the continental shelf adjacent to the two countries (with map, appendix, agreed minutes and exchanges of notes). Signed at Seoul on 30 January 1974

Authentic text: English.

Registered by Japan on 20 May 1981.

**JAPON
et
RÉPUBLIQUE DE CORÉE**

Accord relatif à la mise en valeur commune de la partie méridionale du plateau continental adjacent aux deux pays (avec carte, appendice, procès-verbal approuvé et échanges de notes). Signé à Séoul le 30 janvier 1974

Texte authentique : anglais.

Enregistré par le Japon le 20 mai 1981.

AGREEMENT¹ BETWEEN JAPAN AND THE REPUBLIC OF KOREA CONCERNING JOINT DEVELOPMENT OF THE SOUTHERN PART OF THE CONTINENTAL SHELF ADJACENT TO THE TWO COUNTRIES

Japan and the Republic of Korea,

Desiring to promote the friendly relations existing between the two countries,

Considering their mutual interest in carrying out jointly exploration and exploitation of petroleum resources in the southern part of the continental shelf adjacent to the two countries,

Resolving to reach a final practical solution to the question of the development of such resources,

Have agreed as follows:

Article I. For the purposes of this Agreement:

(1) The term “natural resources” means petroleum (including natural gas) resources and other underground minerals which are produced in association with such resources;

(2) The term “concessionaire” means a person authorized by either Party under the laws and regulations of that Party to explore and/or exploit natural resources in the Joint Development Zone;

(3) The term “concessionaires of both Parties” means a concessionaire of one Party and a concessionaire of the other Party respectively authorized with respect to the same subzone of the Joint Development Zone;

(4) The term “operating agreement” means a contract concluded between concessionaires of both Parties for the purpose of exploring and exploiting natural resources in the Joint Development Zone;

(5) The term “operator” means a concessionaire designated and acting as such under the operating agreement with respect to a subzone of the Joint Development Zone.

Article II. 1. The Joint Development Zone shall be the area of the continental shelf bounded by straight lines connecting the following points in the sequence given below:

Point 1	32°57.0' N	127°41.1' E
Point 2	32°53.4' N	127°36.3' E
Point 3	32°46.2' N	127°27.8' E
Point 4	32°33.6' N	127°13.1' E
Point 5	32°10.5' N	126°51.5' E
Point 6	30°46.2' N	125°55.5' E
Point 7	30°33.3' N	126°00.8' E
Point 8	30°18.2' N	126°05.5' E
Point 9	28°36.0' N	127°38.0' E

¹ Came into force on 22 June 1978 by the exchange of the instruments of ratification, which took place at Tokyo, in accordance with article XXXI (1).

Point 10	29°19.0' N	128°00.0' E
Point 11	29°43.0' N	128°38.0' E
Point 12	30°19.0' N	129°09.0' E
Point 13	30°54.0' N	129°04.0' E
Point 14	31°13.0' N	128°50.0' E
Point 15	31°47.0' N	128°50.0' E
Point 16	31°47.0' N	128°14.0' E
Point 17	32°12.0' N	127°50.0' E
Point 18	32°27.0' N	127°56.0' E
Point 19	32°27.0' N	128°18.0' E
Point 20	32°57.0' N	128°18.0' E
Point 1	32°57.0' N	127°41.1' E

2. The straight lines bounding the Joint Development Zone are shown on the map annexed to this Agreement.

Article III. 1. The Joint Development Zone may be divided into subzones, each of which shall be explored and exploited by concessionaires of both Parties.

2. Each subzone shall be numbered and defined by reference to geographical coordinates in the appendix to this Agreement. The appendix may be amended by mutual consent of the Parties without modification of this Agreement.

Article IV. 1. Each Party shall authorize one or more concessionaires with respect to each subzone within three months after the date of entry into force of this Agreement. When one Party authorizes more than one concessionaire with respect to one subzone, all such concessionaires shall have an undivided interest and shall be represented, for the purposes of this Agreement, by one concessionaire. In case of any change in concessionaire or in subzone, the Party concerned shall authorize one or more new concessionaires as soon as possible.

2. Each Party shall notify the other Party of its concessionaire or concessionaires without delay.

Article V. 1. Concessionaires of both Parties shall enter into an operating agreement to carry out jointly exploration and exploitation of natural resources in the Joint Development Zone. Such operating agreement shall provide, *inter alia*, for the following:

- (a) Details relating to the sharing of natural resources and expenses in accordance with article IX;
- (b) Designation of operator;
- (c) Treatment of sole risk operations;
- (d) Adjustment of fisheries interests;
- (e) Settlement of disputes.

2. The operating agreement and modifications thereof shall enter into force upon approval by the Parties. Approval of the Parties shall be deemed to have been given unless either Party explicitly disapproves the operating agreement or modifications thereof within two months after such operating agreement or modifications thereof have been submitted to the Parties for approval.

3. The Parties shall endeavour to ensure that the operating agreement enter into force within six months after concessionaires of both Parties have been authorized under paragraph 1 of article IV.

Article VI. 1. The operator shall be designated by agreement between concessionaires of both Parties. If concessionaires of both Parties fail to reach agreement between themselves as to the designation of the operator within three months after such concessionaires have been authorized, the Parties shall hold consultations concerning the designation of the operator. If the operator is not designated within two months after such consultations have started, concessionaires of both Parties shall determine the operator by lot-drawing.

2. The operator shall have exclusive control of all operations under the operating agreement and employ all personnel required for such operations, pay and discharge all expenses incurred in connection with such operations, and obtain all assets, including equipment, materials and supplies, necessary for carrying out such operations.

Article VII. A concessionaire of one Party may acquire, construct, maintain, use and dispose of, in the territory of the other Party, buildings, platforms, tanks, pipelines, terminals and other facilities necessary for exploration or exploitation of natural resources in the Joint Development Zone in accordance with the laws and regulations of that other Party.

Article VIII. A concessionaire of one Party shall not interfere with the discharging by a concessionaire of the other Party of its obligations under the laws and regulations of that other Party, insofar as such obligations are consistent with the provisions of this Agreement.

Article IX. 1. Concessionaires of both Parties shall be respectively entitled to an equal share of natural resources extracted in the Joint Development Zone.

2. Expenses reasonably attributable to exploration and exploitation of such natural resources shall be shared in equal proportions between concessionaires of both Parties.

Article X. 1. The right of concessionaires under this Agreement shall be exploration right and exploitation right.

2. The duration of exploration right shall be eight years from the date of entry into force of the operating agreement, subject to the provisions of paragraph 4 (3) of this article.

3. The duration of exploitation right shall be thirty years from the date of the establishment of such right. Concessionaires of both Parties may apply to the respective Parties for an extension of an additional period of five years. Such application may be made as many times as necessary. The Parties shall, upon receipt of such application, consult with each other to decide whether to approve such application.

4. (1) When commercial discovery of natural resources is made during the period of exploration right, concessionaires of both Parties may apply to the respective Parties for the establishment of exploitation right. When the Parties receive such application, they shall promptly hold consultations and shall without delay approve such application.

(2) When the Parties recognize that commercial discovery is made, each Party may request its concessionaire concerned to present an application for the

establishment of exploitation right. Such concessionaire shall present such application within three months after receiving the request.

(3) If exploitation right is established during the period of exploration right, the period of exploration right shall expire on the date of the establishment of exploitation right.

5. In case of any change in concessionaire of one Party, the period of exploration right or exploitation right of a new concessionaire shall expire on the date of expiration of the period of exploration right or exploitation right of the original concessionaire.

6. Exploration right or exploitation right of a concessionaire may be transferred in its entirety subject to the approval of the Party that has authorized it and to the consent of the other concessionaire authorized with respect to the same subzone, provided that the rights and obligations of that concessionaire under this Agreement and the operating agreement are transferred in whole.

Article XI. 1. Concessionaires of both Parties shall be required to drill a certain number of wells during the period of exploration right in accordance with a separate arrangement to be made between the Parties. However, the minimum number of wells to be drilled in each subzone shall not exceed two respectively for the first three-year period, the following three-year period and the remaining two-year period, from the date of entry into force of the operating agreement. The Parties shall, when agreeing upon the minimum number of wells to be drilled in each subzone, take into account the depths of the superjacent waters and the size of each subzone.

2. If concessionaires of both Parties have drilled wells in excess of the requirements during any of the periods referred to in paragraph 1 of this article, such excess wells shall be regarded as having been drilled in the succeeding period or periods.

Article XII. Concessionaires of both Parties shall start operations within six months from the date of the establishment of exploration right or exploitation right and shall not suspend operations for more than six consecutive months.

Article XIII. 1. Subject to the provisions of paragraph 2 of this article, concessionaires of both Parties shall release twenty-five per cent of the original subzone concerned within three years, fifty per cent of such subzone within six years, and seventy-five per cent of such subzone within eight years, from the date of entry into force of the operating agreement.

2. The size, shape and location of the area to be released and the time of release shall be determined by agreement between concessionaires of both Parties. However, no single area smaller than seventy-five square kilometres shall be released except under paragraph 3 of this article.

3. (1) If concessionaires of both Parties are unable to agree on the area to be released under paragraph 1 of this article, concessionaires of both Parties shall release, on the date of the expiration of the release period concerned, the area mutually proposed for release and fifty per cent of the areas respectively proposed for release in such a way that the total area to be released will be a single area whenever possible.

(2) If there is no area mutually proposed for release, concessionaires of both Parties shall release fifty per cent of the areas respectively proposed for release.

4. Concessionaires of both Parties may release voluntarily any area subject to the provisions of paragraph 2 of this article.

5. Notwithstanding the provisions of paragraph 2 of this article, a concessionaire may unilaterally release the total subzone concerned after two years have elapsed from the date of entry into force of the operating agreement.

Article XIV. 1. Either Party may, by pertinent procedures laid down in its laws and regulations concerning the protection of concessionaires, cancel exploration right or exploitation right of its concessionaire after consultations with the other Party if such concessionaire fails to discharge any of its obligations under this Agreement or the operating agreement.

2. When either Party intends to cancel in accordance with its laws and regulations exploration right or exploitation right of its concessionaire, that Party shall notify the other Party of its intention at least fifteen days prior to such cancellation, except under paragraph 1 of this article.

3. The cancellation of exploration right or exploitation right by one Party shall be notified to the other Party without delay.

Article XV. 1. When a concessionaire of one Party has unilaterally released a subzone under paragraph 5 of article XIII, when exploration right or exploitation right of a concessionaire of one Party has been cancelled under article XIV or when a concessionaire of one Party has ceased to exist (any such concessionaire hereinafter referred to as "the former concessionaire"), the remaining concessionaire in the subzone concerned may, until such time as the Party that has authorized the former concessionaire authorizes a new concessionaire, carry out exploration or exploitation of natural resources under the terms of the sole risk operation clauses and under other relevant provisions of the operating agreement to which such remaining concessionaire and the former concessionaire were parties, subject to the approval of the Party that has authorized the former concessionaire.

2. For the purposes of paragraph 1 of this article, the remaining concessionaire shall be regarded as a concessionaire of the Party that has authorized the former concessionaire in respect of rights and obligations of a concessionaire, while retaining its own concessionaireship. The provisions of the above sentence shall not apply to taxation upon the remaining concessionaire with respect to its income derived from exploration or exploitation of natural resources under paragraph 1 of this article.

3. When a new concessionaire is authorized by one Party, the new concessionaire and the remaining concessionaire shall be bound by the operating agreement to which the remaining concessionaire and the former concessionaire were parties until such time as a new operating agreement enters into force. The remaining concessionaire who has started exploration or exploitation of natural resources under paragraph 1 of this article may continue such exploration or exploitation under the terms of the sole risk operation clauses of the operating agreement to which such remaining concessionaire and the former concessionaire were parties until such time as the new operating agreement referred to above enters into force.

Article XVI. In the application of the laws and regulations of each Party to natural resources extracted in the Joint Development Zone, the share of such natural resources to which concessionaires of one Party are entitled under

article IX shall be regarded as natural resources extracted in the continental shelf over which that Party has sovereign rights.

Article XVII. 1. Neither Party (including local authorities) shall impose taxes or other charges upon concessionaires of the other Party with respect to:

- (a) Exploration or exploitation activities in the Joint Development Zone;
- (b) Income derived from such activities;
- (c) The possession of fixed assets in the Joint Development Zone necessary for carrying out such activities; or
- (d) The subzones with respect to which such concessionaires are authorized.

2. Each Party (including local authorities) may impose taxes and other charges upon its concessionaires with respect to:

- (a) Exploration or exploitation activities in the Joint Development Zone;
- (b) The possession of fixed assets in the Joint Development Zone necessary for carrying out such activities; and
- (c) The subzones with respect to which such concessionaires are authorized.

Article XVIII. In the application of the laws and regulations of each Party on customs duties, imports and exports:

- (1) The introduction of equipment, materials and other goods necessary for exploration or exploitation of natural resources in the Joint Development Zone (hereinafter referred to as "equipment") into the Joint Development Zone, the subsequent use of equipment therein or the shipment of equipment therefrom shall not be regarded as imports or exports;
- (2) The shipment of equipment from areas under the jurisdiction of one Party to the Joint Development Zone shall not be regarded as imports or exports by that Party;
- (3) The users of equipment in the Joint Development Zone which has been introduced into the Joint Development Zone from areas under the jurisdiction of either Party may be required to submit reports to that Party on the use of such equipment;
- (4) Notwithstanding the provisions of (1) of this article, the shipment of the equipment referred to in (3) of this article from the Joint Development Zone to areas other than those under the jurisdiction of that Party shall be regarded as exports by that Party.

Article XIX. Except where otherwise provided in this Agreement, the laws and regulations of one Party shall apply with respect to matters relating to exploration or exploitation of natural resources in the subzones with respect to which that Party has authorized concessionaires designated and acting as operators.

Article XX. The Parties shall agree on measures to be taken to prevent collisions at sea and to prevent and remove pollution of the sea resulting from activities relating to exploration or exploitation of natural resources in the Joint Development Zone.

Article XXI. 1. When damage resulting from exploration or exploitation of natural resources in the Joint Development Zone has been sustained by nationals

of either Party or other persons who are resident in the territory of either Party, actions for compensation for such damage may be brought by such nationals or persons in the court of one Party (a) in the territory of which such damage has occurred, (b) in the territory of which such nationals or persons are resident, or (c) which has authorized the concessionaire designated and acting as the operator in the subzone where the incident causing such damage has occurred.

2. The court of one Party in which actions for compensation for such damage have been brought under paragraph 1 of this article shall apply the laws and regulations of that Party.

3. (1) When damage referred to in paragraph 1 of this article has been caused by digging operations of seabed and subsoil, or discharging of mine water or used water:

- (a) Concessionaires of both Parties who have exploration right or exploitation right with respect to the subzone concerned at the time of occurrence of such damage,
- (b) In case no concessionaire has exploration right or exploitation right with respect to the subzone concerned at the time of occurrence of such damage, the concessionaires who had exploration right or exploitation right most recently with respect to the subzone concerned or
- (c) In case only one concessionaire has exploration right or exploitation right with respect to the subzone concerned at the time of occurrence of such damage, such concessionaire and the former concessionaire as defined in paragraph 1 of article XV,

shall be jointly and severally liable for the compensation for such damage in accordance with the laws and regulations applicable under paragraph 2 of this article.

(2) For the purposes of (1) of this paragraph, when exploration right or exploitation right has been transferred after the occurrence of the damage referred to in (1) of this paragraph, the concessionaire who has transferred exploration right or exploitation right and the concessionaire who has obtained exploration right or exploitation right by such transfer shall be jointly and severally liable for the compensation.

Article XXII. 1. Each Party shall, when assigning a frequency or frequencies to a radio station on a fixed installation for exploration or exploitation of natural resources in the Joint Development Zone, inform as soon as possible prior to such assignment the other Party of such frequency or frequencies, class of emission, antenna power, location of the station and other particulars deemed necessary. Each Party shall likewise inform the other Party of any subsequent changes in the above particulars.

2. The Parties shall hold consultations at the request of either Party for necessary coordination concerning the above particulars.

Article XXIII. 1. If any single geological structure or field of natural resources extends across any of the lines specified in paragraph 1 of article II and the part of such structure or field which is situated on one side of such lines is exploitable, wholly or in part, from the other side of such lines, concessionaires and other persons authorized by either Party to exploit such structure or field (hereinafter referred to as "concessionaires and other persons") shall, through

consultations, seek to reach agreement as to the most effective method of exploiting such structure or field.

2. (1) If concessionaires and other persons fail to reach agreement as to the method referred to in paragraph 1 of this article within six months after such consultations have started, the Parties shall, through consultations, endeavour to make a joint proposal concerning such method to concessionaires and other persons within a reasonable period of time.

(2) When agreement concerning such method is reached among all or some of concessionaires and other persons, the agreement (including modifications thereof) shall enter into force upon approval by the Parties. Such agreement shall provide for details relating to the sharing, in accordance with paragraph 3 of this article, of natural resources and expenses.

3. In cases of exploitation under the agreement referred to in paragraph 2 (2) of this article, natural resources extracted from such structure or field and expenses reasonably attributable to exploitation of such natural resources shall be shared among concessionaires and other persons in proportion to the quantities of producible reserves in the respective parts of such structure or field which are situated in the area with respect to which they have been authorized by either Party.

4. The provisions of the foregoing paragraphs of this article shall apply *mutatis mutandis* with respect to exploitation of a single geological structure or field of natural resources extending across lines bounding the subzones of the Joint Development Zone.

5. (1) For the purposes of article XVI, the share of natural resources extracted in the Joint Development Zone to which persons (other than concessionaires) authorized by one Party are entitled under paragraph 3 of this article and the agreement referred to in paragraph 2 (2) of this article shall be regarded as the share of natural resources to which concessionaires of that Party are entitled.

(2) For the purposes of article XVII, persons (other than concessionaires) authorized by one Party who are parties to the agreement referred to in paragraph 2 (2) of this article shall be regarded as concessionaires of that Party.

(3) Neither Party (including local authorities) shall impose taxes or other charges upon concessionaires of the other Party with respect to:

- (a) Exploitation activities carried out outside the Joint Development Zone in accordance with the agreement referred to in paragraph 2 (2) of this article;
- (b) Income derived from such activities; or
- (c) The possession of fixed assets necessary for carrying out such activities.

Article XXIV. 1. The Parties shall establish and maintain the Japan-Republic of Korea Joint Commission (hereinafter referred to as "the Commission") as a means for consultations on matters concerning the implementation of this Agreement.

2. The Commission shall be composed of two national sections, each consisting of two members appointed by the respective Parties.

3. All resolutions, recommendations and other decisions of the Commission shall be made only by agreement between the national sections.

4. The Commission may adopt and amend, when necessary, rules of procedure for its meetings.

5. The Commission shall meet at least once each year and whenever requested by either national section.

6. At its first meeting, the Commission shall select its Chairman and Vice-Chairman from different national sections. The Chairman and the Vice-Chairman shall hold office for a period of one year. Selection of the Chairman and the Vice-Chairman from the national sections shall be made in such a manner as will provide in turn each Party with representation in these offices.

7. A permanent secretariat may be established under the Commission to carry out the clerical work of the Commission.

8. The official languages of the Commission shall be Japanese, Korean and English. Proposals and data may be submitted in any official language.

9. In case the Commission decides that joint expenses are necessary, such expenses shall be paid by the Commission through contributions made by the Parties as recommended by the Commission and approved by the Parties.

Article XXV. 1. The Commission shall perform the following functions:

- (a) To review the operation of this Agreement and, when necessary, deliberate on and recommend to the Parties measures to be taken to improve the operation of this Agreement;
- (b) To receive technical and financial reports of concessionaires, which shall be submitted annually by the Parties;
- (c) To recommend to the Parties measures to be taken to settle disputes incapable of solution by concessionaires;
- (d) To observe operations of operators and installations and other facilities for exploration or exploitation of natural resources in the Joint Development Zone;
- (e) To study problems, including those relating to the application of laws and regulations of the Parties, unexpected at the time of entry into force of this Agreement, and, when necessary, recommend to the Parties appropriate measures to solve such problems;
- (f) To receive notices concerning the laws and regulations promulgated by the Parties relating to exploration or exploitation of natural resources in the Joint Development Zone, which shall be submitted by the Parties;
- (g) To discuss any other matter relating to the implementation of this Agreement.

2. The Parties shall respect to the extent possible recommendations made by the Commission under paragraph 1 of this article.

Article XXVI. 1. Any dispute between the Parties concerning the interpretation and implementation of this Agreement shall be settled, first of all, through diplomatic channels.

2. Any dispute which fails to be settled under paragraph 1 of this article shall be referred for decision to an arbitration board composed of three arbitrators, with each Party appointing one arbitrator within a period of thirty days from the date of receipt by either Party from the other Party of a note requesting arbitration of the dispute, and the third arbitrator to be agreed upon by the two arbitrators so chosen within a further period of thirty days or the third arbitrator to be appointed by the government of a third country agreed upon within such further period by the two arbitrators, provided that the third arbitrator shall not be a national of either Party.

3. If the third arbitrator or the third country is not agreed upon between the arbitrators appointed by each Party within a period referred to in paragraph 2 of this article, the Parties shall request the President of the International Court of Justice to appoint the third arbitrator who shall not be a national of either Party.

4. At the request of either Party, the arbitration board may in urgent cases issue a provisional order, which shall be respected by the Parties, before an award is made.

5. The Parties shall abide by any award made by the arbitration board under this article.

Article XXVII. Exploration and exploitation of natural resources in the Joint Development Zone shall be carried out in such a manner that other legitimate activities in the Joint Development Zone and its superjacent waters such as navigation and fisheries will not be unduly affected.

Article XXVIII. Nothing in this Agreement shall be regarded as determining the question of sovereign rights over all or any portion of the Joint Development Zone or as prejudicing the positions of the respective Parties with respect to the delimitation of the continental shelf.

Article XXIX. Upon the request of either Party, the Parties shall hold consultations regarding the implementation of this Agreement.

Article XXX. The Parties shall take all necessary internal measures to implement this Agreement.

Article XXXI. 1. This Agreement shall be ratified. The instruments of ratification shall be exchanged at Tokyo as soon as possible. This Agreement shall enter into force as from the date on which such instruments of ratification are exchanged.

2. This Agreement shall remain in force for a period of fifty years and shall continue in force thereafter until terminated in accordance with paragraph 3 of this article.

3. Either Party may, by giving three years' written notice to the other Party, terminate this Agreement at the end of the initial fifty-year period or at any time thereafter.

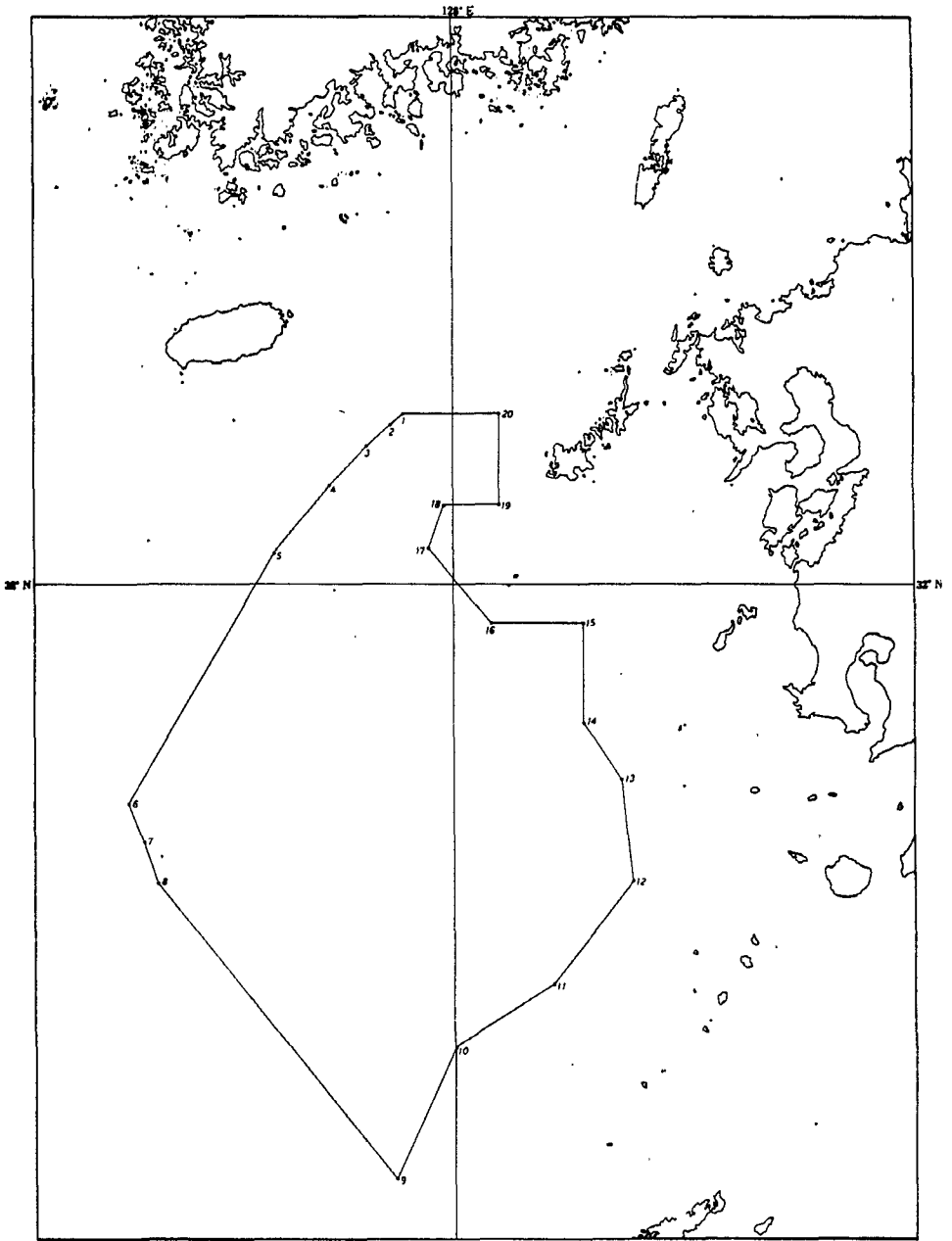
4. Notwithstanding the provisions of paragraph 2 of this article, when either Party recognizes that natural resources are no longer economically exploitable in the Joint Development Zone, the Parties shall consult with each other whether to revise or terminate this Agreement. If no agreement is reached as to the revision or termination of this Agreement, this Agreement shall remain in force during the period as provided for in paragraph 2 of this article.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

DONE in duplicate at Seoul in the English language, this thirtieth day of January of the year one thousand nine hundred and seventy-four.

For Japan:
TORAO USHIROKU

For the Republic of Korea:
DONG-JO KIM



3524.2x (E)

128° E

Treaty No. I-19778 (Vol. 1225)

Appendix

The Subzones shall be those areas of the Joint Development Zone bounded respectively by straight lines connecting the following points in the sequence given below:

Subzone I

Point 1	32°57.0' N	127°43.0' E
Point 2	32°39.5' N	127°32.6' E
Point 3	32°39.6' N	127°39.2' E
Point 4	32°38.6' N	127°39.2' E
Point 5	32°39.1' N	128°18.0' E
Point 6	32°57.0' N	128°18.0' E
Point 1	32°57.0' N	127°43.0' E

Subzone II

Point 1	32°57.0' N	127°41.1' E
Point 2	32°53.4' N	127°36.3' E
Point 3	32°48.1' N	127°30.0' E
Point 4	32°39.5' N	127°30.0' E
Point 5	32°39.5' N	127°32.6' E
Point 6	32°57.0' N	127°43.0' E
Point 1	32°57.0' N	127°41.1' E

Subzone III

Point 1	32°48.1' N	127°30.0' E
Point 2	32°46.2' N	127°27.8' E
Point 3	32°40.2' N	127°20.8' E
Point 4	32°40.3' N	127°25.7' E
Point 5	32°39.4' N	127°25.7' E
Point 6	32°39.5' N	127°30.0' E
Point 1	32°48.1' N	127°30.0' E

Subzone IV

Point 1	32°39.5' N	127°30.0' E
Point 2	32°35.0' N	127°30.0' E
Point 3	32°39.5' N	127°32.6' E
Point 1	32°39.5' N	127°30.0' E

Subzone V

Point 1	32°40.2' N	127°20.8' E
Point 2	32°33.6' N	127°13.1' E
Point 3	32°10.5' N	126°51.5' E
Point 4	30°53.1' N	126°00.0' E
Point 5	30°35.2' N	126°00.0' E
Point 6	30°33.3' N	126°00.8' E
Point 7	30°31.0' N	126°01.5' E
Point 8	30°31.0' N	126°43.0' E
Point 9	31°56.0' N	127°07.0' E
Point 10	32°35.0' N	127°30.0' E
Point 11	32°39.5' N	127°30.0' E
Point 12	32°39.4' N	127°25.7' E
Point 13	32°40.3' N	127°25.7' E
Point 1	32°40.2' N	127°20.8' E

Subzone VI

Point 1	30°53.1' N	126°00.0' E
Point 2	30°46.2' N	125°55.5' E
Point 3	30°35.2' N	126°00.0' E
Point 1	30°53.1' N	126°00.0' E

Subzone VII

Point 1	32°39.5' N	127°32.6' E
Point 2	32°35.0' N	127°30.0' E
Point 3	31°56.0' N	127°07.0' E
Point 4	30°31.0' N	126°43.0' E
Point 5	30°31.0' N	126°01.5' E
Point 6	30°18.2' N	126°05.5' E
Point 7	29°38.6' N	126°41.8' E
Point 8	29°39.7' N	127°45.4' E
Point 9	31°47.0' N	128°32.6' E
Point 10	31°47.0' N	128°14.0' E
Point 11	32°12.0' N	127°50.0' E
Point 12	32°27.0' N	127°56.0' E
Point 13	32°27.0' N	128°18.0' E
Point 14	32°39.1' N	128°18.0' E
Point 15	32°38.6' N	127°39.2' E
Point 16	32°39.6' N	127°39.2' E
Point 1	32°39.5' N	127°32.6' E

Subzone VIII

Point 1	31°47.0' N	128°32.6' E
Point 2	29°39.7' N	127°45.4' E
Point 3	29°38.6' N	126°41.8' E
Point 4	28°56.6' N	127°19.6' E
Point 5	29°08.9' N	127°32.6' E
Point 6	29°09.0' N	127°40.1' E
Point 7	29°21.4' N	127°58.3' E
Point 8	29°47.2' N	127°57.9' E
Point 9	30°16.8' N	128°16.2' E
Point 10	30°16.9' N	128°32.0' E
Point 11	30°57.4' N	129°01.5' E
Point 12	31°13.0' N	128°50.0' E
Point 13	31°47.0' N	128°50.0' E
Point 1	31°47.0' N	128°32.6' E

Subzone IX

Point 1	30°57.4' N	129°01.5' E
Point 2	30°16.9' N	128°32.0' E
Point 3	30°16.8' N	128°16.2' E
Point 4	29°47.2' N	127°57.9' E
Point 5	29°21.4' N	127°58.3' E
Point 6	29°09.0' N	127°40.1' E
Point 7	29°08.9' N	127°32.6' E
Point 8	28°56.6' N	127°19.6' E
Point 9	28°36.0' N	127°38.0' E
Point 10	29°19.0' N	128°00.0' E
Point 11	29°43.0' N	128°38.0' E
Point 12	30°19.0' N	129°09.0' E
Point 13	30°54.0' N	129°04.0' E
Point 1	30°57.4' N	129°01.5' E

AGREED MINUTES TO THE AGREEMENT BETWEEN JAPAN AND THE REPUBLIC OF KOREA CONCERNING JOINT DEVELOPMENT OF THE SOUTHERN PART OF THE CONTINENTAL SHELF ADJACENT TO THE TWO COUNTRIES

The representatives of the Government of Japan and the Government of the Republic of Korea wish to record the following understanding which has been reached during the negotiations for the Agreement between Japan and the Republic of Korea concerning joint development of the southern part of the continental shelf adjacent to the two countries signed today (hereinafter referred to as “the Agreement”):

1. “The laws and regulations” referred to in the Agreement shall be construed, unless the context otherwise requires, to include concession agreements between the Government of the Republic of Korea and its concessionaires.

2. The geographical coordinates as specified in paragraph 1 of article II and the appendix to the Agreement are based on Japan Maritime Safety Agency Chart No. 210 of December 1955, New Edition.

3. (1) Regardless of whether the sole risk party is the operator, sole risk operations referred to in paragraph 1 of article V shall be carried out by the operator of the subzone concerned.

(2) Natural resources extracted through sole risk operations shall be equally shared between the concessionaires concerned in accordance with article IX.

(3) The non-sole risk party shall pay in money to the sole risk party the reasonable price for the portion of natural resources equal to the half of the sole risk bonus, less expenses incurred in connection with the sale of such portion and tax or other charges paid in connection with such portion.

4. As regards “adjustment of fisheries interests” referred to in paragraph 1 of article V, the Government of each Party shall give administrative guidance to its concessionaires so that they will, before operations for exploration or exploitation of natural resources begin in the subzones with respect to which they have been authorized, endeavour to adjust fisheries interests of nationals concerned of that Party.

5. As regards paragraph 2 of article V, the two Governments shall notify each other of the date on which the operating agreement was submitted to them and the date on which they intend to approve or disapprove the operating agreement.

6. As regards article VI, the two Governments shall endeavour to ensure that the designation of operators be made in such a way as to be equitable to the greatest possible extent.

7. “Expenses reasonably attributable to exploration and exploitation” referred to in paragraph 2 of article IX shall include expenses incurred for the purposes of survey in the Joint Development Zone prior to the date of entry into force of the Agreement.

8. The provisions of paragraph 2 of article IX shall not apply to expenses incurred by sole risk operations.

9. As regards paragraph 3 of article X, application for an extension of the period of exploitation right shall be made at least six months prior to the expiration of each of such periods.

10. As regards paragraph 4 of article X, the two Governments shall, after consultations, grant exploitation right respectively to concessionaires of both Parties on the same date.

11. As regards paragraph 5 of article X, the new concessionaire may apply for an extension of the period of exploitation right under paragraph 3 of article X.

12. For the purposes of article XII, sole risk operations shall be regarded as having been carried out by concessionaires of both Parties.

13. When concessionaires of both Parties are unable to comply with the provisions of article XII for unavoidable reasons, they shall submit for approval a statement setting forth reasons for, and the period of, such delay or suspension to the respective Governments authorizing them. The two Governments shall consult with each other before giving such approval.

14. The approval of the Party referred to in paragraph 1 of article XV shall not be withheld without justifiable reasons.

15. As regards paragraph 2 of article XV, when the remaining concessionaire of one Party who was not the operator under the operating agreement to which such concessionaire and the former concessionaire were parties carries out exploration or exploitation of natural resources under paragraph 1 of article XV, such concessionaire shall be regarded as the concessionaire of the other Party designated and acting as the operator, while retaining its own concessionaireship.

16. As regards paragraph 2 of article XV, taxes on income shall not include royalty.

17. Taxes and other charges to be imposed under paragraph 2 of article XVII include

(1) For Japan:

- (a) Mineral product tax,
- (b) Fixed assets tax and
- (c) Mine lot tax;

(2) For the Republic of Korea:

- (a) Royalty,
- (b) Property tax and
- (c) Rental.

18. (1) "Damage caused by digging operations of seabed and subsoil" referred to in paragraph 3 of article XXI include damage caused by blow-out of oil or natural gas.

(2) "Mine water" referred to in paragraph 3 of article XXI means water flowing out in the course of drilling wells for exploration or exploitation of natural resources, and oil and other substances flowing out together with such water.

19. The provisions of paragraph 3 (1) (a) of article XXI shall apply when a concessionaire of one Party carries out exploration or exploitation of natural resources under paragraph 1 of article XV. In such a case, the provisions of paragraph 3 (1) (c) of article XXI shall not apply.

20. As regards paragraph 2 (1) of article XXIII, each Government shall take, within its powers, necessary measures so that its concessionaires and other persons will not exploit independently the structure or field referred to in paragraph 1 of article XXIII during the six-month period referred to in paragraph 2 (1) of article XXIII or during the period in which the two Governments hold consultations for the purpose of making a joint proposal.

21. A concessionaire shall not enter into the agreement referred to in paragraph 2 (2) of article XXIII unless the other concessionaire authorized with respect to the same subzone also enters into such agreement.

Seoul, January 30, 1974.

For the Government
of Japan:

TORAO USHIROKU

For the Government
of the Republic of Korea:

DONG-JO KIM

EXCHANGES OF NOTES

I a

Seoul, January 30, 1974

Excellency,

I have the honour to refer to article XI of the Agreement between the Republic of Korea and Japan concerning joint development of the southern part of the continental shelf adjacent to the two countries signed today (hereinafter referred to as "the Agreement") and to confirm, on behalf of the Government of the Republic of Korea, the following arrangements concerning drilling obligations of concessionaires to be performed during the period of exploration right.

1. (1) Concessionaires of both Parties authorized with respect to each subzone as specified in the appendix to the Agreement shall drill one well during the first three-year period, the following three-year period and the remaining two-year period respectively.

(2) For the purposes of (1), sole risk operations shall be regarded as having been performed by concessionaires of both Parties.

(3) Subzones I and IX shall be deemed to constitute a single subzone for the purposes of (1).

(4) Notwithstanding the provisions of (1), concessionaires authorized with respect to Subzone VIII shall be exempted from the obligations under (1) during the first three-year period and concessionaires authorized with respect to Subzones II, III, IV and VI shall be exempted from the obligations under (1).

2. The present arrangements shall become applicable as from the date of entry into force of the Agreement.

I have further the honour to propose that the present Note and Your Excellency's Note in reply thereto confirming the foregoing arrangements on behalf of the Government of Japan shall be regarded as constituting an agreement between the two Governments.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

DONG-JO KIM
Minister of Foreign Affairs

His Excellency Torao Ushiroku
Ambassador Extraordinary and Plenipotentiary
of Japan to the Republic of Korea

II a

Seoul, January 30, 1974

Excellency,

I have the honour to acknowledge the receipt of Your Excellency's Note of today's date which reads as follows:

[See note I a]

I have further the honour to confirm, on behalf of the Government of Japan, the arrangements embodied in Your Excellency's Note and to agree that Your Excellency's Note and this Note shall be regarded as constituting an agreement between the two Governments.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

TORAO USHIROKU
Ambassador Extraordinary and Plenipotentiary
of Japan to the Republic of Korea

His Excellency Mr. Dong-Jo Kim
Minister of Foreign Affairs
of the Republic of Korea

I b

Seoul, January 30, 1974

Excellency,

I have the honour to refer to article XX of the Agreement between the Republic of Korea and Japan concerning joint development of the southern part of the continental shelf adjacent to the two countries signed today (hereinafter referred to as "the Agreement") and to confirm, on behalf of the Government of the Republic of Korea, the following arrangements concerning the prevention of collisions at sea.

1. The Government of either Party shall take the following measures in the sub-zones of the Joint Development Zone with respect to which that Party has authorized concessionaires designated and acting as operators:

(1) (a) When the exploration under the Agreement is carried out in such subzones by surface vessels, that Government shall promptly inform the other Government and mariners of the areas covered by, and the durations of, such exploration activities.

(b) When a fixed installation hazardous to navigation (hereinafter referred to as "fixed installation") is erected, that Government shall promptly inform the other Government and mariners of the exact location of the fixed installation and other particulars necessary for the safety of navigation, such as markings to be fixed to such installation while being erected. That Government shall take similar measures when a fixed installation is dismantled or removed.

(2) When a fixed installation has been erected which rises above the water, that Government shall ensure that:

- (a) The fixed installation is marked at night by one or more white lights so constructed that at least one light is visible from any direction. Such lights shall be placed not less than 15 metres above Mean High Water and shall flash Morse letter U (· · -) every 15 seconds or less. The intensity of such lights shall be not less than 6,000 candelas;
- (b) The horizontal and vertical extremities of the fixed installation are marked at night by red lights having intensity of not less than 300 candelas;
- (c) The fixed installation is equipped with one or more sound signals so constructed and fixed as to be audible from any direction. The sound signals shall have a rated range of not less than 2 nautical miles and shall emit blasts corresponding to Morse

letter U (.-) every 30 seconds. The signals shall be operated when the meteorological visibility is less than 2 nautical miles;

- (d) A radar reflector is so fixed as to enable vessels approaching the fixed installation from any direction to clearly detect the presence of the fixed installation on their radar from a distance of not less than 10 nautical miles;
- (e) The fixed installation is equipped with appropriate markings to prevent collisions with aircraft.

(3) When an underwater fixed installation such as submerged well or pipe-line has been erected, that Government shall ensure that it is adequately marked.

(4) (a) When a number of fixed installations are situated in close proximity to one another and when safety of navigation can be secured without each of fixed installations being individually equipped with signals referred to in (2) (a), (b), (c) and (d), such fixed installations may be regarded as constituting a single fixed installation for the purposes of (2) (a), (b), (c) and (d).

(b) When a fixed installation itself possesses radar reflectory capability which meets the requirements of (2) (d), the fixing of a radar reflector may be omitted.

2. The present arrangements shall become applicable as from the date of entry into force of the Agreement.

3. The present arrangements may be terminated by either Government by giving one year's written notice to the other Government.

4. The two Governments shall meet before the present arrangements are terminated in accordance with 3 to decide on future arrangements.

I have further the honour to propose that the present Note and Your Excellency's Note in reply thereto confirming the foregoing arrangements on behalf of the Government of Japan shall be regarded as constituting an agreement between the two Governments.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

DONG-JO KIM
Minister of Foreign Affairs

His Excellency Torao Ushiroku
Ambassador Extraordinary and Plenipotentiary
of Japan to the Republic of Korea

II b

Seoul, January 30, 1974

Excellency,

I have the honour to acknowledge the receipt of Your Excellency's Note of today's date which reads as follows:

[See note I b]

I have further the honour to confirm, on behalf of the Government of Japan, the arrangements embodied in Your Excellency's Note and to agree that Your Excellency's Note and this Note shall be regarded as constituting an agreement between the two Governments.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

TORAO USHIROKU
Ambassador Extraordinary and Plenipotentiary
of Japan to the Republic of Korea

His Excellency Mr. Dong-Jo Kim
Minister of Foreign Affairs
of the Republic of Korea

I c

Seoul, January 30, 1974

Excellency,

I have the honour to refer to article XX of the Agreement between Japan and the Republic of Korea concerning joint development of the southern part of the continental shelf adjacent to the two countries signed today (hereinafter referred to as "the Agreement") and to confirm, on behalf of the Government of Japan, the following arrangements concerning the prevention and removal of pollution of the sea resulting from activities relating to exploration or exploitation of natural resources in the Joint Development Zone.

I

The Government of either Party shall ensure that the following measures are taken with respect to (a) a well or a marine facility relating to exploration or exploitation of natural resources in the subzones of the Joint Development Zone with respect to which that Party has authorized concessionaires designated and acting as operators, or (b) a vessel under the flag of that Party engaged in activities relating to exploration or exploitation of natural resources in the Joint Development Zone (hereinafter referred to as "ship"):

1. Blow-out preventor, etc.

(1) (a) A well which is being drilled shall be equipped with blow-out preventor in case blow-out of oil or natural gas is likely to occur.

(b) The provisions of (a) shall not apply when oil testing or repair works are performed and automatic oil- or gas-collecting devices for blow-out have been installed.

(2) The blow-out preventor referred to in (1) shall meet the following requirements:

(a) The blow-out preventor installed at the entrance of a well shall be of an open-and-close type, and of a remote control type which can be promptly operated, with an independent power source;

(b) The operating gear or warning devices for emergency use of such blow-out preventor shall be located close to the person who operates the draw-works;

(c) Flow-bean or other devices shall be installed to control the quantity of oil or natural gas flowing from the outlet of such blow-out preventor;

(d) Devices capable of prevention of blow-out of oil or natural gas from inside drilling pipes, tubing pipes or casing pipes shall be installed.

(3) (a) When drilling of a well or oil testing is performed, muddy water or its materials for emergency use and such materials as are necessary for making heavy

muddy water or for controlling the quality of muddy water shall be stocked at the drilling site.

(b) The provisions of (a) shall not apply when automatic oil- or gas-collecting devices for blow-out have been installed.

(4) The blow-out preventor, automatic oil- or gas-collecting devices for blow-out and other devices installed at the entrance of a well shall be such that they can withstand at least the pressures prescribed in the Schedule attached to this Note.

(5) In the course of drilling operations, the following requirements shall be met:

- (a) When a well has been drilled to an appropriate depth, the insertion of casing pipes and cementing shall be performed promptly;
- (b) When cementing has been performed, its effectiveness shall be confirmed by applying pressure or by other means;
- (c) Devices capable of immediate detection of any unusual increases or decreases in the quantity of muddy water in the tank for circulating muddy water shall be installed.

(6) Pressure proof tests of the blow-out preventor shall be conducted at least once a month by applying appropriate pressures.

(7) The blow-out preventor shall be closed when drilling operations are suspended because of difficulties arising from meteorological conditions in maintaining the position of a drilling facility or because of the occurrence, or the danger, of an accident.

2. Discharge of oil

(1) (a) Crude oil, fuel oil, heavy diesel oil, lubricating oil or a mixture containing such oils (hereinafter referred to as "oil") shall not be discharged from a ship or a marine facility.

(b) The provisions of (a) shall not apply to:

- (i) The discharge of oil from a ship other than a tanker or the discharge of bilge from a tanker, when the following conditions are all satisfied:
 - i) The ship or tanker is proceeding en route;
 - ii) The instantaneous rate of discharge of oil content does not exceed 60 litres per nautical mile;
 - iii) The oil content of the discharge is less than 100/1,000,000 of the discharge;
- (ii) The discharge of oil from a tanker, when the following conditions are all satisfied:
 - i) The tanker is proceeding en route;
 - ii) The instantaneous rate of discharge of oil content does not exceed 60 litres per nautical mile;
 - iii) The total quantity of oil discharged on a ballast voyage does not exceed 1/15,000 of the total cargo-carrying capacity;
 - iv) The tanker is more than 50 nautical miles from the nearest land;
- (iii) The discharge of water ballast from a cargo tank which has been so cleaned that any effluent therefrom would produce no visible traces of oil on the surface of the water, if it were discharged from a stationary tanker into clean calm water on a clear day.

(2) The provisions of (1) shall not apply to:

- (a) The discharge of oil for the purpose of securing the safety of a ship or a marine facility, preventing damage to a ship or a marine facility or cargo of a ship or saving life at sea;
- (b) The escape of oil resulting from damage to a ship or a marine facility or unavoidable leakage, if all reasonable precautions have been taken after the occurrence of the damage or discovery of the leakage for the purpose of preventing or minimizing the escape;

- (c) The discharge of oil from a marine facility if the oil content of such discharge is less than 10/1,000,000 of the discharge;
 - (d) The discharge of oil from tankers of under 150 tons gross tonnage and other ships of under 500 tons gross tonnage.
3. Discharge of waste
- (1) Waste shall not be discharged from a ship or a marine facility.
 - (2) The provisions of (1) shall not apply to:
 - (a) The discharge of refuse, excretion, sewage or similar waste resulting from daily life of the personnel aboard a ship or a marine facility;
 - (b) The discharge of cuttings or dirty water in a manner in which pollution of the sea is not likely to occur;
 - (c) The discharge of waste other than cuttings or dirty water from a ship in a manner in which pollution of the sea is not likely to occur, and at a location where such discharge is not likely to hinder the maintenance of the sea-environment;
 - (d) The discharge of waste for the purpose of securing the safety of a ship or a marine facility, preventing damage to a ship or a marine facility or cargo of a ship or saving life at sea;
 - (e) The discharge of waste resulting from damage to a ship or a marine facility or unavoidable discharge, if all reasonable precautions have been taken after the occurrence of the damage or discovery of the discharge for the purpose of preventing or minimizing the discharge.
4. Prevention and removal of pollution

When large quantities of oil have been discharged from a ship or a marine facility, measures shall be taken promptly to prevent the spread of such pollution, to prevent the continued discharge of oil and to remove the discharged oil.

5. Abandonment of a well

When a well is abandoned, measures such as sealing of the well shall be taken to prevent leakage of mine water or other substances from such well.

II

1. One Government shall promptly provide the other Government with all available information when any of the following occurs:

- (a) Discharge of large quantities of oil from a ship or a marine facility;
- (b) Collisions between a marine facility and a ship or other objects;
- (c) Evacuation of personnel from a marine facility due to dangerous meteorological conditions or other emergencies.

2. When information concerning 1 (a) is provided, the Government concerned shall also inform the other Government of the measures taken in accordance with I.4.

III

1. Under special circumstances, each Government may authorize exceptions to the provisions of I. 1 (2) (a), (b), (c) or (d).

2. With respect to a well exceeding 1,500 metres in depth, each Government may authorize exceptions to the provisions of I. 1 (4).

IV

Either Government may take necessary measures to prevent and remove pollution of the sea when measures are not taken in accordance with I. 4 or when that Government considers that such measures are not sufficient to prevent or remove pollution of the sea.

V

The two Governments shall cooperate closely for the effective implementation of the present arrangements.

VI

1. The present arrangements shall become applicable six months after the date of entry into force of the Agreement or on an earlier date as may be mutually agreed upon between the two Governments.

2. The present arrangements may be terminated by either Government by giving one year's written notice to the other Government.

3. The two Governments shall meet before the present arrangements are terminated in accordance with 2 to decide on future arrangements.

I have further the honour to propose that the present Note and Your Excellency's Note in reply thereto confirming the foregoing arrangements on behalf of the Government of the Republic of Korea shall be regarded as constituting an agreement between the two Governments.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

TORAO USHIROKU
Ambassador Extraordinary and Plenipotentiary
of Japan to the Republic of Korea

His Excellency Mr. Dong-Jo Kim
Minister of Foreign Affairs
of the Republic of Korea

SCHEDULE

<i>Nature of oil or natural gas stratum to be drilled</i>	<i>Pressure</i>	
	<i>Blow-out preventor</i>	<i>Devices other than blow-out preventor</i>
Oil stratum or isolated natural gas stratum with known pressure	1.5 times the pressure at the bottom of an airtight well	Twice the pressure at the entrance of an airtight well
Oil stratum or isolated natural gas stratum with unknown pressure	Kilogram weight per square centimetre equivalent to the figure computed by multiplying by 1.5 the number of metres of the depth of the stratum divided by 10	Twice the pressure at the entrance of an airtight well
Stratum of natural gas dissolved in water	Kilogram weight per square centimetre equivalent to the figure computed by multiplying by 0.5 the number of metres of the depth of the stratum divided by 10	Twice the pressure at the entrance of an airtight well

II c

Seoul, January 30, 1974

Excellency,

I have the honour to acknowledge the receipt of Your Excellency's Note of today's date which reads as follows:

[*See note I c*]

I have further the honour to confirm, on behalf of the Government of the Republic of Korea, the arrangements embodied in Your Excellency's Note and to agree that Your Excellency's Note and this Note shall be regarded as constituting an agreement between the two Governments.

I avail myself of this opportunity to renew to Your Excellency the assurance of my highest consideration.

DONG-JO KIM
Minister of Foreign Affairs

His Excellency Torao Ushiroku
Ambassador Extraordinary and Plenipotentiary
of Japan to the Republic of Korea
