

**PETROLEUM (PROSPECTING AND MINING)  
ORDINANCES 1951.<sup>(1)</sup>**

BEING THE

PETROLEUM (PROSPECTING AND MINING) ORDINANCE 1951

AS AMENDED BY THE

PETROLEUM (PROSPECTING AND MINING) ORDINANCE (No. 2) 1951

**PETROLEUM (PROSPECTING AND MINING)  
ORDINANCE 1951.<sup>(1)(2)</sup>**

No. 6 of 1951.

**An Ordinance to regulate Prospecting and Mining for  
Petroleum.**

**B**E it ordained by the Governor-General in and over the Commonwealth of Australia, with the advice of the Federal Executive Council, in pursuance of the powers conferred by the *Papua and New Guinea Act 1949-1950*, as follows:—

PART I.—PRELIMINARY.

- Short title.           1. This Ordinance may be cited as the *Petroleum (Prospecting and Mining) Ordinance 1951.*<sup>(1)(2)</sup>
- Commencement.       2. This Ordinance shall come into operation on a date to be fixed by the Administrator by notice<sup>(1)</sup> in the *Gazette*.
- Repeal.               3.—(1.) The Ordinances specified in the Schedule to this Ordinance are repealed.

(1) The *Petroleum (Prospecting and Mining) Ordinances 1951* comprise the *Petroleum (Prospecting and Mining) Ordinance 1951*, as amended by the other Ordinance referred to in the following Table:—

ORDINANCES MADE BY THE GOVERNOR-GENERAL IN COUNCIL.

Short title, number and year.	Date on which made by Gov.-Gen. in Council.	Date on which notified in <i>Cwlvh. Gaz.</i>	Date on which took effect.
<i>Petroleum (Prospecting and Mining) Ordinance 1951 (No. 6 of 1951)</i>	1.3.1951	15.3.1951	2.7.1951 (Papua and N.G. <i>Govt. Gaz.</i> of 28.6.1951)
<i>Petroleum (Prospecting and Mining) Ordinance (No. 2) 1951 (No. 9 of 1951)</i>	4.4.1951	10.4.1951	2.7.1951 (Papua and N.G. <i>Govt. Gaz.</i> of 28.6.1951)

(2) A paragraph omitted by the *Petroleum (Prospecting and Mining) Ordinance (No. 2) 1951* (printed in this Volume on p. 773) is enclosed in square brackets, printed in *italics* and indicated by a footnote.

(2.) Notwithstanding the repeal effected by this section, any permit issued under any Ordinance repealed by this section and in force at the date of commencement of this Ordinance shall continue in force, as if issued under this Ordinance.

4. This Ordinance shall, in relation to the Territory of Papua, Incorporation. be incorporated and read as one with the *Mining Ordinance 1937-1950*<sup>(3)</sup> of that Territory, and, in relation to the Territory of New Guinea, shall be incorporated and read as one with the *Mining Ordinance 1928-1947*<sup>(4)</sup> of that Territory.

5. This Ordinance is divided into Parts as follows:—

Parts.

Part I.—Preliminary (Sections 1-9).

Part II.—Administration (Sections 10-14).

Part III.—Permits, Licences and Leases.

Division 1—Preliminary (Sections 15-18).

Division 2—Permits (Sections 19-26).

Division 3—Licences (Sections 27-38).

Division 4—Leases (Sections 39-52).

Division 5—General Provisions relating to Permits,  
Licences and Leases (Sections 53-85).

Division 6—Compensation (Sections 86-91).

Part IV.—Miscellaneous (Sections 92-100).

6. In this Ordinance, unless the contrary intention appears— Definitions.

“Administration land” includes—

(a) all land vested in the Administration;

(b) all land held under lease from the Administrator or the Crown other than land held under lease granted under this Ordinance; and

(c) all native-owned land,

but does not include—

(d) land which has been granted in fee simple or lawfully contracted to be granted in fee simple; or

(e) land dedicated to any public purpose;

“arbitration” means—

(a) in relation to the Territory of Papua, arbitration under the *Arbitration Ordinance, 1912*<sup>(5)</sup> of that Territory; and

(3) The *Mining Ordinance, 1937-1939* is printed in *The Laws of the Territory of Papua 1888-1945 (Annotated)*, Vol. III., on pp. 3019-3119; as to subsequent amendments see the Supplementary Table printed in Part B of Volume II.

(4) The *Mining Ordinance 1928-1940* is printed in *The Laws of the Territory of New Guinea 1921-1945 (Annotated)*, Vol. III., on pp. 3221-3292; as to subsequent amendments see the footnotes to that Ordinance.

(5) Printed in *The Laws of the Territory of Papua 1888-1945 (Annotated)* Vol. I., on pp. 147-153. Repealed and replaced by the *Arbitration Ordinance 1951*, printed in this Volume on pp. 156-161.

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- (b) in relation to the Territory of New Guinea, arbitration under the *Arbitration Ordinance* 1924<sup>(6)</sup> of that Territory;
- “ area ” means, in relation to a Warden’s Court or a Warden, the area or areas assigned to that Warden’s Court or Warden in pursuance of section fourteen of this Ordinance;
- “ authorized officer ”, in relation to the doing of any act, the exercise of any power or function, or the performance of any duty, means any officer thereto authorized in writing by the Administrator;
- “ casinghead petroleum spirit ” means any liquid hydrocarbons obtained from natural gas by any chemical or physical process;
- “ control well ” means a well drilled or mainly used for the purpose of obtaining information concerning the physical properties and behaviour of oil, gas and water, or any of them, in a geological petroleum structure or petroleum field;
- “ crude oil ” means petroleum oil in its natural state before it has been refined or otherwise treated but from which water and foreign substances have been extracted;
- “ detailed survey ” means a complete geological survey of an area to determine geological structure and includes—
- (a) the construction of the necessary contoured topographical, structural and geological maps and sections in connexion therewith;
  - (b) the collection of necessary specimens of rock, fossils and other materials and the laboratory examination thereof; and
  - (c) where necessary, an aerial survey, geophysical survey, scout drilling and pit sinking;
- “ drilling ” means the perforation of the earth’s surface crust by mechanical means not involving the descent of workmen into the hole caused by the perforation and whether the hole is vertical, inclined or horizontal, and includes all operations for preventing the collapse of the sides of the hole or for preventing the hole from becoming filled by extraneous materials (including water) and the fitting of well heads;
- “ former Administration ” means the Provisional Administration of the Territory of Papua-New Guinea and the Administration of the Territory of New Guinea;

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(6) Printed in *The Laws of the Territory of New Guinea 1921-1945 (Annotated)*, Vol. I., on pp. 91-96. Repealed and replaced by the *Arbitration Ordinance* 1951, printed in this Volume on pp. 156-161.

- “geologist” means a person trained in the science of geology and approved by the Minister in writing as a person qualified to carry out geological surveys for the purposes of this Ordinance;
- “geophysicist” means a person trained in the science of geophysics and approved by the Minister in writing as a person qualified to carry out or direct geophysical surveys for the purposes of this Ordinance;
- “improved land” includes—
- (a) the site or curtilage of any building;
  - (b) any garden, lawn, yard, nursery for trees, orchard, vineyard, cultivation field (not being mere pasture land), sports ground, recreation ground, rifle range, reservoir, natural or artificial storage or accumulation of water, spring, dam, bore, artesian well, cemetery, burial ground or place of worship; and
  - (c) any land on which a railway, tramway, bridge or culvert is constructed;
- “injection well” means a well used for the purpose of injecting fluid or gas into an underground reservoir either in accordance with secondary recovery operations or as a means of disposal of excess petroleum or waste products;
- “land” includes that portion of the sea-bed adjoining the coast of the Territory extending to the outer edge of the continental shelf, and the bed of any river, estuary, lake or swamp;
- “lease” means a lease granted under this Ordinance;
- “lessee” means the holder of a lease;
- “licence” means a licence granted under this Ordinance;
- “licensee” means the holder of a licence;
- “mining operations” includes drilling for, mining, extracting, recovering, removing, storing, refining, improving, processing and disposing of petroleum;
- “native-owned land” means land which is owned or occupied by natives and has never been vested in the Administration or in the Crown or in a former Administration;
- “natural gas” means gas obtained from a well and consisting primarily of hydrocarbons;
- “permit” means a permit issued or continued in force under this Ordinance;
- “permittee” means the holder of a permit;
- “petroleum” means naturally occurring hydrocarbons in a free state, whether gaseous, liquid or solid, but does not include coal, shale or any substance which may be extracted from coal, shale or other rock by the application of heat or by a chemical process;

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“private land” means land—

- (a) which has at any time been alienated from the Administration or the Crown or from any Administration or Government formerly exercising authority over the Territory or any part of the Territory for an estate in fee simple;
- (b) which is lawfully contracted to be so alienated; or
- (c) which is held under any Ordinance relating to land vested in the Administration or in the Crown or in a former Administration in which an estate in fee simple may be acquired by the occupier or by any other person immediately or at a future time with or without performance of any conditions,

but does not include a reserve;

“production”, in relation to drilling or mining operations, means a state or condition in which petroleum is recoverable by flowing, pumping or other means, or the recovery of petroleum, as the context requires;

“reconnaissance survey” means a rapid preliminary examination of an area in less detail than is required for a detailed survey;

“the Oil Advisory Committee” means the Oil Advisory Committee referred to in section ten of this Ordinance;

“the Petroleum Advisory Board” means the Petroleum Advisory Board referred to in section eleven of this Ordinance;

“the Regulations” means the Regulations made under this Ordinance;

“to prospect” includes—

- (a) to make a reconnaissance survey or a detailed survey; and
- (b) to test a geological structure for petroleum by the drilling of boreholes;

“well” includes borehole.

Petroleum and helium the property of the Administration.

7. Subject to this Ordinance, but notwithstanding anything contained in any other law of the Territory or in any grant, instrument of title or other document, all petroleum and helium at or below the surface of any land in the Territory shall be, and shall be deemed at all times to have been, the property of the Administration.

Reservation in Administration grants.

8. All grants, leases, licences and other instruments of tenure issued or granted at any time before or after the commencement of this Ordinance under any Ordinance relating to land vested in the

Administration or in the Crown or in a former Administration, other than permits, licences and leases issued or granted under this Ordinance, shall be deemed to contain—

- (a) a reservation of all petroleum on or below the surface of the land comprised therein and also a reservation of all rights necessary for the purpose of searching for and obtaining petroleum in any part of the land and all rights of way and easements for pipe lines and for other purposes required for obtaining or conveying petroleum; and
- (b) a reservation of all helium found in association with petroleum and of all rights necessary for the purpose of obtaining or conveying helium similar to the rights reserved by the last preceding paragraph in respect of petroleum.

9.—(1.) The Administrator may, with the consent of the Minister, and on behalf of the Administration—

- (a) carry on prospecting, drilling and mining operations for petroleum or helium; and
- (b) carry on the business of acquiring, improving, disposing of and dealing in petroleum or helium produced in the Territory and any products thereof.

Administrator may carry on mining operations.

(2.) Where the Administrator carries on any operations under this section, he shall have the same rights, benefits and privileges, and be subject to the same duties and obligations as a permittee, licensee or lessee, as the case may be.

## PART II.—ADMINISTRATION.

10.—(1.) For the purposes of this Ordinance, there shall be an Oil Advisory Committee which shall consist of not more than three persons appointed by the Minister from among persons employed by the Commonwealth and trained in the science of geology, in petroleum technology or in petroleum engineering.

Oil Advisory Committee.

(2.) The members of the Committee shall hold office during the pleasure of the Minister.

(3.) The Committee shall advise the Minister or the Administrator upon any scientific or technical question arising under this Ordinance and referred to the Committee by the Minister or Administrator.

11.—(1.) For the purposes of this Ordinance, there shall be a Petroleum Advisory Board which shall consist of three persons appointed by the Administrator by notice<sup>(7)</sup> in the *Gazette*, one of whom the Administrator shall appoint to be Chairman of the Board.

Petroleum Advisory Board.

(7) Pursuant to Section 11, the Administrator, by notice dated 1.10.1951 and published in Papua and N.G. *Govt. Gaz.* of 11.10.1951, appointed a Petroleum Advisory Board consisting of the Secretary for Lands, Surveys and Mines and two members by name. This notice was revoked by a notice dated 7.12.1951 and published in Papua and N.G. *Govt. Gaz.* of 27.12.1951 constituting a Petroleum Advisory Board to consist of the Secretary, Department of Lands, Surveys and Mines, Chairman, the Government Secretary and one other member by name.

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(2.) The members of the Board shall hold office during the pleasure of the Administrator.

(3.) In the event of the absence or illness of any member of the Board or the inability of any member of the Board to perform his duties, the Administrator may appoint a person to act as a substitute for that member, during his absence, illness or inability.

(4.) The Administrator may, by notice in the *Gazette*, dissolve the Petroleum Advisory Board and the Board shall cease and determine accordingly.

Powers and duties of Petroleum Advisory Board.

**12.—(1.)** The Administrator may refer to the Petroleum Advisory Board for advice any question or matter relating to the administration of this Ordinance.

(2.) The Board shall inquire into and advise the Administrator or <sup>(7A)</sup> any question or matter referred to it under the last preceding sub-section.

(3.) For the purposes of an inquiry under this section, the Board, and each and every member thereof, shall have the same powers, authorities and protection—

(a) in relation to the Territory of Papua, as a member of a Commission appointed under the *Royal Commissions Ordinance of 1906*<sup>(8)</sup> of that Territory; and

(b) in relation to the Territory of New Guinea, as a member of a Commission appointed under the *Royal Commissions Act 1902-1912* of the Commonwealth in its application to that Territory.

Power to resume land.

**13.—(1.)** The Administrator may, by proclamation<sup>(9)</sup> in the *Gazette*, acquire or resume any land which, in his opinion, should be acquired or resumed for the purpose of this Ordinance.

(2.) An acquisition or resumption under the last preceding sub-section shall not be made until after the expiration of one month from the date of publication in the *Gazette* of notice of the intention to acquire or resume.

(3.) Compensation shall be paid by the Administration for any land acquired or resumed under this section and the amount of compensation shall be determined as prescribed.

(4.) In assessing the amount of compensation, an allowance shall not be made for any petroleum or helium known or supposed to be in or upon the land acquired or resumed.

(5.) Where it is proved to the satisfaction of a Warden's Court that damage has been sustained by a claimant by reason of the severance of the land acquired or resumed from other adjoining land of the claimant, the Court may order that the adjoining land

(7A) The word "or" appeared in the original Ordinance. *Seemle*, "on" was intended.

(8) Printed in *The Laws of the Territory of Papua 1888-1945 (Annotated)*, Vol. III., on pp. 2227-2228.

(9) No proclamation has been published in Papua and N.G. *Govt. Gaz.* before 1.1.1952.

or such portion thereof as is specified by the Court shall also be acquired or resumed, and thereupon the Administrator shall, as soon as practicable, acquire or resume that land in accordance with this section.

14.—(1.) The Administrator may, by proclamation<sup>(10)</sup> in the *Gazette*, assign to any Warden's Court such areas as he thinks fit and appoint officers to be Wardens of those areas. Power to assign areas to Warden's Court.

(2.) In case of the illness or absence on leave or otherwise of a Warden, or on an emergency—

- (a) another Warden may, at the request in writing of the first-mentioned Warden or the Administrator, exercise all or any of the powers and perform all or any of the duties which that Warden might have exercised or performed under this Ordinance; or
- (b) the Administrator may appoint some fit and proper person to discharge the duties of that Warden, and that person shall have and may exercise all or any of the powers and perform all or any of the duties which that Warden might have exercised or performed under this Ordinance.

PART III.—PERMITS, LICENCES AND LEASES.

*Division 1.—Preliminary.*

15.—(1.) Subject to this Ordinance, a permit may be issued or a licence or lease may be granted to— Issue of permits, licences and leases.

- (a) a British subject;
- (b) a company or corporation incorporated or registered under the law for the time being in force relating to companies in the Territory;
- (c) an association of British subjects, or of companies or corporations referred to in paragraph (b) of this sub-section, or of British subjects and any such companies or corporations,

in respect of any land within the Territory, excepting such land as is, at the time of the issue or grant—

- (d) comprised in a permit, licence or lease respectively; or
- (e) reserved by a proclamation under the next succeeding section.

(2.) A notification of the issue of a permit or the grant of a licence or lease shall be published in the *Gazette*.

(3.) For the purposes of this section, "land within the Territory" includes that portion of the sea-bed adjoining the coast of the Territory extending to the outer edge of the continental shelf.

(10) No proclamation has been published in Papua and N.G. *Govt. Gaz.* before 1.1.1952.

*Permit*

PART A: MINING—

Reservation of land from permits, licences and leases.

16. The Administrator may, by proclamation<sup>(11)</sup> in the *Gazette*, declare that any land specified in the proclamation shall be reserved from inclusion in any permit, licence or lease and may, in the same manner, revoke or vary any such proclamation.

Limitation of permits, licences and leases.

17.—(1.) Where—

- (a) a licensee or lessee applies for the issue of a permit; or
- [(b) a permittee, licensee or lessee applies for the issue or grant of a further permit, licence or lease, respectively, in respect of such an area of land that, if the application were granted—
  - (i) the area of land held by the permittee under the permits would exceed ten thousand square miles;
  - (ii) the area of land held by the licensee under the licences would exceed five thousand square miles; or
  - (iii) the area of land held by the lessee under the leases would exceed two thousand five hundred square miles,]<sup>(12)</sup>

the Administrator shall not issue or grant the permit, licence or lease unless the Governor-General, after the Minister has obtained a report from the Administrator and from the Oil Advisory Committee, authorizes him to do so.

(2.) Particulars of all permits, licences or leases issued or granted in pursuance of the authority of the Governor-General under this section together with the reasons for the issue or grant thereof, shall be laid before each House of the Parliament of the Commonwealth within thirty sitting days of that House after the issue or grant of the permit, licence or lease.

(3.) If a company or corporation which holds a permit, licence or lease under this Ordinance, acquires or holds, either directly or indirectly, without the consent in writing of the Minister, any shares or stock in another company or corporation holding a permit, licence or lease, the Administrator may cancel the first-mentioned permit, licence or lease.

Preferential rights of permittee and licensee.

18. A permittee or licensee who has complied with the terms and conditions of his permit or licence and with such of the provisions of this Ordinance and of the Regulations as are applicable to him shall, subject to this Ordinance, have the right to a licence or lease respectively, in preference to other persons, of any land comprised in the permit or licence.

(11) No. proclamation has been published in Papua and N.G. *Govt. Gaz.* before 1.1.1952.

(12) Section 17 was amended by omitting paragraph (b) of sub-section (1.) and inserting a new paragraph (b) by Section 8 of the *Petroleum (Prospecting and Mining) Ordinance (No. 2) 1951*, printed in this Volume on pp. 773-774.

Division 2.—Permits.

19.—(1.) Any person may, in the manner and form prescribed, <sup>Application for permit.</sup> apply to the Administrator for the issue of a permit.

(2.) A person (not being a permittee, licensee or lessee) shall not apply for more than one permit.

(3.) An application for a permit shall be accompanied by a fee of One hundred pounds.

(4.) The Administrator shall not issue a permit unless he is satisfied that the applicant is of sufficient financial standing and otherwise fitted for the exercise of the rights and the performance of the obligations arising out of the issue of a permit.

(5.) Where the land, or any part thereof, in respect of which an application for a permit is made, is included in any other application for a permit, the Minister, after obtaining a report from the Oil Advisory Committee, shall decide to which applicant the permit shall be issued.

(6.) A notification of each application for a permit shall be published in the *Gazette* and a copy of the application shall be posted and kept posted at the office of the Warden within whose area the land in respect of which the application is made is situated, and at the office of the Secretary, Department of Lands, Surveys and Mines, for a period of not less than thirty days.

(7.) Where an application for the issue of a permit is refused, the fee paid in respect of the application shall be refunded to the applicant.

20. Before a permit is issued, the applicant shall furnish a <sup>Applicant to furnish bond.</sup> bond—

(a) in accordance with a form approved by the Administrator;

(b) in such sum (not being less than One thousand pounds) as the Administrator requires; and

(c) with such surety as the Administrator approves,

for compliance with the terms and conditions of the permit and with such of the provisions of this Ordinance and of the Regulations as are applicable to him.

21.—(1.) Subject to this Ordinance, the Administrator may, <sup>Issue of permits.</sup> after obtaining reports from the Petroleum Advisory Board and the Oil Advisory Committee, and with the approval of the Minister, issue a permit to the applicant.

(2.) A permit issued under this section shall—

(a) be in respect of one, two or three areas, not exceeding in the aggregate ten thousand square miles, and subject to such terms and conditions as the Administrator, with the approval of the Minister, determines;

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- (b) be for a term not exceeding twelve months; and
- (c) confer on the permittee the exclusive right to prospect for petroleum in and on the land specified in the permit.

(3.) Subject to this section, the Administrator may, after obtaining reports from the Petroleum Advisory Board and the Oil Advisory Committee and with the approval of the Minister, and upon payment of the prescribed fee, from time to time extend the term of a permit with respect to the whole or portion of the land comprised therein for a period not exceeding three years, on such terms and conditions as the Administrator, with the approval of the Minister, determines.

(4.) The total term of any permit shall not exceed ten years, or, in the case of a permit in force on the eleventh day of February, One thousand nine hundred and forty-two, fourteen years.

(5.) An application for the extension of a permit shall be lodged with the Administrator not less than one month before the expiration of the term of the permit.

Surrender  
of permits.

**22.**—(1.) Where the term of a permit has been extended in pursuance of section twenty-one of this Ordinance, the permittee may, upon giving one month's notice in writing to the Administrator, apply to the Administrator for permission to surrender the permit with respect to the whole or portion of the land comprised therein.

(2.) The Administrator, after obtaining a report from the Oil Advisory Committee, may permit the surrender of the permit accordingly.

(3.) Where a permit is surrendered with respect to portion only of the land comprised therein, the permit shall, in respect of the remainder of the land, be subject to such terms and conditions (in addition to or in substitution for the terms and conditions subject to which the permit was issued) as the Administrator, with the approval of the Minister, determines.

Suspension  
of permits.

**23.**—(1.) On the application of a permittee, the Administrator may, after obtaining a report from the Oil Advisory Committee and with the approval of the Minister, suspend either wholly or in part and either absolutely or conditionally the obligations of the permittee under his permit, and may order that the period of suspension shall not be taken into account in calculating the total term of the permit.

(2.) The total period of suspension under this section in respect of any permit shall not exceed five years.

**24.** The Administrator may cancel a permit if he is satisfied that the permittee has failed to comply, or is not making reasonable efforts to comply, with the terms and conditions of the permit or with such of the provisions of this Ordinance and the Regulations as are applicable to him.

Power to  
cancel permits.

**25.—(1.)** A permittee shall—

Duties of  
permittee.

- (a) within six months after the date of the issue to him of the permit, cause a reconnaissance survey of the land comprised in the permit to be commenced by a geologist or a geophysicist and thereafter, during the term of the permit, carry on survey operations to the satisfaction of the Administrator;
- (b) cause to be made petrological, palaeontological or other scientific examinations of specimens obtained from the land comprised in the permit, to the satisfaction of the Administrator;
- (c) retain representative specimens of the specimens so obtained and make them available as soon as practicable to the Administrator;
- (d) furnish to the Administrator every three months a report on the progress of all work carried out on or in relation to the land comprised in the permit;
- (e) as soon as practicable after the completion of the reconnaissance survey, furnish to the Administrator—
  - (i) a detailed report setting forth the results of the survey, together with accurate copies of such field observations as may be specified by the Administrator;
  - (ii) a geological map of the land surveyed, drawn to a scale of not less than one in one hundred thousand; and
  - (iii) a report on the results of the examination of specimens; and
- (f) where a detailed survey has been carried out on the land comprised in the permit, in addition to the geological map referred to in the last preceding paragraph, furnish to the Administrator, as soon as practicable after the completion of that survey, a geological map of the land surveyed, drawn to a scale of not less than one in twenty-five thousand.

(2.) In the event of the discovery of petroleum in a borehole in any land comprised in a permit, the permittee shall immediately furnish to the Administrator a report accordingly, and shall, if so required by the Administrator, carry out such operations as are practicable for the purpose of proving the quantity and quality of the supply of petroleum.

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(3.) Except as provided in the next succeeding sub-section, a permittee shall not be entitled to dispose of any petroleum obtained from land comprised in a permit until a lease of the land from which the petroleum was obtained has been granted to him.

(4.) Upon the application of a permittee the Administrator may, in his absolute discretion, notwithstanding that a lease of the land from which the petroleum was obtained has not been granted to the permittee, authorize the disposal of petroleum by the permittee for use in prospecting and mining operations under this Ordinance.

Authority to enter land.

**26.—**(1.) Where, in the opinion of the Administrator, it is necessary for the effective exercise of his rights or the proper performance of his duties under this Ordinance for a permittee to enter on any land not held under any permit, licence or lease in order to obtain geological information for use in relation to the land comprised in the permit, the Administrator may, on application by the permittee, and subject to this Ordinance, grant authority to the permittee to enter on that land and there do such acts as are necessary to obtain that information.

(2.) An authority granted under this section shall not entitle a permittee to prospect for petroleum by the drilling of boreholes on the land in respect of which the authority is granted.

*Division 3.—Licences.*

Application for licence.

**27.—**(1.) A permittee may, in the manner and form prescribed, apply to the Administrator for the issue of a licence.

(2.) The application shall be accompanied by—

(a) a fee of Twenty pounds;

(b) a further fee of Twenty-five pounds, which—

(i) if the licence is granted, shall be applied in or towards payment of the first year's rent; or

(ii) if the licence is not granted, shall be refunded to the applicant; and

(c) two copies of a plan and description of the land comprised in the licence applied for, which plan and description shall be in accordance with a survey made by a surveyor approved by the Administrator.

(3.) Every application shall include a statement setting out—

(a) in the case of an application made by an individual—

(i) his full name, address and occupation; and

(ii) full particulars of the nature and extent of any right, title or interest which the applicant holds, or which any trustee holds for him in any licence or lease, and, where the applicant is a shareholder of a company which holds

any right, title or interest in any licence or lease, full particulars of the shares held by the applicant in that company and of the right, title or interest of the company in any such licence or lease;

(b) in the case of an application made by a body corporate—

- (i) the name of the body corporate and the address of its head office;
- (ii) the date of its incorporation or registration in the Territory;
- (iii) a list of its shareholders or members, together with their addresses and occupations; and
- (iv) full particulars of the nature and extent of any right, title or interest which the applicant holds or which any trustee holds for it in any licence or lease, and, where the applicant is a shareholder of a company which holds any right, title or interest in any licence or lease, full particulars of the shares held by the applicant in that company and of the right, title or interest of that company in any such licence or lease; and

(c) in the case of an application made by an association of individuals, of bodies corporate, or of individuals and bodies corporate, the particulars specified in paragraph (a) or paragraph (b) of this sub-section, as the case may be, in respect of each of the applicants.

(4.) If the applicant desires to obtain two or more separate areas of land under licence, a separate application shall be made in respect of each area.

(5.) Where a permittee applies for a licence in respect of portion only of the land comprised in the permit and, in the opinion of the Administrator, that portion omits part of a single geological petroleum structure or petroleum field wholly or partly contained in the land comprised in the permit, the Administrator may, after obtaining a report from the Oil Advisory Committee, require the permittee to amend the application, plan and description to include therein the whole of that petroleum structure or petroleum field, or such part thereof as is contained in the land comprised in the permit, as the case may be.

**28.** A licence shall not be granted—

- (a) except to a permittee; and

**Licences to  
be granted to  
permittees only.**

(b) unless the Administrator is satisfied—

- (i) that the applicant has complied with the terms and conditions of his permit and with such of the provisions of this Ordinance and of the Regulations as are applicable to him; and
- (ii) that the applicant is of sufficient financial standing and otherwise fitted for the exercise of the rights and the performance of the obligations arising out of the grant of the licence.

Applicant to  
furnish bond.

**29.**—(1.) Before a licence is granted, the applicant shall, unless exempted as provided in this section, furnish a bond—

- (a) in accordance with a form approved by the Administrator;
- (b) in such sum (not being less than Five thousand pounds) as the Administrator requires; and
- (c) with such surety as the Administrator approves,

for compliance with the terms and conditions of the licence and with such of the provisions of this Ordinance and of the Regulations as are applicable to him.

(2.) Subject to the next succeeding sub-section, where a licensee who has furnished subsisting bonds in a sum not less than Twenty-five thousand pounds applies for the grant of an additional licence or licences the Minister may, in his absolute discretion, direct that the licensee shall be exempted from the requirements of the last preceding sub-section, and the subsisting bonds furnished by the licensee shall thereafter apply jointly and severally to all licences held by that licensee.

(3.) The Minister shall not make a direction under the last preceding sub-section except on the application of the licensee supported by the written consent of the sureties to the subsisting bonds.

Issue of  
licences.

**30.**—(1.) Subject to this Ordinance, the Administrator shall grant a licence in respect of the land applied for.

- (2.) The land in respect of which a licence is granted shall—
  - (a) be land comprised in the applicant's permit; and
  - (b) not completely surround any land not comprised in the licence.
- (3.) A licence shall not be granted—
  - (a) in respect of an area which exceeds five thousand square miles; or
  - (b) except with the approval of the Minister, in respect of an area which is less than fifty square miles.

(4.) An area of land in respect of which a licence is granted shall be—

- (a) compact and limited by well marked permanent physical boundaries; or
- (b) substantially in the form of a rectangle, the length of which shall not, except with the approval of the Administrator, exceed five times the average width.

(5.) A licence shall—

- (a) be in accordance with the prescribed form;
- (b) be subject to the prescribed terms and conditions; and
- (c) subject to the next succeeding section, be for a period of two years.

(6.) Subject to section seventeen of this Ordinance, a person may be granted and may hold any number of licences.

**31.**—(1.) Subject to this section, the Administrator may, from time to time, on the application of the licensee, if he is satisfied that the licensee has complied with the terms and conditions of his licence and with such of the provisions of this Ordinance and of the Regulations as are applicable to him, extend the term of the licence for a period not exceeding twelve months, on such terms and conditions as the Administrator, with the approval of the Minister, determines.

Extension of licences.

(2.) An application for an extension of the term of a licence shall—

- (a) be made in the manner and form prescribed;
- (b) be accompanied by the prescribed extension fee; and
- (c) be made not less than two months before the expiration of the term of the licence.

(3.) The total term of any licence shall not exceed eight years.

**32.**—(1.) On the application of a licensee the Administrator may, after obtaining a report from the Oil Advisory Committee and with the approval of the Minister, suspend either wholly or in part and either absolutely or conditionally the obligations under his licence and may order that any period of suspension shall not be taken into account in calculating the total term of the licence.

Suspension of licences.

(2.) The total period of suspension under this section in respect of any licence shall not exceed five years.

**33.**—(1.) A licensee may, in the manner and form prescribed, apply to the Administrator for the inclusion of a further area of land in his licence.

Inclusion of further land in licence.

(2.) Subject to this Ordinance, the Administrator may grant an application under this section, and may thereupon amend the applicant's licence by including therein the further area.

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(3.) An application under this section shall, for the purposes of section seventeen of this Ordinance, be deemed to be an application for a further licence.

(4.) The application shall be accompanied by two copies of a plan and description of the further land applied for, which plan and description shall be in accordance with a survey made by a surveyor approved by the Administrator.

(5.) The provisions of sub-sections (2.) and (4.) of section thirty of this Ordinance shall apply to the land comprised in a licence after the inclusion of a further area under this section.

Rights of licensee.

**34.** A licence shall confer upon the licensee the exclusive right to carry out upon and under the land comprised in the licence detailed surveys and such other operations as are necessary to test the land for petroleum.

Rent payable by licensee.

**35.** A licensee shall pay, in advance, rent as follows:—

In respect of the first year—One shilling per square mile.

In respect of the second year—Two shillings per square mile.

In respect of the third year—Three shilling per square mile.

In respect of the fourth year—Four shillings per square mile.

In respect of the fifth year—Five shillings per square mile.

In respect of the sixth year—Ten shillings per square mile.

In respect of the seventh year—Fifteen shillings per square mile.

In respect of the eighth year—Twenty shillings per square mile.

Duties of licensee.

**36.—**(1.) A licensee shall, during the currency of the licence—

(a) cause a detailed survey of the land comprised in the licence to be carried out by, or under the direction of, a geologist, to the satisfaction of the Administrator;

(b) cause to be made petrological, palaeontological, or other scientific examinations of specimens obtained from the land comprised in the licence, to the satisfaction of the Administrator;

(c) retain representative specimens of the specimens so obtained and make them available as soon as practicable to the Administrator;

(d) furnish to the Administrator every three months a report on the progress of all work carried out on or in relation to the land comprised in the licence; and

(e) as soon as practicable after the completion of the detailed survey, furnish to the Administrator—

(i) a detailed report setting forth the results of the survey, together with accurate copies of such field observations as may be specified by the Administrator;

- (ii) a geological map of the land surveyed, drawn to a scale of not less than one in twenty-five thousand; and
- (iii) a report on the results of the examination of specimens.

(2.) The Administrator may, where detailed surveys or scientific examinations have been carried out to his satisfaction, exempt the licensee either wholly or partially from the duties imposed by the last preceding sub-section.

(3.) In the event of the discovery of petroleum in a borehole on any land comprised in a licence, the licensee shall immediately furnish to the Administrator a report accordingly, and shall, if so required by the Administrator, carry out such operations as are practicable for the purpose of proving the quantity and quality of the supply of petroleum.

(4.) Except as provided in the next succeeding sub-section, a licensee shall not be entitled to dispose of any petroleum obtained from land comprised in a licence until a lease of the land from which the petroleum was obtained has been granted to him.

(5.) Upon the application of a licensee, the Administrator may, in his absolute discretion, notwithstanding that a lease of the land from which the petroleum was obtained has not been granted to the licensee, authorize the disposal of petroleum by the licensee for use in prospecting and mining operations under this Ordinance.

**37.—**(1.) At any time after the expiration of twelve months from the commencement of the term of a licence, the licensee may, upon giving two months' notice in writing to the Administrator, surrender his licence with respect to the whole or part of the land comprised therein. Surrender  
of licences.

(2.) Where a licence is surrendered the Administrator may, after obtaining a report from the Oil Advisory Committee and with the approval of the Minister, and subject to this Ordinance—

- (a) if the licence is surrendered with respect to the whole of the land comprised therein, grant to the licensee a licence in respect of other land comprised in the permit; or
- (b) if the licence is surrendered with respect to part of the land comprised therein, include in the licence land comprised in his permit in substitution for the land with respect to which the surrender is made.

**38.—**(1.) Where at any time during the term of a licence the Administrator has reason to believe that the licensee has failed, or is not making reasonable efforts, to comply with any of the terms and conditions of the licence or with any of the provisions of this Cancellation of  
licences.

Ordinance or of the Regulations which are applicable to him, the Administrator may obtain a report from the Petroleum Advisory Board or the Oil Advisory Committee.

(2.) If, after obtaining a report accordingly, the Administrator is satisfied that there has been default by the licensee, he may give the licensee notice in writing specifying the default and requiring him to remedy it within a period of sixty days from the giving of the notice.

(3.) If the licensee fails to remedy the default the Administrator may give him not less than fourteen days' notice requiring him to appear before the Warden within whose area the land comprised in the licence is situated at a time and place specified in the notice to show cause why his licence should not be cancelled.

(4.) The Warden shall inquire into the matter in open Court and forward the evidence and his report thereon to the Administrator, who may, if he is satisfied that it is just to do so, cancel the licence.

(5.) A notice under this section shall be given by posting the notice to the licensee's last known address in the Territory, and, where the licensee is a body corporate whose head office is situated outside the Territory, a copy of the notice shall be posted to that head office.

(6.) A notice under this section shall, for the purpose of this section, be deemed to have been given at the time when it would be delivered in the ordinary course of post to the licensee's address in the Territory.

*Division 4.—Leases.*

Application  
for lease.

39.—(1.) A licensee may, in the manner and form prescribed, apply to the Administrator for the grant of a lease.

(2.) The application shall be accompanied by two copies of a plan and description of the land applied for, which plan and description shall be in accordance with a survey made by a surveyor approved by the Administrator.

(3.) If the applicant desires to obtain two or more separate areas of land under lease, a separate application shall be made in respect of each area.

(4.) Where a licensee applies for a lease in respect of portion only of the land comprised in his licence and, in the opinion of the Administrator, that portion omits part of a single geological petroleum structure or petroleum field wholly or partly contained in the land comprised in his licence, the Administrator may, after obtaining a report from the Oil Advisory Committee, require the licensee to amend the application, plan and description to include therein the whole of that petroleum structure or petroleum field, or such part thereof as is contained in the land comprised in the licence, as the case may be.

**40.**—(1.) Before a lease is granted or renewed, the applicant shall, unless exempted as provided in this section, furnish a bond— Applicant to furnish bond.

- (a) in accordance with a form approved by the Administrator;
- (b) in such sum (not being less than Ten thousand pounds) as the Administrator requires; and
- (c) with such surety as the Administrator approves,

for compliance with the terms and conditions of the lease and with such of the provisions of this Ordinance and of the Regulations as are applicable to him.

(2.) Subject to the next succeeding sub-section, where a lessee who has furnished subsisting bonds in a sum not less than Fifty thousand pounds applies for the grant of an additional lease or leases the Minister may, in his absolute discretion, direct that the lessee shall be exempted from the requirements of the last preceding sub-section, and the subsisting bonds furnished by the lessee shall thereafter apply jointly and severally to all leases held by that lessee.

(3.) The Minister shall not make a direction under the last preceding sub-section except on the application of the lessee supported by the written consent of the sureties to the subsisting bonds.

**41.**—(1.) Subject to this Ordinance, the Administrator shall grant a lease in respect of the land applied for. Grant of leases.

(2.) The Administrator shall not grant a lease unless he is satisfied that—

- (a) the terms and conditions of the licence in which the land applied for was comprised and the provisions of this Ordinance and of the Regulations relating thereto have been complied with; and
- (b) the applicant is of sufficient financial standing and otherwise fitted for the exercise of the rights and the performance of the obligations arising out of the grant of the lease.

(3.) The land in respect of which a lease is granted shall—

- (a) be land comprised in the applicant's licence; and
- (b) not completely surround any other land.

(4.) A lease shall not be granted—

- (a) in respect of an area which exceeds two thousand five hundred square miles; or
- (b) except with the approval of the Minister, in respect of an area which is less than ten square miles.

(5.) An area of land in respect of which a lease is granted shall be—

- (a) compact and limited by well-marked permanent physical boundaries; or

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(b) substantially in the form of a rectangle, the length of which shall not, except with the approval of the Administrator, exceed five times the average width.

(6.) A lease shall be in accordance with the prescribed form and shall be subject to the prescribed terms and conditions.

(7.) Subject to section seventeen of this Ordinance, a person may be granted and may hold any number of leases.

Continuation  
of licence after  
grant of lease  
of part of land.

42.—(1.) Where a licensee is granted a lease in respect of portion only of the land comprised in his licence, the licence shall, subject to this Ordinance, continue in force in respect of the balance of the land comprised in the licence (in this section referred to as “the reserved land”) for a period of three years or for the total term for which the licence could, apart from this section, be extended, whichever is the longer, during which time the lessee shall, subject to this section, have the right to exchange the whole or any portion of the land comprised in his lease for an equal area of the reserved land.

(2.) A licence which continues in force in pursuance of this section shall be subject to such terms and conditions (in addition to or in substitution for the terms and conditions subject to which the licence was issued or renewed) as the Administrator, with the approval of the Minister, determines.

(3.) A lessee shall not, without the approval in writing of the Minister, exchange land containing portion only of a geological petroleum structure on which wells capable of production have been drilled.

(4.) The provisions of sub-sections (2.) and (4.) of section thirty-nine of this Ordinance shall apply in relation to the equal area of reserved land, and the provisions of sub-section (5.) of section forty-one of this Ordinance shall apply in relation to the equal area of reserved land and to the area of land comprised in the lease after the exchange.

Term of lease.

43.—(1.) Subject to this Ordinance, a lease shall be for a term of twenty-one years, but may, at the option of the lessee, and subject to this section, be renewed for successive terms of twenty-one years.

(2.) The lessee may, not less than three months before the expiration of the term of a lease, including the term of any renewal thereof, apply to the Administrator for the renewal, or further renewal, of the lease.

(3.) An application for the renewal, or further renewal, of a lease shall—

- (a) be made in the manner and form prescribed; and
- (b) be accompanied by a fee of Fifty pounds.

(4.) The Administrator shall, if he is satisfied that the lessee has complied with the terms and conditions of his lease and with such of the provisions of this Ordinance and of the Regulations as are applicable to him, renew the lease for a further period of twenty-one years.

(5.) The rent and royalties payable in respect of a renewed lease and the conditions and manner of payment shall be in accordance with the law in force in the Territory at the commencement of the term of the renewal.

(6.) On the application of a lessee the Administrator may, after receiving a report from the Oil Advisory Committee and with the approval of the Minister, waive, suspend or reduce the rental or royalty or both payable in respect of any lease—

(a) for the purpose of promoting the development of the lease; or

(b) because the lease cannot be successfully operated under the terms provided therein.

(7.) In considering an application under the last preceding sub-section, the Administrator shall take into account whether the grant of the application would—

(a) encourage the greatest ultimate recovery of petroleum or natural gas; and

(b) tend to conserve natural resources.

**44.**—(1.) On the application of a lessee, the Administrator may, after obtaining a report from the Oil Advisory Committee and with the approval of the Minister, suspend either wholly or in part and either absolutely or conditionally the obligations of the lessee under his lease. Suspension  
of leases.

(2.) The total period of suspension under this section in respect of any lease shall not exceed five years.

**45.** A lease shall confer on the lessee the exclusive right to conduct mining operations for petroleum on the land comprised in the lease together with the right, subject to compliance with any law relating thereto, to construct and maintain on the land such works, buildings, plant, waterways, roads, pipelines, dams, reservoirs, tanks, pumping stations, tramways, railways, telephone lines, wireless stations and other structures and equipment as are necessary for the full enjoyment of the lease or to fulfil his obligations thereunder. Rights of  
lessee.

**46.** A lessee shall pay in advance, rent as follows:—

In respect of each of the first, second, third, fourth and fifth years—Fifteen pounds per square mile. Rent payable  
by lessee.

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In respect of each of the sixth, seventh, eighth, ninth and tenth years—Thirty pounds per square mile.

In respect of each year thereafter—Fifty pounds per square mile.

Royalty.

47.—(1.) Subject to this section, every lessee shall pay to the Administrator, at the time and in the manner prescribed, a royalty at the rate of ten per centum upon the gross value at the well head of all crude oil, casinghead petroleum spirit and natural gas produced from the land comprised in his lease.

(2.) The gross value of the crude oil, casinghead petroleum spirit and natural gas for the purposes of this section shall be such as is from time to time, at intervals of not less than three years, agreed upon between the Administrator and the lessee, or, in default of agreement, as is fixed by arbitration.

(3.) Royalty shall not be payable in respect of—

(a) any crude oil, casinghead petroleum spirit or natural gas which is unavoidably lost or is returned to the natural reservoir;

(b) any crude oil, casinghead petroleum spirit or natural gas which is used by the lessee for the purposes of prospecting or mining operations approved by the Minister or any incidental purposes (including the heating and lighting of the dwellings of employees and workmen of the lessee engaged by him in connexion with the work of production and the heating and lighting of buildings maintained to provide social amenities for those employees and workmen and their families); or

(c) any natural gas which or the product of which is not sold.

(4.) The amount of rent paid under a lease in respect of any year shall be set off against the amount of royalty payable under that lease in respect of that year.

(5.) Crude oil, casinghead petroleum spirit and natural gas shall, for the purpose of calculating the amount of royalty payable, be measured by the prescribed method.

Duties of lessee.

48.—(1.) Within six months after the date of the grant of a lease, or within such further time (not exceeding six months) as the Administrator, in his absolute discretion, allows, the lessee shall—

(a) proceed with reasonable diligence to install, if not already installed, an outfit and equipment suitable for coping with the conditions on the land comprised in the lease, to the satisfaction of the Administrator; and

(b) commence to drill, by a method approved by the Administrator, at least one well;  
and, thereafter, during the term of the lease, the lessee shall—

(c) diligently and continuously carry on operations in a workmanlike manner so that the land comprised in the lease will be developed in accordance with good oil field practice to the satisfaction of the Administrator; and

(d) continue to drill with reasonable diligence to production, or to a depth at which the Administrator, after obtaining a report from the Oil Advisory Committee, is satisfied that any well is either unsuccessful or completed as a control well or injection well.

(2.) Where a well is drilled to production, the lessee shall continue to produce until such time as he satisfies the Administrator that further production from the well is not practicable.

(3.) Notwithstanding anything contained in this section, the Administrator may authorize a temporary suspension of production operations.

**49.** The lessee shall, not later than the thirty-first day of August in each year, furnish, in the manner and form prescribed, with respect to the period of twelve months ending on the thirtieth day of June in that year—

- (a) a report as to such matters as are prescribed;
- (b) a statement as to quantity and grade of petroleum (if any) produced and sold;
- (c) a statement as to quantity and grade of petroleum (if any) used by the lessee under this Ordinance, or unavoidably lost; and
- (d) a confidential statement of the moneys received for any petroleum sold.

**50.—(1.)** A lessee may—

- (a) upon giving six months' notice in writing to the Administrator;
- (b) upon payment of all rents, royalties, debts and other obligations due and owing to the Administration; and
- (c) upon payment of all moneys and wages due and payable to the workmen and employees of the lessee,

apply to the Administrator for permission to surrender his lease with respect to the whole or portion of the land comprised therein.

(2.) The Administrator shall not grant any such application unless he is satisfied that the lessee has made provision for protecting the land to which the surrender relates and making any well on that land safe.

Plans and reports.

Surrender of lease.

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(3.) Upon the surrender of a lease under this section, all rights and obligations of the lessee under the lease in respect of the land to which the surrender relates shall be terminated, but the surrender shall not release the lessee from any obligation or liability incurred before the surrender.

(4.) Where the lessee has constructed a waterway, road, pipeline, tramway, railway or telephone line on the land to which the surrender relates, the lessee shall be entitled, so long as is necessary for the conduct of his mining operations, to a right of way or easement in respect of that waterway, road, pipeline, tramway, railway or telephone line.

Cancellation  
of leases.

**51.**—(1.) Where at any time during the term of a lease the Administrator has reason to believe that the lessee has failed, or is not making reasonable efforts, to comply with any of the terms and conditions of the lease or with any of the provisions of this Ordinance or of the Regulations which are applicable to him, the Administrator may obtain a report from the Petroleum Advisory Board or the Oil Advisory Committee.

(2.) If, after obtaining a report accordingly, the Administrator is satisfied that there has been default by the lessee, he may give the lessee a notice in writing specifying the default and requiring him to remedy it within a period of sixty days from the giving of the notice.

(3.) If the lessee fails to remedy the default, the Administrator may give him not less than fourteen days' notice requiring him to appear before the Warden within whose area the land comprised in the lease is situated at a time and place specified in the notice to show cause why his lease should not be cancelled.

(4.) The Warden shall inquire into the matter in open Court and forward the evidence and his report thereon to the Administrator who may, if he is satisfied that it is just to do so, cancel the lease.

(5.) A notice under this section shall be given by posting the notice to the lessee's last known address in the Territory, and, where the lessee is a body corporate whose head office is outside the Territory, a copy of the notice shall be posted to that head office.

(6.) A notice under this section shall, for the purposes of this section, be deemed to have been given at the time when it would be delivered in the ordinary course of post to the lessee's address in the Territory.

Tenders for  
surrendered or  
cancelled lease.

**52.**—(1.) If a lease is surrendered or cancelled or the term of a lease has expired, the Administrator may, by notice published in the *Gazette*—

(a) invite tenders for the grant of a lease of the whole or portion of the land comprised in the surrendered, cancelled or expired lease;

- (b) place a reserve value on the lease; and
- (c) make the acceptance of the tender subject to such terms and conditions (not inconsistent with this Ordinance or the Regulations) as are specified in the notice.

(2.) The Administrator shall not be obliged to accept any tender.

(3.) Where a tenderer is already the holder of a permit, licence or lease, the Administrator shall not accept his tender without the approval of the Governor-General.

(4.) Where the Administrator accepts a tender for a lease of the whole or portion of the land comprised in the surrendered, cancelled or expired lease—

- (a) notice of the acceptance shall be published in the *Gazette*; and
- (b) he may grant a lease in respect of that land to the person whose tender he has accepted.

(5.) A lease granted in pursuance of this section shall—

- (a) contain the terms and conditions specified in the notice published in the *Gazette* inviting tenders for the lease, in addition to the prescribed terms and conditions; and
- (b) be subject, *mutatis mutandis*, to the provisions of this Ordinance relating to leases granted under section forty-one of this Ordinance.

*Division 5.—General Provisions Relating to Permits, Licences and Leases.*

**53.**—(1.) Where a permittee or licensee applies for an extension of his permit or licence, the Administrator may, instead of extending the permit or licence, require the permittee or licensee to make an application for a licence or lease respectively.

Administrator may require licence or lease to be applied for.

(2.) Where a permit is extended for a period in excess of twelve months, the Administrator may, at any time after the expiration of twelve months from the date of the extension, require the permittee to make an application for a licence, and in default of such an application, may cancel the permit.

**54.** An application for the issue of a permit or the grant of a licence or lease shall—

Signing of application.

- (a) if made by an individual, be signed by the applicant or by his agent;
- (b) if made by a body corporate, be under the common seal of the applicant; and
- (c) if made by an association of individuals, of bodies corporate, or of individuals and bodies corporate, be signed by each individual or by his agent and be under the common seal of each body corporate.

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Variation of terms of permit, licence or lease.

**55.** Subject to this Ordinance, on application by the permittee, licensee or lessee, the Administrator may, after obtaining a report from the Oil Advisory Committee and with the approval of the Minister, vary the terms, conditions or area of any permit, licence or lease.

Application for permit, licence or lease.

**56.** An application for the issue of a permit or the grant of a licence or lease or for the extension, renewal or surrender of a permit, licence or lease shall—

- (a) be addressed to the Administrator; and
- (b) be lodged in the office of the Warden within whose area the land comprised in the permit, licence or lease is situated, or at the office of the Secretary, Department of Lands, Surveys and Mines.

No assignment without consent.

**57.**—(1.) Subject to this Ordinance, a permit, licence or lease, or any interest in a permit, licence or lease, shall not, without the consent in writing of the Administrator, be assigned, transferred, sublet, mortgaged, or made the subject of any trust or other dealing, whether directly or indirectly.

(2.) Any such assignment, transfer, subletting, mortgage, trust or other dealing made without the consent in writing of the Administrator shall be void and of no effect.

(3.) The Administrator may, before consenting to any such proposed assignment, transfer, subletting, mortgage, trust or other dealing, require such information as he thinks fit with respect thereto.

(4.) The Administrator shall not be bound to consent to any such assignment, transfer, subletting, mortgage, trust or other dealing.

Prohibition of combines, &c.

**58.** If—

- (a) the holder of a permit, licence or lease purports, without the consent in writing of the Administrator, to assign, transfer, sublet or mortgage the permit, licence or lease, or any interest therein, or to make the permit, licence or lease, or any interest therein the subject of any trust or other dealing; or
- (b) a permit, licence or lease, or any interest therein, or any land comprised therein, is possessed or controlled in such a manner that, with the cognizance of the permittee, licensee or lessee, it is, or forms part of, the subject of a contract, agreement or understanding, written, oral or otherwise, in or for the purpose of the mining or disposal of petroleum with a view to controlling the price or prices thereof to the detriment of the public,

the Administrator shall cancel the permit, licence or lease.

**59.** A person, shall not—

- (a) unless thereto authorized by the Administrator in pursuance of this Ordinance, search or attempt to search for petroleum on any land comprised in a permit, licence or lease, in contravention of the rights of the permittee, licensee or lessee; or
- (b) without reasonable excuse (proof whereof shall lie upon him) interfere with or hinder a permittee, licensee or lessee in the exercise of his rights under his permit, licence or lease.

Infringement of rights of permittee, licensee or lessee.

**60.**—(1.) Every entry upon, occupation of or interference with any land comprised in a permit, licence or lease which is being used by the permittee, licensee or lessee for drilling operations or mining operations shall, unless authorized or permitted by the permittee, licensee or lessee or by the Administrator in pursuance of this Ordinance or of any other law of the Territory, be deemed to be a trespass.

Trespass on land held under permit, licence or lease.

(2.) Notwithstanding anything contained in this section, the owner or occupier of any private or improved land may continue in occupation, use and enjoyment of the land with the exception of such part thereof as is required by the permittee, licensee or lessee for drilling operations or mining operations under this Ordinance.

(3.) A permittee, licensee or lessee may proceed in the Warden's Court for trespass under this section and for damages in respect of the trespass.

**61.** Notwithstanding the issue or grant of a permit, licence or lease, the following rights are expressly reserved to the Administration and a reservation accordingly shall be deemed to be contained in every permit, licence or lease:—

Reservations in favour of the Administration.

- (a) the right to grant, upon such terms and conditions as the Administrator thinks fit, for joint or several use, such rights of way or easements through, upon, over or in the whole or any portion of the land comprised in the permit, licence or lease as are necessary for or appropriate to—
  - (i) the development or working of the land or of other land containing petroleum deposits;
  - (ii) the treatment or transportation of the products thereof by or under the authority of the Administrator, his permittees, licensees or lessees;
  - (iii) the development or working of agricultural land or land in respect of which a miner's right or mining lease has been issued under

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the *Mining Ordinance* 1937-1950<sup>(3)</sup> of the Territory of Papua or the *Mining Ordinance* 1928-1947<sup>(4)</sup> of the Territory of New Guinea; or

- (iv) any other public purposes, and the Administrator may from time to time make any such grants accordingly;
- (b) the right to all helium found in association with petroleum and the right to erect on the land comprised in the licence or lease a plant for the extraction of helium from any gases produced by a licensee or lessee, together with such incidental rights as are necessary for the purpose of storing and removing the helium;
- (c) the right to authorize mining on the land comprised in the permit, licence or lease under the provisions of the *Mining Ordinance* 1937-1950<sup>(3)</sup> of the Territory of Papua or of the *Mining Ordinance* 1928-1947<sup>(4)</sup> of the Territory of New Guinea;
- (d) the right to any substance in or on the land comprised in the permit, licence or lease which is for the time being a prescribed substance within the meaning of the *Atomic Energy (Control of Materials) Act* 1946, as amended from time to time; and
- (e) the right to enter any land comprised in a permit, licence or lease for the purpose of making a reconnaissance or detailed survey or any scientific or technical investigation.

Rights of  
permittee,  
licensee and  
lessee to water,  
&c.

**62.—(1.)** A permittee, licensee or lessee may, by himself or by his agents or workmen, subject to compliance with any law with respect to water, timber or agistment and subject to such conditions with respect to payment or otherwise as are prescribed—

- (a) take and divert water from any natural spring, lake, pool, or watercourse, situated on or flowing through any land (including any private land or improved land) comprised in the permit, licence or lease and use the water for any purpose necessary or incidental to his prospecting operations or mining operations under the permit, licence or lease;
- (b) cut and use the timber on any land (other than private land or improved land) comprised in the permit, licence or lease for building or construction work, firewood or other necessary purpose; and

(3) See footnote (3) printed in this Volume on p. 731.

(4) See footnote (4) printed in this Volume on p. 731.

- (c) depasture on any land (other than private land or improved land) comprised in the permit, licence or lease any stock used in connexion with his operations under the permit, licence or lease, or used by workmen or employees of the permittee, licensee or lessee.

**63.** A permittee, licensee or lessee using or occupying private land or improved land under a permit, licence or lease shall—

Use and occupation of private or improved land.

- (a) as against the owner or occupier only of any of the land, but not otherwise, be and be deemed to be in occupation of only such portion of the land as he from time to time requires for effectively carrying on and adequately protecting the drilling operations or mining operations thereon and the structures and equipment in, under or on the land in connexion therewith, carried on or to be carried on from time to time or at any time during the term of the permit, licence or lease or of any extension or renewal of the permit, licence or lease, together with all rights and easements incidental to that occupation; and
- (b) cause to be surveyed and securely fenced any part of the land comprised in the permit, licence or lease which he requires in order effectively to carry on and adequately to protect his drilling operations, mining operations or works.

**64.**—(1.) If any of the land comprised in a permit, licence or lease is private land or improved land, operations under the permit, licence or lease shall be conducted so as not to interfere with the existing use of the private land or improved land to a greater extent than is necessary or is determined by the Administrator.

Operations on private or improved land.

(2.) The permittee, licensee or lessee shall—

- (a) erect such dykes and embankments and take such precautions and measures as are necessary or as are required by the Administrator, to impound any flow of refuse petroleum or salt water from any well, in order to prevent injury to land capable of being irrigated or the water supply of that land; and
- (b) promptly repair any damage resulting from improper methods and operations or from the flow of refuse petroleum or salt water from any well.

**65.**—(1.) The Administrator may grant to a licensee or lessee a right of way or other easement over or through any land for the purpose of the erection and maintenance of a pipeline for the transportation of petroleum to the extent of the ground occupied

Rights of way and pipeline easements.

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by the pipeline and a distance not exceeding twenty-five feet on either side of the pipeline, upon such conditions as to survey, rental, situation, application and use as are prescribed.

(2.) Failure to comply with any condition prescribed shall be a ground for cancelling any such grant.

Lessee to  
keep records  
of wells.

**66.**—(1.) Every permittee, licensee and lessee shall keep, in a form approved by the Administrator—

- (a) accurate records of the drilling, deepening, plugging or abandonment of all wells and of any alterations to the casings thereof; and
- (b) a log of all wells containing particulars of the following matters:—
  - (i) the strata and subsoil through which the well was drilled;
  - (ii) the casing inserted in the well and any alteration to the casing;
  - (iii) any petroleum, water, oil shale or coal encountered in the course of boring operations; and
  - (iv) such other matters as the Administrator requires.

(2.) The permittee, licensee or lessee shall, every three months or at such other intervals as are prescribed, deliver to the Administrator and to the Oil Advisory Committee copies of all records and logs kept in pursuance of the last preceding sub-section.

Plans and  
records.

**67.**—(1.) Every permittee, licensee and lessee shall, every three months or at such other intervals as are prescribed, furnish to the Administrator a record, in accordance with a form approved by the Administrator, of the progress of his operations on the land comprised in the permit, licence or lease and containing a statement of—

- (a) the map co-ordinates of all bore sites selected;
- (b) the depth drilled in each well;
- (c) any petroleum, water, oil shale or coal encountered in the course of boring operations;
- (d) all crude oil or gas produced and casinghead petroleum spirit recovered;
- (e) all petroleum used in prospecting and mining operations under this Ordinance; and
- (f) all petroleum unavoidably lost.

(2.) Every permittee, licensee and lessee shall, not later than the thirty-first day of August in each year, furnish to the Administrator a record in accordance with a form approved by the Administrator, of the operations conducted during the period of

twelve months ending on the thirtieth day of June in that year on or in relation to the land comprised in the permit, licence or lease together with a plan upon a scale approved by the Administrator—

- (a) showing the situation of all wells;
  - (b) showing all development and other works and improvements executed by him in connexion with his prospecting operations or mining operations; and
  - (c) setting out full particulars of any ancillary rights acquired for the exercise of the rights or for the performance of the obligations arising out of the issue of the permit or the grant of the licence or lease.
- (3.) Every permittee, licensee and lessee shall—
- (a) keep accurate geological plans, maps and records relating to the land comprised in his permit, licence or lease; and
  - (b) furnish to the Administrator such copies of these geological plans, maps and records together with such other plans and information as to the progress of operations on the land comprised in the permit, licence or lease as the Administrator from time to time requires.

**68.—**(1.) Every permittee, licensee or lessee shall—

- (a) so far as is reasonably practicable, collect, label and preserve for reference for a period of at least twelve months characteristic samples and cores of the strata encountered in any well on the land comprised in the permit, licence or lease and samples of any petroleum or water discovered in any well; Samples of strata, petroleum and water.
- (b) deliver to the Administrator representative specimens of any such samples;
- (c) cause to be made petrological, palaeontological or other scientific examinations of all drilling samples and cores, and scientific examinations of petroleum and water samples, to the satisfaction of the Administrator; and
- (d) furnish to the Administrator detailed reports of all examinations so made.

(2.) The Administrator may retain any samples delivered to him in pursuance of the last preceding sub-section.

(3.) Where the Administrator is satisfied that adequate information has been collected on a single petroleum structure or petroleum field he may, upon the application of a permittee, licensee or lessee, direct that all or any of the provisions of sub-section (1.) of this section shall not apply in relation to that structure or field.

Reports to be  
treated as  
confidential.

69.—(1.) All logs, records, plans, maps, accounts and information which a permittee, licensee or lessee is required to furnish under the provisions of this Ordinance shall be furnished at the expense of the permittee, licensee or lessee and shall, subject to this section, except with the consent in writing of the permittee, licensee or lessee, which shall not be unreasonably withheld, be treated as confidential.

(2.) Notwithstanding anything contained in the last preceding sub-section—

- (a) any such logs, records, plans, maps, accounts or information may be disclosed to any person expressly authorized in that behalf by the Minister or the Administrator;
- (b) where a permit, licence or lease is cancelled, or a lease is surrendered or the term of a lease has expired, the Minister or the Administrator may immediately make public any logs, records, plans, maps or information furnished in respect of the permit, licence or lease;
- (c) the Minister or the Administrator may at any time make use of any logs, records, plans, maps, accounts or information furnished by a permittee, licensee or lessee for the purpose of preparing and publishing aggregate returns and general reports with respect to operations under this Ordinance; and
- (d) where the term of a permit or licence has expired, or a permit or licence is surrendered, the Minister or the Administrator may, subject to the next succeeding sub-section, make public any logs, records, plans, maps or information furnished in respect of the permit or licence—
  - (i) after the expiration of three years from the date of the expiry or surrender, if a subsisting licence or lease has been granted in respect of part of the land comprised in the permit or licence respectively; or
  - (ii) after the expiration of twelve months from the date of the expiry or surrender, if a subsisting licence or lease has not been so granted.

(3.) Where the term of a permit or licence has expired, or a permit or licence is surrendered, and a subsisting licence or lease has been granted in respect of part of the land comprised in the permit or licence respectively, no logs, records, plans, maps or information shall be made public under paragraph (d) of the last preceding sub-section, in respect of such part of the land as is comprised in the subsisting licence or lease.

**70.** A permittee, licensee or lessee shall not, except with the consent in writing of the Administrator—

Restrictions  
on situations  
of drills.

- (a) commence drilling within three hundred and twenty-five feet of any of the boundaries of the land comprised in his permit, licence or lease; or
- (b) undertake controlled directional drilling with the intention of directing the bottom of the hole away from the vertical in such a way that the hole passes through a vertical plane projected through the boundary of the land comprised in the permit, licence or lease.

**71.—(1.)** Every permittee, licensee and lessee shall—

- (a) maintain all apparatus and appliances, and all wells capable of producing petroleum, on the land comprised in his permit, licence or lease in good repair and condition; and
- (b) execute all prospecting operations and mining operations on the land in a proper and workmanlike manner in accordance with methods and practice customarily used in good oil field practice.

Avoidance of  
harmful  
methods of  
working.

(2.) Without prejudice to the generality of the last preceding sub-section, every permittee, licensee or lessee shall take all practicable steps in order to—

- (a) control the flow, and prevent the escape or waste, of petroleum discovered in or found on the land comprised in his permit, licence or lease;
- (b) preserve the land comprised in the permit, licence or lease for production operations;
- (c) prevent damage to adjacent petroleum bearing strata;
- (d) prevent the entrance of water through wells to petroleum bearing strata;
- (e) prevent the escape of petroleum into any water-well, spring, stream, river, lake, reservoir, estuary or harbour; and
- (f) prevent the harmful escape of salt water, or drilling fluid which contains either petroleum or chemical additive, or refinery effluent or other waste product, into any water-well, spring, stream, lake, reservoir or estuary.

(3.) Every permittee, licensee and lessee shall comply with any directions from time to time given to him in writing by the Administrator relating to any of the matters set out in the last preceding sub-section.

(4.) Upon application by a permittee, licensee or lessee, the Administrator may authorize the disposal of waste products in any

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manner that does not result in pollution of any fresh water supply or of any waters containing fish or oysters or of any tributaries thereof.

Health and safety of workers and employees.

**72.** Every permittee, licensee and lessee shall comply with any directions from time to time given to him in writing by the Administrator for securing the health and safety of persons employed in or about the land comprised in his permit, licence or lease.

Provision of storage tanks, pipes, pipelines, and other receptacles.

**73.**—(1.) Every permittee, licensee and lessee shall use methods and practice customarily used in good oil field practice for confining the petroleum obtained from the land comprised in his permit, licence or lease in tanks, gas holders, pipes, pipelines or other receptacles constructed for that purpose.

(2.) A permittee, licensee or lessee shall not, except as a temporary method during an emergency, place or keep any petroleum in an earthen reservoir.

Waste oil, salt water or refuse not to be deposited on land.

**74.** A permittee, licensee or lessee shall not cause or permit any waste oil, salt water or refuse to flow into or over, or to be deposited upon, any land, whether comprised in his permit, licence or lease or not.

Abandonment and plugging of wells.

**75.**—(1.) Every permittee, licensee and lessee shall give to the Administrator not less than fourteen days' notice in writing of his intention to abandon any well and shall not, without the consent in writing of the Administrator, withdraw any cemented string or other permanent form of casing from any well which it is proposed to abandon.

(2.) A permittee, licensee or lessee shall so securely plug every well which he intends to abandon as to shut off all water from all petroleum bearing strata, or any workable seams of coal.

(3.) Before commencing to plug any well which it is intended to abandon, the permittee, licensee or lessee shall submit to the Administrator for his approval particulars in writing of the method of plugging which it is proposed to adopt.

(4.) The Administrator may require that a well shall not be plugged, or any works be executed for that purpose, except in the presence of a person thereto authorized by him.

Compliance with Ordinance.

**76.**—(1.) Every permittee, licensee and lessee shall duly and punctually comply with this Ordinance and the Regulations and with any instructions of the Administrator given under this Ordinance or the Regulations or under his permit, licence or lease.

(2.) Subject to sub-section (4.) of this section, where a permittee, licensee or lessee fails or neglects to comply with any of the provisions of this Ordinance or of the Regulations, or with

any lawful instruction given by the Administrator, the Administrator may, by his workmen and agents, enter on the land comprised in the permit, licence or lease and carry out any necessary operations at the expense of the permittee, licensee or lessee.

(3.) Any expenses incurred by the Administrator in pursuance of the last preceding sub-section shall be recoverable from the permittee, licensee or lessee as a civil debt in any Court of competent jurisdiction.

(4.) A permittee, licensee or lessee shall not be responsible for delays due to any cause beyond his control, proof whereof shall lie upon him.

77. For the purposes of this Ordinance, the Administrator or an authorized officer may, without incurring any liability—

Authority to enter on leased land, &c.

- (a) enter upon, occupy or interfere with any land, including land comprised in a permit, licence or lease;
- (b) enter any building or workings on any land comprised in a permit, licence or lease; and
- (c) examine the books and accounts of a lessee.

78.—(1.) In the event of the expiration, cancellation or surrender of a permit, licence or lease, the permittee, licensee or lessee shall deliver up the land comprised therein and all wells thereon in good order and condition to the satisfaction of the Administrator.

Delivery of premises upon determination of permit, licence or lease.

(2.) A permittee, licensee or lessee may, within three months after the expiration, cancellation or surrender of his permit, licence or lease, remove all his plant, buildings, equipment and other property from the land comprised therein.

79. When, in the opinion of the Minister, it is desirable to develop deposits of shale or other rock from which mineral oil may be extracted by any industrial process, the Administrator may, in pursuance of the provisions of the *Mining Ordinance 1937-1950*<sup>(3)</sup> of the Territory of Papua or of the *Mining Ordinance 1928-1947*<sup>(4)</sup> of the Territory of New Guinea, as the case may be, authorize mining under those Ordinances on the whole or any part of the land comprised in a permit, licence or lease, subject to such terms and conditions as may be necessary to ensure that the rights of the permittee, licensee or lessee under this Ordinance are not infringed.

Rights to mine for mineral oil under *Mining Ordinances*.

80. A person shall not, except in accordance with such conditions as are determined by the Administrator or as are prescribed, drill for water during the currency of any permit, licence or lease in or upon any land comprised therein.

Drilling for water prohibited.

(3) See footnote (3) printed in this Volume on p. 731.

(4) See footnote (4) printed in this Volume on p. 731.

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Devolution of rights, &c.

81. Each of the rights and obligations under a permit, licence or lease shall enure to the benefit of, or be binding upon, as the case may be, the heirs, executors, administrators, successors and permitted assigns of the permittee, licensee or lessee, respectively.

Procedure on cancellation of permit, licence or lease.

82.—(1.) Where the Administrator cancels a permit, licence or lease, he shall publish in the *Gazette* a notice of the cancellation, and thereupon the right, title, estate and interest in the permit, licence or lease of the permittee, licensee or lessee, as the case may be, and of any person claiming under him, shall cease and determine without re-entry on the land comprised in the permit, licence or lease.

(2.) Production of the *Gazette* containing a notice under the last preceding sub-section shall be conclusive evidence in any court that the right, title, estate and interest in the permit, licence or lease of the permittee, licensee or lessee, as the case may be, and of any person claiming under him, have been lawfully determined.

(3.) The cancellation of a permit, licence or lease by the Administrator in pursuance of this Ordinance—

(a) shall be final and without appeal; and

(b) shall not release the permittee, licensee, or lessee from any liability in respect of the permit, licence or lease incurred before the date of cancellation.

Unit development.

83.—(1.) Where the Administrator is satisfied that—

(a) the land comprised in a permit, licence or lease forms part of a single geological petroleum structure or petroleum field (in this section referred to as “the oilfield”) extending beyond that land; and

(b) it is desirable, for the purpose of securing economy and efficiency and of avoiding wasteful and harmful development and practice, that the oilfield should be worked as one unit,

the Administrator may, after obtaining a report from the Oil Advisory Committee, and subject to the provisions of section seventeen of this Ordinance—

(c) vary the terms of the permit, licence or lease by including therein any Administration land or private land to which the oilfield extends;

(d) vary the terms of the permit, licence or lease by including therein any land to which the oilfield extends which is held by the same person under—

(i) any other permit;

(ii) any other permit or licence; or

(iii) any other permit, licence or lease,

as the case may be; and

(e) if the oilfield extends into land comprised in a permit, licence or lease held by another person, require the permittees, licensees or lessees, by notice in writing, to prepare and furnish to him a scheme for the working and development of the oilfield as one unit.

(2.) Any additional land included in a licence or lease under the last preceding sub-section shall be—

(a) compact and limited by well-marked permanent physical boundaries; or

(b) substantially in the form of a rectangle.

(3.) A notice under paragraph (e) of sub-section (1.) of this section shall specify the land in respect of which and the time within which the Administrator requires the scheme to be furnished.

(4.) If a scheme is not furnished within the time specified, or if the Administrator does not approve the scheme furnished to him, the Administrator shall prepare a scheme and supply particulars thereof to each permittee, licensee and lessee to whom notice was given under sub-section (1.) of this section.

(5.) Each permittee, licensee and lessee to whom the Administrator has supplied particulars of a scheme in pursuance of the last preceding sub-section shall perform and observe all the terms and conditions of that scheme.

**84.** The Administrator may require a permittee, licensee or lessee to furnish a detailed report on the technique to be employed and the material to be used in drilling any well on the land comprised in the permit, licence or lease. Report on proposed drilling operations.

**85.—(1.)** Any permittee, licensee or lessee may, subject to the approval of the Administrator, make an agreement with any other permittee, licensee or lessee of land situated in the same locality for the drilling of a well by the parties to the agreement on any land comprised in the permit, licence or lease of either of them. Agreement to drill wells.

(2.) An agreement for the purpose referred to in the last preceding sub-section shall not have any force or effect unless and until it has been approved by the Administrator.

#### *Division 6.—Compensation.*

**86.—(1.)** A permittee, licensee or lessee, as the case may be, shall be liable to compensate the owner or occupier of private land or improved land for— Compensation for mining operations.

(a) all damage sustained by the owner or occupier to crops and improvements thereon, including permanent artificial water supply, by reason of any operations and construction works carried on or erected thereon by the permittee, licensee or lessee, as the case may be; and

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(b) all damage sustained by reason of the occupation of that portion of the land occupied by the permittee, licensee or lessee for the purpose of his operations and construction works during the period of occupation.

(2.) Compensation shall not be payable under this Ordinance, where the operations of the permittee, licensee or lessee do not affect any portion of the surface of the land.

Compensation before drilling on private or improved land.

**87.** If a permittee, licensee or lessee decides to drill on any private land or improved land comprised in his permit, licence or lease, he shall, unless the amount of compensation has been fixed by agreement under the next succeeding section, on each occasion before commencing to drill, apply to the Warden's Court within the area in which the land is situated to determine the amount of compensation payable by him in respect of the drilling operations.

Agreement as to compensation.

**88.—**(1.) A permittee, licensee or lessee may agree with any person entitled to compensation under this Ordinance as to the amount of compensation.

(2.) An agreement under the last preceding sub-section shall not be valid unless it is in writing and signed by the parties thereto or their agents and is filed in the office of the Warden within whose area the land is situated or at the office of the Secretary, Department of Lands, Surveys and Mines.

(3.) If no agreement is made under sub-section (1.) of this section, either party may apply to the Warden's Court within the area of which the land is situated to determine the amount of compensation payable, and the Warden's Court may determine the compensation accordingly and make an order for payment of the amount determined.

Measure of compensation.

**89.—**(1.) Subject to this Ordinance, compensation to be made under this Ordinance shall be compensation for—

- (a) deprivation of the possession of the surface of the land or of any part thereof;
- (b) damage to the surface of the land or any part thereof comprised in a permit, licence or lease, or any land adjoining or in the vicinity thereof, or any improvements thereon, caused by the carrying on of operations by a permittee, licensee or lessee in, under or upon the land comprised in his permit, licence or lease;
- (c) severance of the land from other land of the owner or occupier;
- (d) surface rights of way and easements; and
- (e) any consequential damage.

(2.) In determining the amount of compensation to be made under this Ordinance—

- (a) the Warden's Court shall take into consideration the amount of any compensation which the owner and occupier or either of them or their predecessors in title have or has already received for damage or loss for which compensation is being determined and shall deduct the amount so received from the amount to which they or either of them would otherwise be entitled; and
- (b) allowance shall not be made for any petroleum or helium known or supposed to be in or under the land.

**90.** If, after the Warden's Court has determined any amount of compensation, it is proved to that Court that further loss or damage (not being loss or damage in respect of which compensation has already been determined) has been sustained, the Warden's Court may determine the further loss or damage and order that further compensation be paid by the permittee, licensee or lessee, to the person entitled. Additional compensation.

**91.** If any compensation determined by the Warden's Court under this Ordinance and payable by a permittee, licensee or lessee is not paid within three months after the determination, the Administrator may cancel the permit, licence or lease. Penalty for non-payment of compensation.

#### PART IV.—MISCELLANEOUS.

**92.** All applications, statements, representations and reports made or furnished to the Administrator under this Ordinance shall, if the Administrator so requires, be verified by statutory declaration in such form as the Administrator requires or as is prescribed. Verification of statements.

**93.—(1.)** A person who acts in the execution of any duty under this Ordinance shall not, except in the performance of his duty thereunder, make a record of or divulge any information supplied to the Administrator in pursuance of this Ordinance. Secrecy to be observed by officers.

(2.) A person who has been an officer or has performed any duty under this Ordinance shall not communicate any information acquired by him in the performance of any duty thereunder to any person other than a person to whom he is authorized by law or by the Administrator to communicate it.

**94.** A person who contravenes, or fails to comply with, any provision of this Ordinance which is applicable to him, or any requirement, direction or instruction lawfully made or given under this Ordinance, shall be guilty of an offence. Offences.

Penalty: Two hundred and fifty pounds.

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Other rights  
of action not  
affected.

95. Nothing in this Ordinance shall take away or prejudicially affect any right of action which any person has for any loss or damage sustained by him by reason of any mining operations carried on, in pursuance of the *Mining Ordinance* 1937-1950<sup>(3)</sup> of the Territory of Papua or the *Mining Ordinance* 1928-1947<sup>(4)</sup> of the Territory of New Guinea or any other Ordinance relating to mining in force at the commencement of this Ordinance, on private land, other than for loss or damage in respect of which compensation is payable under this Ordinance.

Fees, &c.,  
payable by  
due date.

96.—(1.) Subject to this Ordinance, all fees, rent, royalties and other payments under this Ordinance or the Regulations shall, if not paid by the due date, be increased by 10 per centum for each month or portion of a month during which the fee, rent, royalty or other payment remains unpaid.

(2.) Subject to this Ordinance, if any fee, rent, royalty or payment due in respect of a permit, licence or lease is in arrears for not less than three months, the Administrator may cancel the permit, licence or lease.

Right of  
pre-emption.

97.—(1.) Where the Governor-General declares, by proclamation published in the *Gazette*,<sup>(13)</sup> that a state of emergency exists, the Administrator shall have the right of pre-emption of all petroleum, and of any product of that petroleum, produced by a licensee or lessee from any land included in a licence or lease, and the licensee or lessee shall, if so required by the Administrator, deliver the petroleum or product in accordance with the directions of the Administrator.

(2.) The compensation to be paid for any petroleum or product so delivered shall, in default of agreement, be fixed by arbitration.

Disposal of  
petroleum and  
petroleum  
products.

98.—(1.) So long as any petroleum, or any product thereof, obtained from any land comprised in a lease can be consumed in Australia the lessee shall, if required by the Minister, ensure that the petroleum and products thereof shall be disposed of only for consumption in Australia.

(2.) A lessee shall, if required by the Minister, refine, or cause to be refined, within Australia, such of the petroleum produced from the land comprised in his lease as is required for consumption in Australia.

(3.) For the purpose of this section, the expression "Australia" includes the whole of the Commonwealth of Australia and any Territory under the Authority of the Commonwealth, including any Territory governed by the Commonwealth under Trusteeship.

(3) See footnote (3) printed in this Volume on p. 731.

(4) See footnote (4) printed in this Volume on p. 731.

(13) No Proclamation has been published in Papua and N.G. *Govt. Gaz.* before 1.1.1952.

**99.**—(1.) A permittee, licensee or lessee shall not make, or cause or permit to be made, a statement in any notice, advertisement, prospectus or other document or in any other manner, claiming or suggesting, whether expressly or by implication, that the Minister, the Administrator, a Government Department of the Commonwealth or of the Territory, or a person or body acting on behalf of the Minister, the Administrator or a Government Department of the Commonwealth or of the Territory has formed or expressed an opinion, that any land included in a permit, licence or lease is, from its geological formation or otherwise, land in which petroleum is likely to be obtainable.

Advertisements,  
statements, &c.

(2.) A permittee, licensee or lessee shall cause a copy of the provisions of the last preceding sub-section, or a statement to the effect thereof, to be included in or indorsed on any prospectus, statement in lieu of prospectus, notice, circular, advertisement or other invitation issued by, or with the knowledge of, the permittee, licensee or lessee, offering to the public for subscription or purchase any shares or debentures of a company or intended company which is engaged, or which it is proposed will engage, in prospecting or mining for petroleum upon the land comprised in the permit, licence or lease.

(3.) Notwithstanding anything contained in this Section, a permittee, licensee or lessee may, with the approval in writing of the Minister, publish the results of any geological or allied survey made by or on behalf of a Government Department of the Commonwealth or of the Territory on the land comprised in the permit, licence or lease, to the extent to which those results show that the geological formation of that land may be suitable for the accumulation and retention of petroleum.

**100.** The Administrator in Council may make regulations,<sup>(14)</sup> not inconsistent with this Ordinance, prescribing all matters which by this Ordinance are required or permitted to be prescribed, or which are necessary or convenient to be prescribed, for carrying out or giving effect to this Ordinance, and in particular prescribing penalties not exceeding One hundred pounds for offences against the regulations.

Regulations.

## THE SCHEDULE.

### ORDINANCES OF THE TERRITORY OF PAPUA.

*Petroleum (Prospecting and Mining) Ordinance, 1938.*<sup>(15)</sup>

*Petroleum (Prospecting and Mining) Ordinance, 1939.*<sup>(15)</sup>

*Petroleum (Prospecting and Mining) Ordinance (No. 2), 1939.*<sup>(15)</sup>

<sup>(14)</sup> See the *Petroleum (Prospecting and Mining) Regulations*, printed in this Volume on pp. 775-777.

<sup>(15)</sup> Printed in *The Laws of the Territory of Papua 1888-1945 (Annotated)*, Vol. III., on pp. 3249-3283.

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THE SCHEDULE—*continued.*

ORDINANCES OF THE TERRITORY OF NEW GUINEA.

- Petroleum (Prospecting and Mining) Ordinance 1938.*(16)  
*Petroleum (Prospecting and Mining) Ordinance 1939.*(16)  
*Petroleum (Prospecting and Mining) Ordinance (No. 2) 1939.*(16)

ORDINANCES OF THE TERRITORY OF PAPUA-NEW GUINEA.

- Petroleum (Papua) Ordinance 1947.*(17)  
*Petroleum (New Guinea) Ordinance 1947.*(18)

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(16) Printed in *The Laws of the Territory of New Guinea 1921-1945 (Annotated)*, Vol. III., on pp. 3439-3471.

(17) Printed in *The Laws of the Territory of Papua-New Guinea 1945-1949 (Annotated)*, on p. 528.

(18) Printed in *The Laws of the Territory of Papua-New Guinea 1945-1949 (Annotated)*, on p. 725.