

No. 3164.

SUBJECT

C0533/436

Oil Production Ordinance.

Application for Oil exploration license.

Previous

Gov. 5566/25.

Subsequent

15024/1/35. Econ.

State application has been made by J. Maxwell Co for an exploration license over an area of 56 sq miles, & enquires whether any revision of Oil Production Regs. 1925 is considered necessary.

subject to any orders by G. D. C. 3/7 as in draft here.

H. P. Mear

11/5/33

We are in correspondence with the B/T (Petroleum Dept) regarding a number of points on which it may be necessary to revise Oil Regs. generally but they are slow in coming to conclusions.

Perhaps this will act as a reminder

H. P. Mear
16.5.33.

Yes: as I know from the P.G. & Iraq work the whole oil policy is under revision.

J. E. W. H. D.
17.5

2 To Petroleum Dept. — Bonn. — 19/5/33

Mr Groomer

No reply to No 2 has yet been received.

Wait a month
Two wires: 1/1/33

29.6.33
Reg 297

Mr Groomer:

Reply to No 2 has not yet been received.

Remind of C. P. Mear 19/33

1.8.33
Regulating Dept

3 To Petroleum Dept. B/G Bonn 3/8/33

of course with.

A copy to No 2 has not yet been received.

R. 21. 8. 33
Reg. 297.

Yours in a fortnight.

A.G. Brown
24/8/33
above

Revised under minute above.

R. 4. 4. 33
Reg. 297

Remind you

A.G. Brown
7. 9. 33

G.D.

Subject to your desire, I think we might say to B.L. that Sigs. will be glad to learn when their return may be expected - short letter.

A. Hunter
1/9

I agree.

The Petroleum Dept. have, in fact, promised to let us have their views on the proposed question (raised on T. had. Ak.) by the middle of Sept., but the matter has been shelved so often that a reminder on this file would be desirable.

R.C. Bell
9. 9. 33
A. Hunter
9/9/33

To Petroleum Dept. Bonn. 14/9/33
DESTROYED UNDER STATUTE

To Petroleum Dept. 19 Sept 33. 3
DESTROYED UNDER STATUTE
Statements discussions have taken place with Trinidad Inspectors of Mines & others, will be furnished very shortly.

Mr. Cooke & see
R.C. Bell
21. 9. 33

A. Hunter
20/9/33

A further letter from the Petroleum Dept. has not yet been received.

R. 21/11/33
Reg. 297.

Till we hear from the P. D. we cannot refer to No. 1. which was dated 17th April
? Remind in short letter
now is: 2/11

? Wait another fortnight

A. Hunter
3/11

The P. Dept. have meanwhile dealt, in extenuation, with the Trinidad case, and dispatches are going to the Post by to-day's mail (if we can get the copying done in time).
I think we might remind.

R.C. Bell
3. 11. 33

Very well

A. Hunter
3/11/33

To Petroleum Dept. Bonn. 7/11/32
DESTROYED UNDER STATUTE

4. Petroleum Dept. 9th Nov 33

Suggest certain stated amendments to the Oil Production Regulations.

G.D. M. Freeman
7 Apr 34 send out copies of
② & ③, saying the S/S considers that
if O.A.G. sees no objection the
P.D.'s suggestions should be adopted.

(Copy to P.D.) LF
T. Davies 14/11

[The existing Regs. are flagged in
5661, see below]

Supra generally. I assume that we are advised by
the Treaty of S. Permian from asking the Govt to stipulate
for British Control.

McClure
12.11.33

I agree, & I shd not pursue the
British control question as it is being
abandoned elsewhere.

I feel bound to point out that
the proposed new clause 7(c) will
completely revolutionize the
regulation of oil exploring. It will no
longer be possible for people who
have failed at other enterprises
to go fossicking for oil, as the
new Regs will require a proper
geological survey.

This is undoubtedly a change in
bright direction shd be pressed
on the Govt. There is no evidence
that there has in fact been much
anxious oil fossicking in the past,
but this kind of thing is so much
a local hobby that there may
be a hole when it is made impossible.

G.L. Cameron
13/11

Dft. comm. says that ① was referred to 13/11.
(P.D.); enclos 7; draw special attention
to 7(b), saying that S/S attaches
importance to a provision on these lines
Ask to be supplied with copies of the
Revised Regs. when made.
Copy to P.D. LF

J. Brewster
14/11 etc

8 To Kenya 878 (w/c 7) cons 21 NOV 1933
1 answer

9 To Petroleum Dept (w/c 8) 13/10 24/11/33

Probably to No 8 has yet been received.
Wait 1 month
26.4.34
Reg. 297.

noted

Revised. vide minute above.
26.5.34
Reg. 297.

Wiley (Local)
Have on a note of any Petroleum
Regulations issued since No 8
C.F. Gorman
24/10

M. Crosswick

6
? Wait [2] months
29/11 - B.V. for Chamberlain
in November
Lawrence
25/10
P.A. G. etc

Brought up in minute of 29th Aug 1934

29 11 14
Aug 1934

? How received
Kenya - Short Dept. - *[Signature]*
C. J. G. *[Signature]*
20/11/34

Ask how the matter stands

[Signature]
30 Oct

10 To Kenya 1011 - Cons 5 Oct 1934

DESTROYED UNDER STATUTE

4/11/35
4/11/35

No reply to No 10 has yet been received

Noted

Wait 1 month.
C. J. G. *[Signature]*
7.3.35

[Signature] 4/12/35
4/12/35

RM

No reply to N^o 10 has yet been received

1297
11/4

? Received by
C. J. G. *[Signature]*
17/4/35

24/6

Wait till June

[Signature]
18 Oct

RM

Mr. Davies 15/11/33.

Mr. ~~Reynolds~~ 15

Mr. ~~Claver~~ 17/11

Mr. ~~Parkinson~~ 17

Mr. Tompkinson.

Sir C. Buttonley.

Sir J. Shuckburgh.

Perms. U.S. of S.

Parly. U.S. of S.

Secretary of State.

*Amended by No 1
38118/35*

18 NOV
0 70

21 November, 1933.

Sir,

I have the honour to

DRAFT. DESPATCH. *comm*

KENYA.

NO. *878*

O. A. G.

acknowledge the receipt of Sir Joseph Byrne's despatch No. 231 of the 12th of April ~~regarding~~ (1) the Oil Production Regulations, 1925, and to forward a copy of a letter from the Petroleum Dept. of the Mines Dept. (to which the despatch had been referred for advice) making certain suggestions with regard to their amendment.

~~Pt. Petroleum Dept.~~ *9 Nov
No. 7.*

You will no doubt consider carefully these suggestions in preparing the regulations.

Copy to Petroleum Dept (4)

2. In particular, I would invite your attention to the proposed new Section 7(c). I attach considerable importance to this sub-section which, as you will observe, *would* ~~will~~ *place a* ~~prevent~~ *licence*

FURTHER ACTION.

Copy to G.P.D. LF

*under the obligation of regulation
from operating under their licenses*

knowing
without making a geological survey.

*To attain particular
importance to the inclusion
in the Regulation of a
provision to this effect.*

I ^{shall} should be glad to be furnished

with ^{copies} ~~a copy~~ of the revised Petroleum

Regulations in due course.

I have, etc.,

(Sgd.) P. CUNLIFFE-LISTER.

Any reply to this letter should be addressed to the Director, Petroleum Dept.

PETROLEUM DEPARTMENT

4/6

Telephone: VICTORIA 9810.
Telegrams: MININDUST, PARL, LONDON.



(MINES DEPARTMENT),

DEAN STANLEY STREET,
MILLBANK,

Reference No.: P.D. 327/1

WESTMINSTER, LONDON, S.W.1.

RECEIVED
- 9 NOV 1933
C. O. REGY

9- November, 1933.

26

Sir,

With further reference to your letter No. 3164/33 of May 19th regarding the Kenya Oil Production Regulations 1925, I am directed by the Secretary for Mines to request you to inform Secretary Sir Philip Cunliffe Lister that the Regulations relating to the grant of Exploration Licences have now been considered. In this connection regard has been had to the revised Regulations which it is proposed to introduce in Trinidad, on which this Department has been consulted and on which, after discussions with the Trinidad Inspector of Mines, certain alterations have been suggested.

The proposed Trinidad Regulations are not entirely suitable for territory such as that of Kenya Colony where no oil development has yet taken place, but the Secretary for Mines considers that there are certain fresh points which could usefully be embodied in the Regulations and, if Sir Philip Cunliffe Lister agrees, he would suggest that the

The Under Secretary of State,
Colonial Office,
Downing Street,
S.W.1.

No 2

copy to Kenya (8)

following amendments should be made to the Regulations. For Regulation 4 (a) and (b) substitute the following after the words "accompanied by the following particulars":

- (a) "The nationality, name, place of business and nature of business of the applicant; and if the place of business is outside the Colony, the name and residence of a duly authorised agent in the Colony.
- (b) A description, illustrated by a map or plan, showing as accurately as possible the situation, boundaries, and area of the land with respect to which the Exploration Licence is required".

A clause to the effect of that above is already included in the Regulations but it is considered that the form of words suggested is preferable.

With regard to Regulation 5, the Secretary for Mines considers that a maximum term of one year (even if renewable for another year) is too short a period for a country where practically no exploration for oil has taken place if it is desired to attract substantial oil companies who could undertake serious geological work. The organisation and work of a geological survey party to carry out an effective survey over an area of perhaps several thousand square miles is an

undertaking for which a period of one year appears quite inadequate. It is suggested therefore that the initial period for the exploration license should be two years, renewable for a further period of one year at the discretion of the Governor under Regulation 13. It is also considered that the fee payable for an exploration license under Regulation 4 (d) should only be payable once on the grant of the license but that an additional fee on a smaller scale amounting to perhaps half the original fee might be imposed if a renewal of the license is required after two years have elapsed. Appropriate amendments should be made to Regulations 4 (d) and 13.

After Regulation 5 insert the following:-

- "6. If an Exploration License is not executed within six months after leave has been granted for it, the right of the applicant to such Exploration License shall be held to have lapsed, unless the Commissioner of Mines considers that the delay is not attributable to the applicant.

7. Every exploration licence shall contain the following conditions:-

- (a) If, in the course of the operations under this Licence, any minerals of commercial value other than petroleum and/or crude oil and/or gas be discovered, the licensees shall at once notify the Commissioner of Mines thereof.
- (b) The licensees shall furnish the Commissioner of Mines with full information as to all specimens and samples of petroleum, and/or other minerals taken and removed by the Licensee and, upon demand, shall supply the Commissioner of Mines with duplicates of such specimens and samples.
- (c) Within three months from the date of issue of the exploration licence the licensees shall commence a geological survey under the supervision of a fully qualified petroleum geologist and during the continuance of the licence shall continue to examine either by geological or geophysical methods the area covered by the licence to the satisfaction of the Commissioner of Mines.

(d) The licensees shall furnish to the Commissioner of Mines a full Report showing the correct geographical position of all land geologically or geophysically surveyed, examined, and mapped, and from time to time at the request of the Commissioner of Mines shall submit to him true and full copies of all geological and geophysical maps and reports showing the result of such survey and examination".

I am, Sir,

Your obedient Servant,

F. H. Kearney
DIRECTOR.

(d) The licensees shall furnish to the Commissioner of Mines a full Report showing the correct geographical position of all land geologically or geophysically surveyed, examined, and mapped, and from time to time at the request of the Commissioner of Mines shall submit to him true and full copies of all geological and geophysical maps and reports showing the result of such survey and examination".

I am, Sir,

Your obedient Servant,

F. H. Hartney
DIRECTOR.

- Mr. Priestman 4/5
- Mr. Cade 14/5
- Mr. Flood 17/5
- Mr. Parkinson
- Mr. Tomlinson
- Sir C. Bottomley
- Sir J. Stuckburgh
- Perm. U.S. of S.
- Parly. U.S. of S.
- Secretary of State

3164/33.Kenya.

Approved by No. 1
R

C. D.
R 17 MAY
D

19 May, 1933.

Sir,

DRAFT.

THE DIRECTOR,
 PETROLEUM DEPARTMENT,
 BOARD OF TRADE.

600/35661/25

(45271/23)

I am etc. to refer to ~~the~~ ^{the} ~~the~~ ^{from this office} letter of the 14th of September, 1925, No. O.A.G. 35661/25 enclosing a copy of the Oil Production Regulations made under the Kenya Oil Production Ordinance of 1923, which embody

2. ~~The regulations in question contain~~ the amendments suggested by the Board of Trade to which your letter No.P.D.45/23 of the 11th of September, 1923, and connected correspondence ~~relates~~.

2. In connection with the issue of an exploration licence under numbers ~~Regulations 3 and 4 of the above~~ ^{these} mentioned regulations, the Governor

of Kenya has enquired whether any
revision of ^{the} provisions of
~~these regulations~~ is desirable in
the light of any modification in
Colonial oil policy which may have
been introduced subsequent to the
year 1925, ~~in which they were made.~~

Sir Philip Cunliffe-Lister
will be glad to receive the advice
of the Board of Trade on the point
in question.

I am, etc.

(Signed) J. F. W. FLOOD

12
END



GOVERNMENT HOUSE,
NAIROBI,
KENYA.

KENYA
NO 234

RECEIVED
- 8 MAY 1933
COL. OFFICE

April, 1933.

Sir,

3566/2
3742/1

()
()
()
()

With reference to Kenya despatch No. 800 of the 30th June, 1925 in reply to Sir Henry Lambert's despatch No. 878 of the 21st August, 1924, on the subject of the Oil Production Ordinance, 1924, I have the honour to inform you that application has been made by Messrs. J. Maxwell and Company, a local British firm of Railway and Building Contractors, for an exploration licence to search for oil over an area of 56 square miles in the neighbourhood of Kanga and Kenani railway stations in the Machakos district and that I have approved the issue of a licence for one year under Regulations 3 and 4 of the Oil Production Regulations, 1925.

The area concerned is not Native Reserve and there are no local objections to the application.

I have thought it desirable to inform you of this application, which is the first which has been approved since the Ordinance and Regulations were promulgated, in case any change of which I am not aware has been made in Colonial oil policy since 1925: and I should be glad to know if your advisers consider that any revision of the provisions of the Oil Production Regulations, 1925, is desirable.

I have the honour to be,
Sir,
Your most obedient, humble servant,

BRIGADIER GENERAL

THE RIGHT HONOURABLE,
MAJOR SIR PHILIP CUNLIFFE-LISTER, P.C., G.B.E., M.C., M.P.
SECRETARY OF STATE FOR THE COLONIES,
LONDON...S.W.1.