

1925

KENYA

C.O.  
35661  
5 AUG 25

DATE

26th June 1925.

103

G'S DEP NORTHCOLE.  
800

REGULATION:

*Ellen*

OIL PRODUCTION ORDINANCE, 1923. REGULATIONS.

Trs 3 copies of Official Gazette containing Regulations made under the Ordinance.

U.S. of S.

*W. G. F. Finsler*

U.S. of S.

U.S. of S.

U.S. of State.

Previous Paper

*Gov. 42138/24*

MINUTES

The recommendations of B/11 in their letter on 45271/23 have all been adopted.

1. Nomenclature - adopted in the Reg.
2. Extent of Excavation, para 3 of B/7 letter) - See Reg 6 and 18 & 19. (Effect of order made in the letter)
3. Rental under Part 1 (para B/7 letter). See Reg 4(d). The rental has been increased from 1/- to a fee of 30/- per square mile. The expiration (licence is not valid for more than a year).
4. Period. (para 5 of B/11 letter)

(maximum 3 years renewable for 2 years) See Reg 21 & 22. (N.A. of 56 m. Part 2 notes made applicable to Part 1)

5. Maximum area (para 6 of B/7 letter) See Reg 29 which gives effect to the B/7 suggestion

Subsequent Paper

*See O.A.C. 43759 (Revenue)*

*26/6/25*

See G. Smith

- 6. Initial period of mining lease. (Para 7 of B/T letter) See Reg. 28. - now 21 years, (about 10 year renewal).
- 7. (Para 8 of B/T letter) As to this see § 7(1) of the Oil Production Ord. 1924 (46158/24) i.e. 29/3/33 + 34. The Draft in 42781 have been omitted as promoters & their agents have been put in the Ord.

Part 37

copy up to B/T of B/T ref. no 46158/34

Steel 18/6/35

to Edward

(1) Section 28. It has increased the initial period to 21 years. It does the same as would give a right to extension to 10 years indefinitely subject to compliance with the terms & conditions of the lease (as to this wording follows that in § 26 of the draft in 42781/23 also the Pet Dept did not take the chance that ~~present~~ ~~from~~ this is nothing in ~~the~~)

(2) Sub 32 of Ord. 1924 in 42781/23 has disappeared unnecessary in view of passage of Ord. in 37952

17/7/35 21/8/35

Mr. Allan

- (1) In my opinion it does
- (2) unnecessary, as regulations don't need to be made for purpose to make regulations under the Ord. (of the draft)

A.S. 20/8

~~The~~ [they might have furnished some statement of the chances, but it is rather typical of Nevada not to do so].

In sending to Pet Dept it would be well to put up a short schedule giving references to the basis of the relevant considerations in the letter in 45271/23/1. & as regards his disappearance of Pat in brief from his Draft Regs in 42781/23 refer to the note in 37952/24.

There remains § 28 above & in my previous minute unless we are satisfied that there is nothing in the draft? it had better be mentioned specifically to the Pet Dept

[I attach a minute] Mr. Highway who has failed to find any precedent to the wording adopted here

Mr. Allan

9/9/35

I don't think we need worry about the 10 year renewal. It will take many of them to make up the 30 or 50 years given in

as the wording of the initial lease probably not really matters

Trinidad, & as pointed out, the renewals  
will presumably be made subject to  
the consent of the Governor in the lease.

S. G. 25 G. G.  
acm

2000

Mr Allen.

I have not been successful in tracing a precedent elsewhere for renewals of such leases indefinitely as in the Kenya regulation No 28.

I have found precedents for renewal of mineral oil leases for a single further period:

- e.g. British Guiana Mining (Mineral Oil) Regulations 1912 see part VII regulation No 2 (21 years)
- British Honduras Oil Mining Regulations 1921 see regulation No 4 (21 years)
- Trinidad & Tobago see Model Oil Exploration Licence, &c., &c. Revise 1924- Part VIII (2) (period not specified)
- Australia: Northern Territory The Mineral Oil and Coal Ordinance 1922 (No 2 of 1922, sec 19(10) (21 years)

(Similarly Nigeria, in its Minerals Ordinance, Cap 93 Revised: Mining Leases 21 years (sec 28(2)); but mining for mineral oil is excluded from the provisions of the Ordinance (vide sec 5) and is dealt with in Cap 95 Revised. The latter Ordinance does not deal with the term of renewal, and I cannot say as to Regulations issued thereunder as they have for some reason or other, been omitted from the current Revised Edition.)

KENYA.

No 800



GOVERNMENT HOUSE.

NAIROBI.

KENYA 131

26th June, 1925.

Sir,

35661

*1st Gazette  
with May  
(res)*

With reference to Sir Henry Lambert's despatch

No.878 of 21st August, 1924, on the subject of the Oil  
Production Ordinance, 1923, I have the honour to transmit  
for your information 3 copies of the Official Gazette  
dated 27th May, 1925, containing the Regulations made  
under this Ordinance which were duly revised as contem-  
plated in the third paragraph of the despatch under reply.

I have the honour to be

Sir,

Your most obedient, humble Servant

*Handwritten signature*  
ARTHUR H. WILSON

RIGHT HONOURABLE  
LT. COL. L.C.M.S. AMERY, F.R.S., M.C.,  
SECRETARY OF STATE FOR THE COLONIES,  
LONDON, S.W.1.

Mr. Jewell 10.9.25.  
Mr. Allen 10.9.25.  
Mr.

Mr. Strachey.  
Mr. J. Shackburgh.  
Mr. C. Davis.  
Mr. G. Grindle.  
Mr. J. Masterton Smith.  
Mr. Ormsby-Gore.  
Mr. Amery.

*to Mr. [unclear]*

C. D.  
R 10 SEP  
D 11

**DRAFT.**

Downing Street,  
14 September, 1925.

DIRECTOR,  
OIL DEPT.,  
BOARD OF TRADE.

Sir,

With reference to your

(4571/23)

letter P.D. 45/23 of the 11th Sept. '25  
and connected correspondence, I  
am etc., to transmit to you, for the

800 : 26 June 1925  
(35861)

information of the Board of Trade, a copy  
of a dep from the O.P.P. Kenya forwarding  
~~the accompanying copies of the Oil~~  
Production Regulations of 1923 which  
have been made <sup>under</sup> ~~in accordance with~~

Oil Production of 1923 <sup>of the</sup>  
~~of the~~ <sup>Rgan</sup>

It will be observed that as  
the draft Regs have been amended in the  
the recommendations made in your

*[Handwritten scribble]*

letter referred to above

accepted

in the following respects  
~~the references being to the paragraphs of the letter.~~

Para 2:- The nomenclature suggested has been adopted.

- (1) ~~Board of Trade letter -~~  
~~...~~
- (2) ~~Board of Trade letter -~~  
~~...~~
- (3) ~~Board of Trade letter -~~  
~~...~~
- (4) ~~Board of Trade letter -~~  
~~...~~
- (5) ~~Board of Trade letter -~~  
~~...~~
- (6) ~~Board of Trade letter -~~  
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- (7) ~~Board of Trade letter -~~  
~~...~~
- (8) ~~Board of Trade letter -~~  
~~...~~
- (9) ~~Board of Trade letter -~~  
~~...~~
- (10) ~~Board of Trade letter -~~  
~~...~~

we <sup>was applicable</sup> ~~are~~ ~~applicable~~ ~~to~~ ~~Part II~~ ~~of~~ ~~Inspection Licences~~ ©

Enclosed

(<sup>500</sup>  
46138/24)

The Enclosures of  
2/1  
are not included in the Regis as made;

sections 7 to 9 of the

(Signed) H. T. ALLEN  
for Under Secretary of State.

Account from the loan and similarly showed the investment of the surplus loan funds as loan investments and not as investments on General Account. I also showed in the Loan Balance Sheet the true indebtedness of the Colony on Loan Account, viz. the amount due to the Stockholders of the £5 Million Loan - i.e. £5 Million.

As regards the inclusion on both sides of the account of the amount representing the 5% discount on the Loan issue it is in my opinion a fundamental principle of sound accounting that a set of accounts must be a true record of the facts as they exist. A fact in regard to the £5 Million Loan which is entirely beyond dispute is that the Colony owes to the Stockholders the sum for which in exchange for value received it has issued its Stock viz. £5 million and a set of Books or a Balance Sheet which failed to record this important fact would not in my opinion conform to the principles of sound accounting.

It appears to me probable that when the Director of Colonial Audit wrote the paras. of his Report referred to he was unaware that the Secretary of State had approved of the modification in regard to Loan Accounting to which I have referred.

SGD. R. CLIFT & GRANNIN

TREASURER.

IMH.