

## PETROLEUM.

1° EDWD. VIII., No. XXXVI.

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No. 36 of 1936.

### AN ACT relating to Petroleum.

[Assented to 11th December, 1936.]

**B**E it enacted by the King's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and Legislative Assembly of Western Australia, in this present Parliament assembled, and by the authority of the same, as follows:—

1. This Act may be cited as the *Petroleum Act*, 1936, and shall come into operation on a day to be fixed by Proclamation. Short title.

2. This Act shall be read and construed subject to the provisions of section four of the Western Australia Constitution Act, 1890 (Imperial), so far as the same may be applicable.

3. This Act is divided into Parts, as follows:—

Act divided into  
Parts.

PART I.—Ss. 4 and 5 :—PRELIMINARY.

PART II.—Ss. 6 to 8 :—ADMINISTRATION.

PART III.—Ss. 9 to 31 :—GENERAL.

PART IV.—Ss. 32 to 78 :—PERMITS, LICENSES, AND  
LEASES.

*Division 1.*—Ss. 32 to 41 :—PERMITS TO EXPLORE.

*Division 2.*—Ss. 42 to 54 :—LICENSES TO PROSPECT.

*Division 3.*—Ss. 55 to 78 :—PETROLEUM LEASES.

PART V.—Ss. 79 to 81 :—CAVEATS.

PART VI.—Ss. 82 to 112 :—ADMINISTRATION OF JUSTICE.

PART VII.—Ss. 113 to 116 :—MISCELLANEOUS.

THE SCHEDULE :—ROYALTIES.

#### PART I.—PRELIMINARY.

Interpretation.

4. In this Act, subject to the context—

“Aerial survey” means the examination of the earth’s surface by an observer in an aeroplane or other apparatus capable of maintaining itself in the air without the aid of solid support, and the delineation of features visible on the earth’s surface, whether by means of photography or any other method.

“Crown land” means all land which has not been dedicated to any public purpose, or reserved, or which has not been granted in fee or lawfully contracted to be so granted, or which is not held under lease for any purpose except pastoral or timber purposes. The term includes commons, State forests, timber reserves, and any reserve declared by the Governor to be Crown land for the purposes of this Act, and all land between high and low-water mark on the sea shore and on the margin of tidal rivers and below low-water mark.

“Department” means the Department of Mines.

“Drilling” means the perforation of the earth’s surface crust by mechanical means not involving the descent of workmen into the hole caused by such perforation and whether such hole is vertical, inclined or horizontal. The term also includes all operations for preventing collapse of the sides of the hole made by drilling or for preventing such hole from being filled with extraneous materials including water.

“Gas” means natural gaseous hydrocarbons, whether associated with oil or not.

“Geologist” means a person who has received such training in the science of geology as the Minister may require, and who has been approved in writing by the

Minister as a fit and proper person to carry out geological surveys under and for the purposes of this Act.

“Geological survey” includes the examination of areas in the field, the collection of necessary specimens of rocks and other materials, investigations in the laboratory, the preparation of maps and geological sections, and all other operations essential for the determination of the geological structure of any such area.

“Geophysical survey” means the examination of an area with the aid of accurate instruments of a prescribed type, with the object of determining some or all of the physical constituents of geological formation at or below the surface of the earth in such area.

“Minister” means the Minister for Mines, or the responsible Minister of the Crown for the time being charged with the administration of the Mining Act, 1904.

“Oil field” means a defined portion of the State proclaimed as an oil field under and for the purposes of this Act.

“Payable,” as applied to petroleum, means petroleum of such quantity and quality that it can under ordinary circumstances be obtained or produced with profit.

“Permit to explore” means a permit to explore with a view to the discovery of petroleum.

“Petroleum” includes all naturally occurring hydrocarbons in a free state, whether solid, liquid, or gaseous, and oxidation products thereof, which are contained in the rocks of the earth’s crust and which are capable of extraction therefrom by purely mechanical methods not involving the application of heat or chemical processes.

“Petroleum deposit” means any accumulation of petroleum at or below the surface of the earth.

“Private land” means any land which has been or may hereafter be alienated from the Crown for any estate of freehold, or is or may hereafter be the subject of any conditional purchase agreement, or of any lease or concession with or without the right of acquiring the fee simple thereof, other than for pastoral or timber purposes.

- “Producing well” means a bore hole drilled with the object of obtaining petroleum from a petroleum deposit.
- “Prospect” or “to prospect” means to search for a petroleum deposit.
- “Reconnaissance survey” means a rapid preliminary examination of an area in less detail than is required for a geological survey.
- “Sand” includes any geological formation sufficiently porous to contain or absorb appreciable quantities of free petroleum, water, or gaseous substances.
- “Scout drilling” means the drilling of bore holes for the purpose of procuring scientific information, and not with the immediate object of obtaining payable petroleum.
- “Test well” means a bore hole drilled with the object of determining the presence or absence of petroleum at a particular locality.
- “Warden” means the person for the time being holding office as Under Secretary for Mines for the purposes of the Mining Act, 1904, and includes a stipendiary, police, or resident magistrate to whom the warden may at any time temporarily delegate his powers as warden under and for the purposes of this Act.
- “Water shut-off” means all operations necessary for the exclusion of water from any source from any portion of a bore hole drilled in any area which may contain petroleum.

Saving provisions relating to licenses issued prior to this Act.

5. Every license to occupy Crown land for the purpose of prospecting for mineral oil issued prior to the commencement of this Act under the provisions of the Mining Act, 1904, shall, if still subsisting, continue in operation after the commencement of this Act as a license to prospect under this Act; and the holder thereof shall, by virtue of such license, be entitled to all the privileges and be subject to all the obligations of the holder of a license to prospect issued under this Act for the balance of the term of such first-mentioned license.

## PART II.—ADMINISTRATION.

6. This Act shall be administered by the Minister through the department.

Act administered by the Minister through the Department.

7. (1.) For the purposes of this Act the person for the time being holding office as Under Secretary for Mines in the department shall be the warden, and shall, while so acting as warden, be a justice of the peace for the State by virtue of that office. Warden

(2.) The warden may, with the approval of the Minister, temporarily delegate his powers as warden to any stipendiary, police, or resident magistrate when the warden by reason of absence, illness, or for any other cause is unable to act.

(3.) A stipendiary, police, or resident magistrate to whom the powers of warden are delegated as aforesaid shall, until such delegation is determined by the warden, have and exercise and perform all the powers and duties of the warden under this Act.

8. (1.) For the purposes of this Act the State shall be divided into five oil provinces, to be known and referred to as the South-West Oil Province, Kimberley Oil Province, North-West Oil Province, Eucla Oil Province, and Eastern Oil Province, respectively. Oil provinces

(2.) The boundaries of the said oil provinces shall be identical respectively with the boundaries of the five land divisions of the State as constituted and defined by section twenty-eight of the Land Act, 1933.

### PART III.—GENERAL.

9. Notwithstanding anything to the contrary contained in any Act, or in any grant, lease, or other instrument of title, whether made or issued before or after the commencement of this Act, all petroleum on or below the surface of all land within this State, whether alienated in fee simple or not so alienated from the Crown is and shall be deemed always to have been the property of the Crown. Petroleum declared to be property of the Crown.

10. All Crown grants and leases under any Act relating to Crown land issued after the passing of this Act shall contain a reservation of all petroleum on or below the surface of the land comprised therein, and also a reservation of the right of access, subject to and in accordance with the provisions hereinafter contained, for the purpose of searching for and for the operations of obtaining petroleum in any part of the land. Reservation in Crown grants.

Power to obtain  
petroleum.

11. (1.) The Minister may by his officers, agents, or workmen search for petroleum, and conduct all operations deemed necessary for obtaining, refining, and disposing of petroleum produced in Western Australia; and, for such purposes, may enter upon and occupy, either temporarily or permanently—

(a) any vacant Crown land; or

(b) any land in the grant or subsisting lease of which from the Crown, whether issued before or after the commencement of this Act, petroleum has been reserved, or held under lease, license, or permit for pastoral or timber purposes only, without making any compensation, except for deprivation of the possession of so much of the surface, including any improvements thereon, as is required for the conduct of the said operations and surface rights of way thereto or therefrom; or

(c) any mining tenement within the meaning of the Mining Act, 1904, held for the purpose of mining for gold or other mineral, including coal, subject to the payment of compensation for any interference with the operations of the holder thereof.

(2.) The Minister may by himself and any person acting with his authority, for the purpose of searching for petroleum, enter upon any other land alienated from the Crown for an estate in fee simple before the passing of this Act, or held under a subsisting lease from the Crown issued before the passing of this Act, and conduct all operations deemed necessary for that purpose, subject to the payment of compensation: Provided that the owner or lessee may require the land to be resumed under and subject to the next following section.

(3.) Any claim for payment of compensation under this section shall be made, dealt with, and determined under and in accordance with the provisions of the Public Works Act, 1902, as if it were a claim for compensation made originally under that Act.

Land may be  
resumed.

12. (1.) The Governor may from time to time under and subject to the Public Works Act, 1902, resume on behalf of the Crown any land which in his opinion ought to be resumed for the purposes of this Act, and for the purpose of any such proposed resumption may cause the land to be inspected, surveyed, explored, and reported upon by such

officers and workmen as he directs, all of whom may thereupon enter upon the land and carry out all necessary operations.

(2.) Upon any such resumption the owner shall be entitled to compensation, and the amount of such compensation shall be determined in the manner prescribed by the Public Works Act, 1902.

(3.) Whenever it is proved to the satisfaction of the Compensation Court that damage has been sustained by a claimant by reason of the severance of the land resumed from other adjoining land of the claimant, the court may order that such adjoining land or some portion thereof shall also be resumed.

13. (1.) Upon the Governor proclaiming a state of national or State emergency, the Governor shall have the right of pre-emption of all petroleum produced by a lessee from any land held under a petroleum lease issued under this Act, or by the owner of land alienated by the Crown and which is subject to an express reservation of petroleum or an implied reservation under the terms of this Act, and of all the products of such petroleum; and in the event of the Governor exercising such right, the lessee or owner concerned shall take all reasonable steps to facilitate the delivery of the petroleum or products thereof, as the Governor may direct.

Governor to have right of pre-emption of petroleum.

(2.) No lessee or owner aforesaid shall sell or otherwise dispose of petroleum produced by him, or the products thereof, without the written consent of the Minister.

Penalty: One thousand pounds.

(3.) Any sale or other disposition of petroleum or the products thereof made in contravention of subsection (2) hereof shall, as against the Governor when exercising the said right, be null and void.

(4.) The price to be paid for petroleum or products thereof purchased by the Governor pursuant to the said right of pre-emption shall, failing mutual agreement between the Minister and the vendor, be determined by arbitration under the provisions of the Arbitration Act, 1895.

14. All helium discovered by any lessee of land held under a petroleum lease shall be the property of the Crown, and the person discovering the same shall forthwith report such discovery to the Minister.

Helium.

Oil field may be proclaimed.

15. Upon the discovery of petroleum in any oil province, the Governor may, in relation to such discovery, by proclamation—

- (a) constitute any lands, whether Crown land or private land, to be an oil field;
- (b) alter or amend the boundaries of an oil field; and
- (c) abolish an oil field.

Certain provisions to apply when an oil field is constituted.

16. Upon an oil field being constituted as aforesaid, the following provisions shall apply:—

- (a) Every license to prospect issued under this Act, and every license previously issued under the Mining Act, 1904, and having the effect of a license to prospect issued under this Act shall, as from the publication of the proclamation whereby the oil field is constituted, cease to operate and have effect within the boundaries of such oil field, and no person shall, except as otherwise provided in this Act, enter upon the oil field for the purpose of prospecting for petroleum, or for conducting operations with a view to producing or obtaining petroleum from Crown land.

Penalty: One hundred pounds.

- (b) Subject to this Act, all Crown land within the oil field shall be reserved from occupation by persons, other than the Minister or his authorised officers, agents, or workmen, for the purpose of prospecting for or of producing or obtaining petroleum.
- (c) If any land situate within the boundaries of the oil field is held under a pastoral or timber lease or license under any Act or regulation relating to Crown lands, the Governor may suspend or cancel, wholly or in part, such lease or license in respect of any such land; but the rent reserved in the case of any partial suspension or cancellation of any lease or license shall be proportionately reduced.

On discovery of payable petroleum, licensees may claim reward leases.

17. (1.) The first licensee to discover payable petroleum in any oil province shall have a preferential right for a period of six months from the date of such discovery to apply for and obtain, subject to this Act, a reward petroleum lease of sixteen square miles in the shape of a rectangle the length of which shall not exceed twice the breadth, free of payment of rent, for any period not exceeding five years: Provided that in the case of the first licensee to discover pay-

able petroleum within the State the area of the reward lease may include the whole of the individual oil bearing structure so far as in the opinion of the Minister after consultation with his advisers geological investigation can define it but subject to a limitation of two hundred and twenty-five square miles and a further limitation that every area so granted shall be in the shape of a rectangle the length of which must not exceed twice the breadth.

(2.) The second licensee to discover payable petroleum in the same oil province shall, provided the Minister is satisfied that such discovery is of a new oil deposit, have the preferential right for a period of three months from the date of such discovery to apply for and obtain, subject to this Act, a reward petroleum lease of four square miles in the shape of a rectangle the length of which shall not exceed twice the breadth.

18. When payable petroleum has been discovered and an oil field has been constituted in relation thereto, then, notwithstanding anything to the contrary contained in section sixteen of this Act, the following provisions shall apply:—

Licenses to prospect, and petroleum leases may be issued in respect of an oil field.

- (i) The Minister may, with the approval of the Governor, issue licenses to prospect under this Act to operate and have effect within the oil field.
- (ii) The Governor may, on the recommendation of the Minister, but subject as hereinafter provided, grant petroleum leases of land within the oil field to persons other than the licensee who first discovered the petroleum in such oil field:

Provided that—

- (a) the grant of such leases shall be subject to the preferential right of the licensee who first discovered the petroleum in the oil field, under section seventeen of this Act; and
- (b) the grant of such leases shall be subject to such conditions, including a condition that the right to acquire such leases may be submitted to public auction or tender, as may be prescribed.

19. Every license to prospect, and every petroleum lease issued or granted under this Act, and every share or interest therein, while still subsisting, may, subject to this Act and regulations, be transferred or otherwise disposed of, mortgaged or otherwise encumbered by such holder, and shall, in the case of a judgment or order of any court being obtained

Licenses to prospect, and petroleum leases shall be deemed chattels

against the holder thereof, or in the event of the death, bankruptcy, or liquidation of the holder thereof, be subject to law in the same manner and to the same extent as other property of the holder aforesaid is subject.

Land comprised in a license to prospect or a lease may be entered for certain purposes.

20. (1.) Subject to the approval and consent in writing of the Minister, any person may enter upon any land comprised in any license to prospect or in any petroleum lease, and do any of the following things:—

- (a) erect poles and posts thereon, and carry overhead across or along such land electric lines, and from time to time repair, alter, or remove such poles, posts, or lines; and
- (b) make or construct any tramways thereon, and from time to time repair, alter, or remove the same; and
- (c) construct any road, race, or drain, or lay waterpipes under, over, across, or through such land; and
- (d) for carrying out any of the said purposes, break or otherwise disturb the surface and soil of such land.

(2.) If the holder of a license to prospect, or of a petroleum lease, suffers any estimable damage by reason of the exercise of any of the powers mentioned in subsection one hereof, the person exercising such powers shall be liable to compensate such holder in respect of the damage so caused.

(3.) In default of agreement between the parties concerned, the holder of the license or lease may make application to the warden in the prescribed manner to fix the amount of compensation to be paid, and the decision of the warden shall be final and binding on the parties concerned.

Power to agree as to amount of compensation.

21. The applicant for any license or lease may agree with the owner and occupier respectively of any private land as to the amount of compensation to be paid for the right to occupy the land in respect of which the application is made.

No such agreement shall be valid unless the same is in writing and signed by the parties thereto and filed in the Department of Mines.

Measure of compensation.

22. Such compensation to be made to the owner and occupier shall be compensation for being deprived of the possession of the surface or any part of the surface of the private land, and for damage to the surface of the whole or any part thereof, and to any improvements thereon, which may arise from the carrying on of operations thereon or thereunder, and for the severance of such land from other land of the

owner or occupier, and for rights-of-way and for all consequential damages.

In assessing the amount of compensation no allowance shall be made to the owner or occupier for any gold, minerals, or mineral oil known or supposed to be on or under the land.

23. If within such time as may be prescribed the parties are unable to agree upon the amount of compensation to be paid, either party may upon a plaint in that behalf have the amount determined by the warden.

Where no agreement, warden to determine compensation.

24. In determining the amount of compensation, the warden shall take into consideration the amount of any compensation which the owner and occupier or either of them have or has already received in respect of the damage for which compensation is being assessed, and shall deduct the amount already so received from the amount which they would otherwise be entitled to for such damage.

Compensation already received to be deducted.

25. If any private land or improvement thereon adjoining or in the vicinity of the land the subject of any license or lease under the provisions of this Act is injured or depreciated in value by any operations carried on by the lessee or his agents, or the licensee or his agents, or by reason of the occupation of any portion of the surface, or the enjoyment by the lessee or licensee of any right-of-way, the owner and occupier of such private land or improvements thereon shall severally be entitled to compensation for all loss and damage thereby sustained, and the amount of such compensation shall be ascertained in the same manner as is hereinbefore prescribed and the provisions of section twenty-two shall apply with the necessary modifications.

Owner of private land in vicinity of lease or license entitled to compensation.

26. If while in occupation of any land pursuant to the terms of any license or pursuant to the terms of any lease the licensee or lessee or his agents cause any damage to the surface of any private land comprised within the boundaries of the land the subject of the license or lease belonging either to the same or any other owner, or to any improvement on any such private land, not being damage already assessed under the provisions hereinbefore contained, the owner and occupier of such private land or improvement shall severally be entitled to compensation for the damage sustained by each of them, and the amount of such compensation shall be ascertained in accordance with the provisions of section twenty-two, which shall apply, with the necessary modifications.

Compensation for further damage.

Licensee or lessee not to operate before agreement made and registered.

27. No license, or lease shall be granted in respect of any private land unless or until the proposed licensee or lessee has paid or tendered to the owner and occupier the amount of compensation (if any), ascertained as hereinbefore prescribed, or made an agreement in writing with such persons as to the payment of such compensation (if any).

If the owner is dead or cannot be found, such payment may be made to the Minister in trust for the owner.

Restriction on granting license or lease in relation to certain private lands.

28. No license or lease shall be granted in respect of any private land which is—

- (a) used as or at a less distance than fifty yards from a yard, garden, orchard, or cultivated field; or
- (b) of less extent than half an acre within the limits of any municipality or township; or
- (c) used as a cemetery or burial place; or
- (d) at a less distance than one hundred and fifty yards laterally from any cemetery or burial place or reservoir or substantial improvement,

unless in every case the consent in writing of the owner or trustee, as the case may be, of the land in question has first been obtained.

In this section the expression “reservoir” means any natural or artificial storage or accumulation of water, and includes a spring, dam, bore, and artesian well.

In every case the Minister shall be the sole judge whether any improvement is substantial.

Partnerships.

29. With respect to partnerships for the purpose of producing or obtaining petroleum, the following provisions shall apply:—

What constitutes a partnership.

- (a) Whenever two or more persons acquire any petroleum lease, or engage in lawfully working or using it, or jointly employ others to do so for them, a partnership shall be deemed to exist between such persons in respect of such petroleum lease. A mortgagee in possession shall be deemed to be a partner;

Partnership property.

- (b) Every petroleum lease owned by partners or worked or used by or for them, whether purchased with partnership funds or not, shall be deemed to be partnership property;

- (c) A member of a partnership shall share in the profits and losses thereof in the proportion which his share or interest in the partnership petroleum lease bears to the whole of the shares or interests therein;
- (d) Each member of a partnership shall be deemed to have, as against every other member, a lien on the partnership property for all partnership debts paid by him, and for money advanced by him for its use; and such lien may, in the prescribed manner, be registered, enforced, and discharged:
- Provided that such registered lien shall be subject to review by the warden on the application of any person aggrieved, and for that purpose the warden may, by order, confirm or cancel the registration or amend the lien in such respect as he deems equitable;
- (e) A partner's interest in the partnership may be sold or assigned without dissolving the partnership, and without the consent of the other members, and from the date of such sale or assignment the purchaser or assignee shall be deemed to be a member of the partnership:
- Provided that he shall be deemed to take such interest subject to all such liens existing in favour of the partners as are registered, but not further;
- (f) If any partner gives notice to the other partners of his intention to determine the partnership, such notice shall not determine the partnership as between the other partners if, within thirty days thereafter, they, by notice to the retiring partner, elect to purchase his interest in the partnership at a valuation agreed upon by the parties, or failing such agreement, to be assessed by the warden;
- (g) The decision of the members owning a majority of two-thirds at least of the shares or interest in a partnership shall bind all the members of the partnership in the conduct of their business;
- (h) It shall be a ground for dissolution of a partnership if any member—
- (i) where it is his duty to pay or satisfy any assessment of the partnership liabilities, neglects or refuses so to do for thirty days after being served with the notice so to do from any other member; or
- Proportionate shares of profit and losses.
- Lien of member for partnership debts paid by him
- Purchaser becomes partner from date of purchase.
- Purchase of retiring partner's share.
- Decision of majority binding as to business.
- Grounds for dissolution.

(ii) neglects, when notified in writing by any other partner so to do, to perform any labour or discharge any liability which it is his duty to perform or discharge, or to represent his share or interest in any partnership petroleum lease;

Partners may sue to be put in possession of unrepresented share.

(i) In any case where any member of a partnership whose duty it is to occupy or represent his share or interest in any partnership petroleum lease fails or neglects so to do for thirty days at any one time, the other members may institute proceedings in the Warden's Court to be put in possession of such share or interest as though such member had never been a partner, and the court may decree accordingly, or make such other order as it deems equitable;

Wages may be put on for unrepresented share.

(j) If at any time any share or interest in any partnership petroleum lease is unrepresented for forty-eight hours, and such non-representation prevents the proper and profitable working or use thereof, the following provisions shall apply:—

- (i) Any member of the partnership, or any person in charge of such petroleum lease, may employ any person or persons at current rate of wages to represent and work such share or interest;
- (ii) Every person so employed shall have a lien for his wages upon such share or interest;
- (iii) Any such member or person in charge as aforesaid may, out of any profits accruing to such share or interest, pay such wages;
- (iv) In case there are no such profits, or the profits are insufficient to pay such wages, such member or person in charge may himself pay the same and, to the extent of the moneys so paid, shall have a lien on such share or interest;
- (v) Where practicable the member or person in charge who employs any person as aforesaid shall, within seven days thereafter, give notice in writing thereof to the absent member or his agent;
- (vi) Any such lien for wages may be registered, enforced, and discharged under and subject to the provisions hereinbefore provided in the case of members of a partnership;

- (k) Whenever in any suit for the dissolution of a partnership the Warden's Court might order a sale of the partnership property but does not deem it expedient so to do, the following provisions shall apply with a view of avoiding the necessity of such sale:—
- (i) The court may cause the accounts of the partnership to be taken, and the share and interest of each partner to be valued; and may authorise any one partner to buy out any other at the price ascertained by such valuation;
- (ii) If the buying and selling partners cannot be determined by agreement between themselves, the court may, as between such of the partners as are willing to buy, determine by lot who shall buy, and from whom;
- (iii) The court may direct all proper persons to execute such instruments, and do such things as it deems necessary for the purpose of fully effectuating every such sale and purchase:

Provided that this section shall not apply to any incorporated company or association registered under any statute.

Exemption of registered companies.

30. (1.) The amount for the time being due to all managers, clerks, miners, artisans, and labourers employed in or about any petroleum lease by or on behalf of the owner thereof in respect of their wages or other earnings in relation thereto, not exceeding four weeks' wages or earnings to each such person, shall be a first charge upon the mining tenement in priority to any mortgage, charge, or other encumbrance; and, in the winding up of a company, the amount due at the date of the winding-up order to such persons in respect of such wages or earnings, not exceeding four weeks' wages or earnings to each such person, shall be paid in priority to all other debts, secured or unsecured, of the company.

Lien for wages.

But until the expiration of one year from the commencement of this Act, such lien shall not prevail against any mortgage, charge, or other encumbrance entered into or incurred and registered before the commencement of this Act.

(2.) Such first charge shall include all costs awarded against any person or company in any proceeding before a court to recover such wages or earnings, and any costs, charges, or expenses properly incurred in enforcing such order.

(3.) The debts so charged upon a petroleum lease, and the debts so payable in priority to all other debts of a company, shall rank equally amongst themselves, and, if necessary, shall abate in equal proportions between themselves.

Permission given for geological investigations.

31. Notwithstanding the grant of any permit, license or lease under this Act any geologist, with the written approval of the Minister, may enter on the area the subject of the permit, license or lease and make geological investigations in such manner as he thinks fit, provided that he does not encroach within a quarter of a mile of any workings being conducted by the permit holder, licensee or lessee and that he has given previous written notice in the prescribed manner to the permit holder, licensee or lessee.

#### PART IV.—PERMITS, LICENSES, AND LEASES.

##### *Division 1.—Permits to Explore.*

Minister may issue permits to explore.

32. (1.) Subject to this Act the Minister may—

- (a) issue, or cause to be issued, permits to explore within an oil province;
- (b) issue one or more permits to explore for the same oil province;
- (c) issue a permit to explore to any applicant approved by the Minister, upon payment to the Minister of the sum of fifty pounds, to be held as hereinafter provided;
- (d) cancel any permit to explore issued under this Act.

(2.) The Minister may authorise any officer in the Department to issue permits to explore.

Exploring for petroleum without permit to explore prohibited.

33. No person shall do, or cause or permit or suffer anything to be done on his behalf in any oil province, by way of or for the purpose of exploring for petroleum in such oil province, unless at the time he is the holder of a permit to explore issued under this Act.

Penalty: Fifty pounds.

Applications.

34. (1.) Application for a permit to explore shall be made by the applicant in writing in the prescribed form, addressed to the Minister, and left at or sent to the office of the Under Secretary for Mines at Perth.

(2.) Every application shall contain therein the prescribed particulars in relation to such application.

35. (1.) When an application for a permit to explore is approved, notice thereof shall be given to the applicant; and upon payment of the sum of fifty pounds by the applicant to the Minister, the permit to explore shall be issued to the applicant.

Provision where application for permit approved.

(2.) Every permit to explore shall be in the prescribed form, signed by the Minister or authorised officer issuing the same, and shall state therein the date and place of the issue thereof and the oil province for which it is so granted.

(3.) Every permit to explore shall remain in force for one year from the date of the issue thereof.

36. Save and except as provided by regulation, a permit to explore shall not be transferred, assigned, or encumbered.

Permit not transferable.

37. The Minister, or an authorised officer with the approval of the Minister, may from time to time renew a permit to explore for a further period:

Permit may be renewed.

Provided that the total period during which a permit to explore may operate shall not in any event exceed three years from the date of the original issue thereof.

38. (1.) The holder of a permit to explore shall, subject to this Act and the regulations—

Duties of holder, permit to explore.

- (a) within three months from the date of the issue of such permit, employ and arrange for a geologist to commence a reconnaissance, aerial, geological or geophysical survey within the oil province in respect whereof the permit is issued; and
- (b) furnish to the Minister quarterly, not later than the tenth day of January, April, July, and October of each year, a written report on the prescribed form of operations conducted, together with full geological maps of the portion of the oil province which has been surveyed as aforesaid; and
- (c) carry out continuously to the satisfaction of the Minister survey operations within the oil province during the currency of the permit to explore issued in respect of such oil province; and
- (d) keep an adequate record of all operations conducted, collect geological specimens of outcrops, fossils, rocks, materials encountered in drilling, take all reasonable precautions to ensure that all such materials and records shall be clearly and permanently labelled and stored in such a way as to prevent deterioration or loss thereof, and shall at all

reasonable times allow the Minister or any person authorised by the Minister or the Under Secretary for Mines to examine and inspect the same.

(2.) The holder of a permit to explore shall not undertake any drilling operations without the consent in writing of the Minister, and such consent shall not provide for other than scout-drilling operations. In the event of scout-drilling operations being approved, the core from the bore, which must consist of sixty-six per centum of the depth drilled, shall, unless the Minister shall otherwise approve, be preserved intact in the custody of some person and in such manner as may be prescribed for a period of not less than twelve months.

Minister may direct certain operations to be conducted.

39. The Minister may, at any time during the term of a permit to explore, by notice in writing direct that the holder of such permit shall conduct further operations, to be specified in the notice, in connection with or as part of the survey operations to be conducted by such holder in accordance with this Act.

Application of deposit.

40. (1.) The Minister may at the end of the term of a permit to explore, refund to the holder thereof such portion, not exceeding forty-five pounds, of the deposit of fifty pounds paid by the holder on the issue of the permit, as the Minister may deem reasonable and justified by the nature and extent of the operations conducted by the holder in pursuance of such permit.

(2.) Any balance of the said deposit which is retained by the Minister shall be paid into the Consolidated Revenue Fund.

(3.) No refund of any portion of the said deposit shall be made to the holder in the event of the permit to explore being cancelled by the Minister on account of default of the holder.

Permit to explore may be cancelled.

41. If the holder of a permit to explore shall by any act or omission make default in the due observance of or compliance with his duties and obligations under this Act or the regulations the Minister may forthwith, by notice in writing in the prescribed form, cancel the permit to explore, and thereafter such permit shall cease and determine.

#### *Division 2.—Licenses to Prospect.*

Minister may grant licenses to prospect.

42. (1.) Subject to this Act, the Minister may—

(a) grant or cause to be granted to the holder of a permit to explore, who has carried out his duties and

obligations under this Act as such holder to the satisfaction of the Minister, a license to prospect within an oil province upon any area of land, to be defined and described in the license;

- (b) grant or cause to be granted one or more licenses to prospect, but not exceeding five, to the same person for different areas of land in the same oil province at the same time:

Provided that not more than two of such areas of land shall adjoin one another: Provided that where two adjoining areas are granted and another area or areas are also granted under this paragraph, there shall be a distance separating the other area or each of the other areas, as the case may be, from the said two adjoining areas of not less than four miles and a distance separating each of the other areas from each other of not less than four miles.

- (c) cancel any license to prospect granted under this Act.

(2.) The Minister may authorise any officer in the department to grant licenses to prospect.

43. No person, whether he is the holder of a permit to explore or not, shall do or cause or permit or suffer anything to be done on his behalf in any oil province by way of or for the purpose of prospecting for petroleum in such oil province, unless at the time he is the holder of a license issued under this Act.

Prospecting for petroleum without license to prospect prohibited.

Penalty: Fifty pounds.

44. (1.) Application for a license to prospect shall be made by the applicant in writing in the prescribed form, addressed to the Minister, and left at or sent to the office of the Under Secretary for Mines at Perth.

Applications.

(2.) Every application shall contain therein the prescribed particulars in relation to such application, and shall be accompanied by a plan or sketch of the area of land for which the license to prospect is required.

(3.) The area of land for which the license to prospect is granted shall not exceed a square of fifteen miles on each side.

(4.) Before a license is granted by the Minister, the applicant shall furnish a bond in the prescribed form, with such surety as the Minister approves, in such sum as the Minister determines, not being less than one thousand pounds.

Provisions when application for license to prospect approved.

45. (1.) When an application for a license to prospect is approved, notice thereof shall be given to the applicant, and, upon payment of the fee for the same as hereinafter prescribed, the license to prospect shall be granted to the applicant.

(2.) Every license to prospect shall be in the prescribed form, signed by the Minister or the authorised officer granting the same, and shall state therein the date and place of the granting thereof, the oil province within which and the area of land for which it is granted.

(3.) Every license to prospect shall remain in force for one year from the date of the grant thereof, but the holder thereof may apply for and be granted a renewal thereof from year to year, but so that the aggregate renewals shall not extend beyond four years from the expiration of the term for which it was originally granted.

Effect of license to prospect.

46. A license to prospect shall, subject to this Act and the regulations, entitle the holder thereof to the exclusive right during the continuance thereof to prospect for petroleum within the area of land in an oil province in respect whereof the license is granted.

No person to hold more than five licenses.

47. No person shall be entitled to hold or be granted more than five licenses to prospect in the same oil province at the same time.

Fees for licenses to prospect.

48. The fee to be paid for and in respect of a license to prospect shall be one pound per square mile per annum.

Duties of licensee.

49. (1.) The holder of a license to prospect shall, subject to this Act and the regulations—

(a) within six months from the date of the granting of the license to prospect, or within such further time as the Minister may allow, commence and thereafter carry out a detailed geological survey of the area of land in respect of which the license was granted, and also perform and carry out such other operations upon the said area as may be prescribed; and

(b) keep an adequate record of all surveys made and all operations conducted, collect geological specimens of outcrops, fossils, rocks, and materials encountered, take all reasonable precautions to ensure that all such materials and records shall be clearly and permanently labelled and stored in such a way

as to prevent deterioration or loss thereof, and shall at all reasonable times allow the Minister or any person authorised by the Minister or the Under Secretary for Mines to enter upon the said area of land to inspect the operations then being conducted thereon and to examine and inspect the said records and materials.

(2.) The holder of a license to prospect shall not undertake any drilling operations or drill any test well without the consent in writing of the Minister; and when giving such consent or at any time during the drilling operations the Minister may specify the technique to be employed and the material to be used therein.

50. The Minister may at any stage of the operations being conducted by the holder of a license to prospect direct by notice in writing to such holder that the work shall be stopped, suspended, or carried out in such a manner as he may approve; and the holder of the license to prospect shall forthwith comply with such direction.

Minister may stop operations.

51. (1.) The holder of a license to prospect shall employ in drilling operations only such methods of drilling as are capable of yielding a core amounting to not less than sixty-six per centum of the depth drilled unless otherwise authorised by the Minister; and all cores so obtained shall be preserved by the holder of the license intact in the custody of some person, and in such manner as may be prescribed, for a period of not less than twelve months.

Provision as to drilling operations.

(2.) In the event of water being encountered in the course of drilling operations, the holder of the license to prospect shall immediately report the same in writing to the Minister and suspend the drilling operations until the continuance thereof is authorised in writing by the Minister.

(3.) In the event of the Minister authorising the continuance of drilling operations after water has been encountered as aforesaid, the holder of the license shall, unless the Minister shall otherwise in writing approve, shut off all water so encountered, and for such purpose shall, before continuing the drilling operations, submit to and obtain the approval in writing of the Minister of the methods proposed to be adopted by the holder.

(4.) In the event of traces of petroleum, including natural gas, appearing during drilling operations, the holder of the license to prospect shall immediately report the same to the

Minister, who may thereupon specify the operations which shall be taken by such holder to test the extent and value of the occurrence of such petroleum.

(5.) If the report provided for in subsection (4) hereof cannot be made to the Minister and his reply cannot be received within twenty-four hours after such report is made, the holder of the license to prospect shall fill the bore hole to a depth of at least five hundred feet with heavy mud, or take such other precautions or measures as may be prescribed pending the receipt of a reply from the Minister.

(6.) In the event of preliminary tests indicating the probability of payable petroleum, the holder of the license to prospect shall immediately report thereon to the Minister in writing, and shall carry out thereafter such operations as the Minister may in writing direct to test the value of the occurrence of such petroleum; and such tests shall be continued until such time as the Minister shall determine.

(7.) The results of every test carried out or provided for in subsection (6) hereof shall be reported in writing to the Minister daily by telegram, if the bore hole is situate within fifty miles of a telegraph station, or otherwise as often as possible.

Application of fees paid for license to prospect.

52. (1.) The Minister may at the end of the term of a license to prospect refund to the holder thereof such portion, not exceeding ninety per centum, of the amount of the fees paid for such license to prospect under section forty-eight of this Act as the Minister may deem reasonable and justified by the nature and extent of any specified and approved prospecting operations actually carried out by the holder.

(2.) Any balance of the said fees which is retained by the Minister shall be paid into the Consolidated Revenue Fund.

(3.) No refund of any portion of the said fees shall be made to the holder of a license to prospect in the event of such license being cancelled by the Minister on account of default by the holder.

License to prospect may be alienated or encumbered.

53. Subject to this Act and the regulations, and also in each and every case to the approval in writing of the Minister, or of an officer authorised by the Minister in that behalf, the holder of a license to prospect may transfer, sublet, mortgage, encumber, or otherwise deal with such license to prospect on the area of land comprised therein:

Provided that no transfer, sublease, mortgage, encumbrance, or other instrument shall be effectual so as to pass any right, title, estate, or interest in such license or area of land aforesaid, or in any way to change or encumber the same, until it has been registered in the manner prescribed.

54. If the holder of a license to prospect shall by any act or omission make default in the due observance of or compliance with his duties and obligations under this Act or the regulations, the Minister may forthwith, by notice in writing in the prescribed form, cancel the license to prospect, and thereafter such license shall cease and determine.

License to prospect may be cancelled.

### *Division 3.—Petroleum Leases.*

55. (1.) The Governor may, subject to this Act and the regulations, grant to any person a petroleum lease of land within an oil field for the purpose of producing or obtaining petroleum: Provided that no petroleum lease shall be granted to any company not being a company formed within the Commonwealth of Australia, unless the Governor is satisfied that there are exceptional circumstances which justify him in granting such lease.

Governor may grant petroleum leases.

(2.) The area of a petroleum lease shall not, except in the case of a reward petroleum lease, exceed one hundred and sixty acres.

56. (1.) Every application for a petroleum lease shall be made in the prescribed form, and shall be lodged with the Under Secretary for Mines at his office in Perth together with the prescribed survey fee.

Applications.

(2.) The applicant shall state in his application—

- (a) the number of shares or units into which the lease is to be divided, and, where the application is made by two or more persons, the number of shares or units to be held by each person; and
- (b) the name by which the lease is to be known; provided that such name shall be subject to the approval of the warden.

57. (1.) No alteration shall be made either in the number of shares or units into which a petroleum lease has been divided, or in the division thereof, or in the name of the lease, without the consent of the Under Secretary for Mines.

No alteration in number of shares or units of a petroleum lease.

(2.) No transfer of or other dealing affecting less than one share or unit shall be registered under this Act.

58. (1.) The applicant for a petroleum lease shall, either before or within twenty days or such further time as the Minister may allow after lodging his application, mark in the prescribed manner the land in respect of which the application is made, and deposit with the Under Secretary for Mines a description and plan sufficient to define and identify such land.

(2.) The shape of the land applied for shall, as nearly as circumstances permit, be that of a rectangle; but, when owing to the position of the boundaries of adjoining leases, or by reason of natural features rectangular areas of land are not available, intervening or irregularly shaped areas of land may be applied for.

59. (1.) The term of a petroleum lease of whatever nature shall not exceed twenty-one years; but every lessee shall, subject to this Act and the regulations, have the right to apply for and obtain a renewal of such term for a further term of twenty-one years.

(2.) The term of a petroleum lease shall commence on the day of notification of the approval of the application for such lease in the *Government Gazette*.

60. The rent payable for a petroleum lease of whatever nature shall be an annual rent calculated at the rate of sixpence per acre per annum, and shall be payable annually in advance; provided that, in the case of a reward petroleum lease, such lease may be granted upon the condition that for the first five years of the term thereof the rental shall be a peppercorn rental only, and thereafter the rent shall be payable as aforesaid in respect of such reward petroleum lease.

61. When an application for a petroleum lease has been approved, notice of such approval shall be published in the *Government Gazette* and also be given to the applicant; and upon receipt of such notice the applicant shall be at liberty to enter upon the land in respect of which the lease is approved for the purpose of such lease as if he were already the lessee thereof, but such entry shall be subject to the terms and conditions of the lease to the same extent as if the instrument of lease had already been executed and issued to the applicant:

Applicant for lease to mark and supply description of land.

Term of lease.

Rent of lease

On approval of application for lease, applicant may enter land.

Provided that, if the land the subject of such approved application has not already been surveyed prior to the application being approved, the application shall be deemed to have been approved subject to the condition that such land is found to be available after a survey thereof is made.

62. As soon as reasonably may be after an application for a petroleum lease has been approved, a lease of the land applied for shall be prepared in the prescribed form in duplicate and executed by the Minister and registered in the department. One copy thereof shall be endorsed "Original" and shall be filed in the department, and the other copy shall be endorsed with the word "Duplicate" and shall be issued to the applicant upon payment of the fee of one pound for the same.

Lease instrument to be prepared and registered.

63. (1.) A petroleum lease of whatever nature shall contain the following reservations, covenants, and conditions, namely:—

Covenants and conditions of petroleum leases.

- (a) A reservation of power to authorise mining on the land under the provisions of the Mining Act, 1904, for any purpose other than the production or obtaining of petroleum;
- (b) A covenant by the lessee to pay rent in the amount, in the manner, and at the times provided in this Act or the regulations;
- (c) A covenant by the lessee to pay royalty upon petroleum produced or obtained from the land at the rate and in accordance with the proper scale prescribed in the schedule to this Act;
- (d) A covenant by the lessee to work the land in accordance with the regulations and to the satisfaction of the Minister, unless exemption or partial exemption is granted in such manner as may be prescribed;
- (e) A covenant by the lessee to refine all crude petroleum produced or obtained from the land in the State of Western Australia, or in some other part of Australia approved of for that purpose by the Minister;

- (f) A covenant by the lessee not to ship or export any crude petroleum to any place outside Australia without the consent of the Minister;
- (g) A covenant by the lessee to comply with this Act and the regulations;
- (h) A covenant by the lessee to use the land continuously and *bona fide* exclusively for the purpose for which it is demised and in accordance with this Act and the regulations;
- (i) A covenant by the lessee not to assign, underlet, or part with the possession of the land or any part thereof without the previous consent in writing of the Minister, or an officer acting with his authority;
- (j) A condition for the forfeiture of the lease in the event of any breach of any covenant or condition by the lessee;

(2.) When an application for a petroleum lease has been approved, and notwithstanding that the lease instrument has not been executed, and whether or not the applicant shall have entered upon the land as provided for in section sixty-one of this Act, the applicant and his assigns shall be deemed to have entered into the covenants and to have accepted the reservations and conditions provided for in subsection one hereof, and shall in all respects be bound thereby.

Acceptance of rent  
not to be deemed a  
waiver.

64. The demand or acceptance of rent by the Minister in respect of any petroleum lease shall not be deemed to be a waiver of the right of the Crown or the Minister to enforce the observance of any covenant, condition, or regulation under or subject to which such lease is held, or the right of forfeiture of such lease for breach of any such covenant, condition, or regulation committed before the receipt of such rent.

Forfeiture of leases.

65. In case any petroleum lease shall be liable to voidance, cancellation, or forfeiture for breach of covenant or otherwise, the Governor may, subject to this Act, declare such lease void, and upon publication of notice of such declaration in the *Government Gazette*, all the estate and interest in the lease

of the lessee and every person claiming under him shall cease and determine; and the production of the *Government Gazette* containing a notice as aforesaid shall be conclusive evidence in all courts of a breach of covenant by the lessee or of other cause sufficient to authorise such declaration, and that all the estate and interest in the lease of the lessee and every person claiming under him have been lawfully determined by re-entry:

Provided that the Governor may, for any cause which he may deem sufficient, by any subsequent notice in the *Government Gazette* cancel any notice of voidance, cancellation, or forfeiture, and reinstate the lease for the benefit of the lessee, or any person lawfully claiming under him, as of his former estate.

66. A lessee may at any time with the consent of the Governor surrender his lease.

Lessees may surrender lease.

67. (1.) No person, whether as lessee or otherwise, shall hold or be interested in more than five petroleum leases in any one oil field.

Number of leases which may be held.

(2.) Any person holding or being interested in the maximum number of leases in one oil field allowed by subsection one hereof shall not hold or be interested in any petroleum lease situated in another oil field and within a distance of fifty miles of the common boundary between the said two oil fields.

(3.) Any person holding or being interested in petroleum leases in contravention of either subsection one or subsection two hereof shall be guilty of an offence against this Act.

Penalty: Five thousand pounds.

(4.) Any leases held by any person or in which any person is interested in contravention of either subsection one or subsection two hereof shall be liable to cancellation by the Governor.

(5.) Provided that nothing in this section shall be deemed to affect or prejudice the right of any person to hold or acquire shares in a company as a shareholder thereof.

68. (1.) The lessee of a petroleum lease and the applicant for a petroleum lease may, with the approval in writing of the Minister, or of an officer acting with his authority, transfer, sublet, mortgage, encumber, or otherwise deal with the lease or application aforesaid; but no such transfer, sublease, mortgage, encumbrance, or other instrument shall be effective

Leases may be alienated and encumbered.

to pass any estate or interest in a lease, or application for a lease, or in any way charge or encumber the same until registered in accordance with this Act and the regulations:

Provided that the Minister shall not approve of the transfer or assignment of any estate or interest in a lease or application for a lease to any company, not being a company formed within the Commonwealth of Australia, unless he is satisfied that there are exceptional circumstances which justify him in granting such approval.

Minister to have access to lease.

69. The Minister and officers authorised by him in that behalf shall at all times have access to any lease, buildings situated thereon, and workings therein, and to all books and records of the lessee relating to such lease, and the operations carried on thereon, for the purpose of examining and inspecting the same.

Lessee may erect buildings and machinery on lease.

70. The lessee of a petroleum lease may erect thereon any buildings or machinery required for use by him in connection with such lease or the operations to be carried on thereon.

Royalties,

71. The royalties payable under petroleum leases granted under this Act shall be the royalties prescribed respectively in Part I. and Part II. of the Schedule to this Act.

Return to be furnished.

72. The lessee of every petroleum lease in respect of which royalties are payable shall, during the first week of every month, forward to the Under Secretary for Mines a return in the prescribed form showing the amount of crude petroleum obtained from such lease during the last preceding month, together with such other particulars as may be necessary to ascertain the amount of the royalty payable, together with the amount due as royalty thereon.

Officers may examine books, etc.

73. Any officer appointed for that purpose by the Minister shall at any time have access to the books and accounts of such petroleum lease, and may examine the same, for the purpose of ascertaining the amount of royalty payable in respect of the petroleum obtained from such lease.

Payment of royalty; how enforced.

74. If the amount of royalty due upon any petroleum obtained from any petroleum lease is not paid within thirty days after such amount has been ascertained, any officer appointed for that purpose by the Minister may seize and take

possession on behalf of the Crown of any petroleum obtained from such lease, and the lease itself may be cancelled by the Governor, and the amount of royalty due shall, until paid or enforced as aforesaid, be a debt due from the lessee to the Crown.

75. Any lessee of a petroleum lease who neglects or refuses to furnish returns to the Under Secretary for Mines as hereinbefore required, or who wilfully makes a false return, and any person who impedes or obstructs any officer appointed by the Minister to perform any duty under section seventy-three or seventy-four of this Act, shall be guilty of an offence.

Penalties.

Penalty: One hundred pounds.

76. (1.) Subject to this Act and the regulations, total or partial exemption from the covenants to work the land in respect of any petroleum lease may be granted for any period not exceeding in any one instance a period of six months in any year to the lessee, upon satisfactory proof by him that any of the following grounds exist:—

Exemption from labour conditions.

- (a) Time is required for the erection of machinery;
- (b) Scarcity of labour;
- (c) The death of the lessee or one of several joint lessees;
- (d) The lease is for some other cause temporarily unworkable;
- (e) The title to the lease is in dispute;
- (f) Want of capital after a fair sum has been spent on the lease in erection of machinery, or for work, labour and material;
- (g) Bankruptcy or liquidation proceedings against the lessee are pending.

(2.) For the purposes of this section, a year shall be the year commencing on the first day of January.

77. (1.) The holder of a petroleum lease shall not drill within three hundred and thirty feet of the boundary of any other leased area without the approval in writing of the Minister.

Lessee not to drill within prescribed distance of another lease.

(2.) When a well is defined by the Minister's adviser to be a gas-well it shall be closed down by the lessee immediately, and shall be operated only under instructions from the Minister.

Gas-wells.

(3.) Non-observance by a lessee of the provisions of this section shall be deemed a breach of the conditions of this lease.

**Applications for exemption.**

78. (1.) A lessee desiring exemption from covenants to work the lands the subject of any petroleum lease shall make application in the prescribed form, stating the period of time for which such exemption is required, and in relation to such application the following provisions shall apply:—

- (a) Where exemption is required for a period not exceeding fourteen days, and no previous exemption has been granted in the year in which the application is made, the application shall be made to the warden at his office, and the warden may grant such exemption upon such evidence by the lessee as he may deem sufficient;
- (b) Where exemption is required for a period not exceeding fourteen days, and previous exemption has been granted in the year in which the application is made, or where exemption is required for a period of time exceeding fourteen days, the application shall be made to the warden in the Warden's Court;
- (c) Where the application for exemption is made in the Warden's Court, any person may appear and oppose such application, and in such case the application shall be heard in accordance with the procedure prescribed for the hearing of ordinary applications in the Warden's Court. Evidence for and against the application shall be taken on oath, reduced to writing by the warden, and signed by the witness;
- (d) The warden shall not give any decision on any such application, but shall refer to the Minister the evidence taken, together with his own notes thereon, and together with such recommendation in relation to the granting or refusing of the application as he thinks just in the circumstances;
- (e) Upon receipt of such recommendation and accompanying documents, the Minister may grant or refuse, either wholly or in part, the application for exemption, and his decision shall be absolutely final;
- (f) The decision of the Minister shall be communicated to the lessee by the Under Secretary for Mines in the prescribed manner.

(2.) Notwithstanding anything to the contrary contained in subsection one hereof, a lessee may apply direct to the Minister for exemption for a period not exceeding fourteen days, and, provided no previous exemption has been granted in the year in which such application is made, the Minister may grant such exemption upon such evidence by the lessee as the Minister shall deem sufficient.

#### PART V.—CAVEATS.

79. Any person claiming any interest in any license to prospect, or in any petroleum lease, or in any application for a petroleum lease, or in any land comprised in such license, lease or application, may, on payment of the prescribed fee, lodge a caveat in the prescribed form forbidding the registration of any transfer or other instrument affecting such interest, but the lodging of such caveat shall be subject to the regulations and to the following conditions:—

Provisions relating  
to caveats.

- (a) Every caveat shall state the name and address of the person by whom or on whose behalf the same is lodged, and shall be signed by the caveator or his agent;
- (b) Every caveat shall contain an address within the city of Perth at which notices and proceedings relating thereto may be served;
- (c) Every notice relating to a caveat and any proceedings in respect thereof, if left or sent by post to the address appointed as aforesaid shall be deemed to be duly served;
- (d) Upon receipt of a caveat the Under Secretary for Mines or other officer authorised in that behalf shall send notification to the person against whose interest the caveat is lodged as aforesaid that such caveat has been lodged, by letter sent by post to the last known address of such person;
- (e) The person against whose interest the caveat is lodged as aforesaid may summon the caveator to attend before the warden to show cause why such caveat should not be removed, and upon proof that the caveator has been summoned, and after hearing evidence, the warden may make such order as he thinks fit;
- (f) Every caveat shall be deemed to have lapsed upon the expiration of fourteen days after notice given to the caveator that application has been made for

the registration of a transfer or other dealing in respect of the interest against which the caveat is lodged;

- (g) A caveat which has lapsed shall not be renewed by or on behalf of the same caveator in respect of the same estate or interest, except by leave of the warden.

80. So long as any caveat remains in force, no change in the proprietorship of the estate or interest in respect to which such caveat is lodged shall be registered, and no transfer or other instrument purporting to transfer or otherwise deal with or affect the same shall be lodged or received for registration.

No dealing to be registered while caveat in force.

81. When a contract for the sale of any estate or interest in a license to prospect, or petroleum lease, or application for a petroleum lease or the land comprised therein has been made, the purchaser under the contract may, on payment of the prescribed fee, lodge a caveat in the prescribed form and register a copy of the contract of sale therewith, and such caveat shall remain in force for the full term specified in the contract of sale, or for such other shorter term as the said contract remains in force, unless sooner removed by the consent of the caveator.

Parties to a contract of sale may lodge caveat.

#### PART VI.—ADMINISTRATION OF JUSTICE.

82. (1.) For the purposes of this Act there shall be established one Warden's Court, to be presided over by the warden, and to be held in the office of the Under Secretary for Mines at Perth, or at such other places as the warden may at any time and from time to time determine.

(2.) The Warden's Court shall have jurisdiction throughout the whole of Western Australia.

83. (1.) The Warden's Court shall be a court of record, and for such court there shall be a seal.

(2.) All summonses, judgments, orders, warrants, and other processes issued out of the court shall be signed by the warden or the principal registrar of the department.

84. (1.) The Warden's Court may be held before the warden at such times as the warden from time to time appoints.

(2.) The hearing of any matter or proceeding before the court may be adjourned by the warden at any time from any one place to any other place in which the court may be held.

Establishment of Warden's Court.

Warden's Court a court of record.

Time and place for holding court.

(3.) In the absence for any reason of the warden, the principal registrar of the department may adjourn the court.

85. The Warden's Court shall have jurisdiction to hear and determine all such actions, suits, and other proceedings cognisable by any court of civil jurisdiction as shall arise in any oil province concerning the following matters, that is to say:—

Matters in respect of which Warden's Court to have jurisdiction.

- (a) Area, dimensions, and boundaries of lands the subject of licenses to prospect, and petroleum leases;
- (b) Title to and ownership or possession of areas of land comprised in licenses to prospect, and petroleum leases, and to petroleum or other materials obtained therefrom;
- (c) Encroachments upon, infringement of, or damage to petroleum leases or areas of land comprised in licenses to prospect;
- (d) Specific performance of contracts relating to petroleum leases or licenses to prospect;
- (e) Transfers and other dispositions of or charges upon petroleum leases or licenses to prospect;
- (f) Trusts relating to petroleum leases and licenses to prospect;
- (g) Partnerships relating to petroleum leases and licenses to prospect, the formation and dissolution thereof, the taking of accounts connected therewith, and the determination of all questions arising between the partners;
- (h) As to contribution between joint lessees or holders, or persons holding shares in any petroleum lease towards the rent or expenses of working the lease, or towards the payment of royalty;
- (i) Encroachment upon or damage to land by reason of prospecting for petroleum or carrying on operations for obtaining petroleum, whether held under the provisions of this Act or otherwise;
- (j) Encroachment upon, damage to, and the determination of all questions concerning roads, tramways, railroads, or fences constructed, held or occupied under this Act;
- (k) And, generally, concerning all contracts, torts, questions or disputes of any kind relating to petroleum leases or licenses to prospect or permits to explore, or to prospecting for petroleum, or producing or obtaining petroleum, or to any matter in respect

whereof jurisdiction is elsewhere by this Act conferred upon the court or the warden, whether the parties thereto are or are not engaged in exploring or prospecting for petroleum, or in carrying on operations for the purpose of producing or obtaining petroleum.

**Recovery of penalties.**

86. Whenever by this Act or the regulations a penalty is imposed for any breach thereof, the proceedings for the recovery of such penalty may be taken in a summary way in the Warden's Court and according to the provisions of the Justices Act, 1902-1932, which provisions shall apply in like manner as if the warden were sitting as a resident magistrate under that Act, or before any two justices in petty sessions.

**Procedure.**

87. The procedure of the Warden's Court shall be in accordance with this Act and the regulations; but the warden, or, in his absence, the principal registrar of the department may, at the request in writing of the parties concerned, hear and determine any question in dispute within the jurisdiction of the warden summarily and without requiring any formal proceeding to be commenced, and the decision of the warden or the principal registrar, as the case may be, may be entered upon and enforced as an order of the court, and shall be final and conclusive.

**Mode of trial: costs.**

88. With respect to all proceedings in the Warden's Court, the following provisions shall apply:—

- (a) The hearing shall be in open court, at the time and place appointed in that behalf:

Provided that, if for any reason the court cannot be held at the time and place appointed, the principal registrar of the department may adjourn it to some other time or place as the warden or, in his absence, as the said principal registrar appoints in that behalf;

- (b) The hearing may be adjourned by the court from time to time, or from place to place, in such manner and on such terms as to costs or otherwise as the court thinks fit;
- (c) The warden may administer oaths;
- (d) Every witness shall be examined on oath;

- (e) If any person, being duly summoned to attend as witness, fails duly to attend at the time and place named in the summons, or, attending refuses to be sworn or to answer any lawful question put to him, the court may forthwith inflict on him a penalty not exceeding ten pounds, unless reasonable cause for such failure or refusal is made to appear to the court;
- (f) The court, upon such terms as to costs or otherwise as it thinks fit, may by order grant time to any party for any purpose, add or strike out parties, and generally do whatever it deems expedient for the purpose of effectively disposing of the matter before it, according to the substantial merits of the case;
- (g) The costs shall be in the discretion of the warden, and he shall fix them, or may direct them to be taxed.

89. Any person under the age of twenty-one years may sue and be sued in the Warden's Court, in the same manner and in all respects as if he were of full age.

Persons under twenty-one may sue and be sued.

90. In all matters within its jurisdiction the Warden's Court shall have power to enforce contracts, award damages, appoint receivers, grant prohibitions, injunctions, attachment orders and charging orders; to add, join, substitute, or strike out parties; to impose penalties; to cause any chattels to be restored to any person or place whence they have been improperly or unlawfully removed, or to be deposited for safe custody with any person or in any place, or to be summarily seized; to summon witnesses, award costs, and generally make such orders and give such judgments as it deems proper.

General powers of the court.

91. If by reason of the pressing emergency of any particular case it shall seem proper to the warden so to do, he may, on the application of any party to any action or other proceeding, without notice to any other party, grant an interim injunction, to be in force for a period not exceeding seven days, or until the same shall be sooner discharged.

Interim injunction

92. If any action or proceeding in the Warden's Court shall be for the possession or recovery of any land, or any petroleum, or any share or interest in any land or petroleum.

Order for possession

the court shall determine the right to the same, and may fix the boundaries of any land, if necessary to do so, for the purpose of terminating the dispute, and shall determine whether any and what sum in the nature of mesne profits may be paid to the claimant; and the warden may order possession of such land or petroleum to be delivered to the claimant and any such sum to be paid to him, and may cause the claimant to be put in possession of any land, and any defendant or his servants to be ejected therefrom.

How judgments and convictions to be enforced.

93. Subject to the express provisions of this Act in that behalf, every judgment, decision, or order of the court in civil proceedings may be carried out and enforced in like manner in all respects as if it had been given or made in civil proceedings in a local court; and every conviction or order of the court in criminal proceedings, or proceedings imposing a penalty, shall be carried out and enforced in like manner in all respects as if it had been obtained or made in summary proceedings before justices of the peace.

By whom warrants may be served.

94. Every warrant, order, or other process of the Warden's Court may be served or executed and put in force by any bailiff of the Warden's Court, or of a local court, without it being necessary for him to be specifically named therein, or by any other person to whom it is, whether before or after issue, specially directed by the warden or the clerk of the Warden's Court.

No proceedings to be dismissed for informality.

95. No action or proceeding shall be dismissed or vitiated because of any informality; nor shall any objection be taken or allowed on the ground of any alleged defect or misnomer or inaccurate description, or of any variance between the relief claimed and the relief to which the claimant appears to be entitled, or between the claim or complaint and the evidence adduced in support thereof; but in every instance the proceedings shall be amended by the court so that the actual subject-matter in dispute may plainly appear and be re-adjudicated upon, according to the substantial rights of the parties:

Provided that, whenever it appears that any of the parties is deceived or misled, or that any injustice would be done by proceeding at once with the hearing, the court may adjourn the proceedings upon such terms as to costs or otherwise as it thinks fit.

96. With respect to every judgment, conviction, or order of the court, the following provisions shall apply:—

Record and formal drawing up of judgments.

- (a) A minute thereof shall be entered in a register kept for the purpose, and no other record thereof shall be necessary;
- (b) If any of the parties so requests, or if the warden thinks fit, or if notice of appeal is given, it may at any time thereafter be formally drawn up under the hand of the warden;
- (c) It shall not be void, quashed, or vacated for want of form.

97. For the purpose of enabling the court the more effectually to exercise the jurisdiction and powers conferred upon it by this Act, and to enforce obedience to its judgments and orders, and to punish disobedience thereof, it is hereby declared that, in so far as no sufficient provision in that behalf is elsewhere contained in this Act, the court and the warden shall be deemed to have and may exercise all the powers of the Supreme Court or a Judge thereof.

Additional power of the Court.

98. For the purpose of enforcing compliance with any judgment or order of the court directing not the payment of money but the doing or refraining from the doing of any act, the following provisions shall apply:—

Orders may be enforced by commitment.

- (a) If any person makes any default in complying with any such judgment or order, or in any way impedes or prevents the compliance therewith, he commits an offence, and is liable to a penalty not exceeding twenty pounds and to be imprisoned in default of payment, or to be imprisoned without the infliction of any such penalty; and the court may issue a warrant of commitment accordingly;
- (b) The person named in such warrant shall be taken to some convenient prison named therein and delivered to the keeper of such prison, who shall there detain him until he pays such penalty (if any) and gives security to the satisfaction of the court that he will refrain from repeating such offence, or until he is released by order of the court:

Provided that no person shall be imprisoned under this section for any term exceeding six months.

Punishment of persons guilty of contempt.

99. Whenever in the course of any proceedings before the court any person insults the warden or any officer of the court, or interrupts the proceedings, or in any other manner is guilty of contempt in the face of the court, the following provisions shall apply:—

- (a) Such person may, by written or verbal direction of the court, be taken into custody by the bailiff or any police officer or constable, with the assistance, if necessary, of other persons, and be detained until the rising of the court;
- (b) Instead of discharging such person at the rising of the court, the warden may inflict any penalty not exceeding five pounds, and in default of payment commit him to prison for any term not exceeding seven days, or may commit him to prison for any such term without inflicting any such penalty.

Interpleader.

100. If any claim shall be made to or in respect of any goods or chattels taken in execution under process from the Warden's Court, or in respect of the proceeds or value thereof, by any person, not being the party against whom such process shall have been issued, the warden may, upon application of the officer charged with the execution of such process, as well before as after any action brought against such officer, issue a summons calling before the warden as well the party issuing such process as the party making such claim. Thereupon any action which shall have been brought in any court in respect of such claim shall be stayed, and the court in which such action shall have been brought, on proof of the issue of such summons, and that the goods and chattels were so taken in execution, may order the party bringing such action to pay the costs of all proceedings taken therein after the service upon him of such summons, and the warden shall adjudicate upon such claim and make such order between the parties in respect thereof and of the costs of the proceedings as to him shall seem fit.

Who may take affidavits.

101. Any affidavit to be used in the Warden's Court or before the warden may be sworn before any commissioner for taking affidavits, or before the warden, any mining registrar of the department, or a justice of the peace.

Copies of decision or order to be supplied.

102. Any person may, on payment of the prescribed fee, obtain a copy of any judgment, decision, or order of the warden.

103. A document purporting to be a copy of a judgment, order, or decision of the warden, or of any document filed by, or of any entry in a register kept for the purposes of this Act, and certified by the Under Secretary for Mines as a true copy thereof, shall be admitted in all courts as sufficient evidence of such judgment, order, decision, document or entry, and the signature of the warden and Under Secretary for Mines to any document shall be judicially noticed.

Proof of decision  
of Warden's court

104. At any stage of any civil proceedings before it the Warden's Court may reserve any question of law for the opinion of the Supreme Court, and, with respect to every question so reserved, the following provisions shall apply:—

Special case may be  
reserved for  
Supreme Court.

- (a) The warden shall prepare a special case, setting forth the question so reserved, and shall transmit such case to the Master of the Supreme Court;
- (b) The Master shall set a special case down for argument before a Judge of the Supreme Court, and the Judge's opinion on the special case shall, when given, be drawn up and transmitted by the Master to the warden;
- (c) The costs of the proceedings shall be in the discretion of the Judge;
- (d) Upon receipt of such opinion the Warden's Court shall act in accordance therewith, and in the meantime no judgment or order of the court shall affect the question so reserved;
- (e) When reserving any such question, or at any time before acting on the Judge's opinion thereon, the warden, on the application of any party to the proceedings, and on such terms as he thinks fit, may make such order for an injunction or a receiver or for payment of money into court, or for giving security for damages and costs or otherwise, and on such terms as he may think fit.

105. Except as hereinafter provided, an appeal at the instance of any party aggrieved shall lie to the Supreme Court from any final judgment or order of the Warden's Court: Provided that there shall be no appeal—

Appeal to Supreme  
Court.

- (a) in any case where at or before the hearing the parties by a memorandum in writing lodged in the warden's office agree that the decision of the court shall be final;

- (b) from any judgment or order of the Warden's Court where the value of the subject-matter or interest in dispute shall not exceed two hundred pounds, except by leave of the Supreme Court or a Judge;
- (c) from any decision or recommendation of the warden or the Minister upon any application for a petroleum lease or a license to prospect, the forfeiture thereof, or exemption from labour or other conditions.

Appeal on fact  
or law.

106. Every such appeal may, as the appellant thinks fit, be on matter of fact alone, or of law alone, or of both fact and law:

Provided that there shall be no appeal on matter of fact from any summary conviction imposing a penalty, except as provided by the *Justices Act, 1902-1932*.

Notice and grounds  
of appeal.

107. With respect to every appeal, the following provisions shall apply:—

- (1) Within ten days after the decision to be appealed from has been given, the appellant shall file in the Warden's Court and serve on the other party notice of intention to appeal, and shall lodge with the warden, as deposit by way of security for the costs of appeal, the sum of twenty pounds;
- (2) Such notice of appeal shall specify whether the appeal is on matter of fact alone, or of law alone, or of both fact and law, and shall also state briefly the matters of law (if any) forming the grounds of appeal.

Setting down  
appeal.

108. (1.) If the appeal is on matter of fact alone, or of both fact and law, the appellant shall, within fourteen days after notice of appeal was filed, set down the appeal for hearing by filing with the Master of the Supreme Court a copy of the notice of appeal, the notes of evidence and exhibits in the original proceedings, and the judgment or order appealed from certified as correct under the hand of the warden or the Under Secretary for Mines.

(2.) If the appeal is on matter of law alone, the following provisions shall apply:—

- (a) The appeal shall be in the form of a special case, to be agreed on by the parties, or if within seven

days after notice of appeal they cannot agree, then to be settled by the warden at the request of either of them;

- (b) The special case, when agreed on or settled as aforesaid, shall be transmitted to the Master by the appellant, who shall also, within thirty days after the notice of appeal was filed as aforesaid, set the special case down for rehearing and give notice thereof to the other party.

109. If the appeal is on matter of fact alone, or of both fact and law, and the Supreme Court so orders, or the parties agree, the appeal shall be by way of rehearing, but otherwise the appeal shall be heard and determined upon the evidence and proceedings before the warden.

Appeal may be by way of rehearing.

110. The appeal shall in every case be deemed to be abandoned if the appellant—

When appeal deemed to be abandoned.

- (a) fails duly to file or serve such notice of appeal, or duly to lodge such deposit within the time hereinbefore limited in that behalf; or
- (b) fails duly to set down the appeal or special case for hearing within the time hereinbefore respectively limited in that behalf, or such extended time as the Supreme Court or a Judge thinks fit to grant on application made by the appellant before the expiration of the time limited as aforesaid.

111. Whenever an appeal is abandoned, the same proceedings may be had and taken in respect of the judgment or order appealed against as if no notice of appeal had been given.

Proceedings when appeal abandoned.

112. With respect to the proceedings in the appeal, the following provisions shall apply:—

Order of appellate court and costs.

- (a) The Supreme Court, after hearing the appeal, shall make such order reversing or varying the decision appealed against, or dismissing the appeal, as it thinks fit;
- (b) Such order may also contain such directions with respect to the costs of the appeal and of the original proceedings as the court thinks fit;
- (c) Every appeal to the Supreme Court shall be heard by a single Judge.

## PART VII.—MISCELLANEOUS.

113. (1.) Every person shall be guilty of an offence against this Act who—

- (a) is found doing any act or thing upon any land for the purpose of prospecting for or obtaining petroleum therefrom, and whether such land is comprised in a license to prospect, or a petroleum lease or not, unless he is the holder of a license to prospect or of a petroleum lease which authorises him to enter upon and do such act or thing upon such land; or
- (b) is found removing petroleum from any land, whether comprised in a petroleum lease or not, unless he is the holder of a petroleum lease of such land, or is so removing petroleum with the permission of the person who holds a petroleum lease of such land; or
- (c) assaults, obstructs, interferes with, or resists the warden or any person duly authorised by the warden, or any bailiff or other officer, or any clerk or assistant of such bailiff or other officer, or other person lawfully entering upon any land or area which is the subject of a license to prospect, or of a petroleum lease, or in the performance of any act or duty, or in the exercise of any powers under this Act or the regulations;
- (d) by any act or omission contravenes any of the provisions of this Act or the regulations.

(2.) Any person guilty of any offence against this Act or the regulations in respect whereof no special penalty is provided by this Act or the regulations, shall be liable on conviction to a penalty not exceeding fifty pounds or to imprisonment for a period not exceeding six months.

114. All fees, charges, and sums of money which shall or may be imposed or made payable by or under this Act, and all penalties incurred under this Act or the regulations, for which no other mode of recovery is prescribed, may be recovered, carried out, or enforced by the warden in the manner in which justices of the peace are now by law authorised to enforce any conviction or order of a court of petty sessions.

Offences,

Recovery of penalties,

115. Any person found unlawfully upon any land the subject of a license to prospect, or of a petroleum lease, may be forcibly removed therefrom by any police officer or constable, or by any person authorised by the warden in that behalf.

Persons unlawfully on land.

116. The Governor may make regulations, not being contrary to the provisions of this Act, for all or any of the matters following, that is to say—

Regulations.

- (a) for determining the dimensions, boundaries, form, position and extent of any land comprised or to be comprised in any petroleum lease or license to prospect, and the subsequent adjustment of the same where necessary, and the time when such determination shall take effect;
- (b) for determining the manner in which persons desirous of taking possession of or acquiring petroleum leases or licenses to prospect shall mark out the same, and the requirements to be complied with by such persons;
- (c) for regulating the time or times within which and the method by which any objection may be lodged, and the manner of dealing with the same;
- (d) for providing for the registration and the mode of obtaining and effecting the registration of petroleum leases and licenses to prospect, and any share or interest therein, and of the transfer, assignment, or sublease thereof, and of any share or interest therein, and of any lien or encumbrance thereon, and of the discharge of any such lien or encumbrance thereon, and for providing for the registration and the mode of effecting and obtaining the registration of any such encumbrance, transfer, assignment or sublease in the case of death, bankruptcy, liquidation (in the case of a company), or insanity or of sale under the decree, judgment or order of any court;
- (e) for prescribing the labour and other conditions not herein provided for, subject to which any petroleum lease or license to prospect shall be held, and the conditions on which exemption from the performance thereof may be applied for, granted, and obtained, and generally for prescribing the manner in which and with what incidents, rights, and

obligations any petroleum lease or license to prospect shall be taken possession of, held, occupied, used, worked, and enjoyed;

- (f) for determining the events on which the title to any petroleum lease or license to prospect shall become forfeited, and for imposing any penalty on the happening of any one or more events in lieu of such forfeitures;
- (g) for limiting the time within which and prescribing the mode in which proceedings for any such forfeiture or penalty may be taken;
- (h) for the prevention of nuisances in or about any petroleum lease, and for cleansing and keeping clean the same;
- (i) for enabling persons to enter on land for the purpose of erecting electric telegraph or telephone posts or wires;
- (j) for prescribing the form of lease (including such other reservations, covenants, and conditions as the Governor may think necessary, in addition to those prescribed by section sixty-three), license to prospect, certificates, applications, permits to explore, objections, notices, and other documents granted, issued, or used under or for the purposes of this Act;
- (k) for determining the time and mode of ascertaining the amount of any royalty and the time for payment thereof;
- (l) for the prescribing returns to be furnished by lessees and licensees of work done and production of petroleum or any other products of holdings under this Act;
- (m) for prescribing the fees (if any) payable for the several matters mentioned hereunder:—
  - (i) applications, surveys, processes, exemptions from performance of labour and other conditions;
  - (ii) registration of any mortgage, lien, or encumbrance, or any transfer or discharge thereof;
  - (iii) registration of transmission by death or under the laws relating to bankruptcy or insanity;
  - (iv) the registration of any other matter or thing required by this Act or the regulations to be registered;

- (n) for prescribing safety precautions, treatment of water underground or at the surface, and prevention of waste of gas or petroleum;
- (o) for specifying drilling machinery, materials, and casing which is to be used in operations to which this Act and the regulations apply;
- (p) for regulating the separation, storage, transportation and exploration of any of the products of petroleum leases or licenses to prospect;
- (q) for providing for the cessation of operations on petroleum leases or areas comprised in licenses to prospect, and the precautions to be undertaken in regard to any operations upon the same;
- (r) for regulating the spacing of oil wells;
- (s) for ensuring that precautions shall be taken against flooding, and for providing methods to be adopted upon abandonment of oil wells;
- (t) for providing that drilling operations are carried out with due diligence and by safe and satisfactory methods;
- (u) for any other act, matter, or thing requisite or necessary or expedient for the purpose of carrying out or properly giving effect to the provisions and objects of this Act.

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#### THE SCHEDULE.

The royalties payable under this Act shall be as follows:—

##### PART I.

In respect of reward petroleum leases, the royalty shall be as follows:— Sections 19 and 71.

- (a) For the first five years of the term of the lease, five per centum of the petroleum produced from the wells or bores on the demised land, or of the gross proceeds of sales of such petroleum, as may be determined by the Minister;
- (b) For the remainder of the term of the lease, ten per centum of the petroleum produced from the wells or bores on the demised land, or of the gross proceeds of sales of such petroleum, as may be determined by the Minister.

## PART II.

In respect of all petroleum leases other than reward petroleum leases, royalty shall be calculated according to the following scale:—

Production in barrels per day per well per calendar month.	Royalty.
Not more than 20 .. .. .	10%
More than 20 but not more than 50—	
On the first 20 barrels .. .. .	10%
On any excess over 20 barrels .. .. .	12½%
More than 50—	
On the first 20 barrels .. .. .	10%
On excess up to and including the next 30 barrels .. .. .	12½%
On all the excess over the first 50 barrels .. .. .	15%

Provided that, for the purposes of this Part—

- (1) a "barrel" shall contain 31.5 imperial gallons;
- (2) only those wells or bores which in the opinion of the Minister have had a production of payable petroleum during at least a part of the calendar month shall be taken into account for the purpose of ascertaining the average production yield per day per well for such calendar month;
- (3) the royalties prescribed in this Part shall be the respective percentages therein set forth, either of the petroleum produced or of the gross proceeds of sales of such petroleum, as may be determined at any time and from time to time by the Minister.