

Hon. Mr. Anderson.

## PETROLEUM.

### ANALYSIS.

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## A BILL INTITULED

Title. AN ACT to encourage the Production of Petroleum from Crown and other Lands in New Zealand by making Provision for the Issue of Warrants to prospect for, and Licenses to win, Petroleum; by prescribing Conditions for the Payment by Licensees of Royalties on Petroleum won under any such License; by prescribing other Terms and Conditions subject to which such Warrants and Licenses as aforesaid shall be issued; and generally by making Provision for the Regulation of Mining Operations in respect of Petroleum. 5 10

BE IT ENACTED by the General Assembly of New Zealand in Parliament assembled, and by the authority of the same, as follows:—

Short Title and commencement.

1. This Act may be cited as the Petroleum Act, 1927, and shall come into force on the first day of January, nineteen hundred and twenty-eight. 15

Interpretation.

2. In this Act, unless the context otherwise requires,—

“Inspector” means an Inspector of Mines appointed under the Mining Act, 1926, and includes the Inspecting Engineer of Metaliferous Mines appointed under that Act: 20

“License” means a license to win petroleum granted under this Act:

“Licensee” includes the holder of a prospecting-warrant:

“Mining operations” means boring or mining for petroleum, and includes prospecting; and also includes the extraction, rectification, storage, and transport of petroleum, and the erection and maintenance of pipe-lines, tramways, tanks, power-stations, buildings, machinery, and plant required for the production, handling, and rectification of petroleum: 25 30

“Minister” means the Minister of Mines:

“Native land” means customary land or Native freehold land within the meaning of the Native Land Act, 1909:

“Occupier,” in relation to any land, includes every person in actual occupation of that land under any lawful title granted by or derived from the owner of the fee-simple thereof: 35

“Payable,” as applied to petroleum, means petroleum of such quantity and quality that it can under ordinary circumstances be won with profit:

“Petroleum” means petroleum and mineral oil occurring in a free state, and obtainable by drilling or wells, and includes natural gas, but does not include mineral oil which may be extracted from coal, shale, or other rock by any industrial process: 40

“Prospecting-warrant” or “warrant” means a prospecting-warrant granted under this Act. 45

*Preliminary.*

Prohibiting the prospecting for or winning of petroleum save pursuant to this Act.

3. (1) Except as provided in section *twenty-one* hereof with respect to existing warrants and licenses in force under the Mining Act, 1926, it shall not be lawful for any person, after the commencement of this Act, to commence or continue to carry on any prospecting or other mining operations for petroleum save in pursuance of a prospecting-warrant or of a license granted under this Act. 50

(2) The prohibition imposed by this section applies to the owner of any land equally with other persons.

4. (1) At any time after the requirements of the *next succeeding* section have been complied with, the Governor-General may by Proclamation declare that any lands therein defined shall, as from a date to be specified in that behalf in the Proclamation, be open for the prospecting for or the winning of petroleum under this Act.

Governor-General may by Proclamation declare lands to be open for operations under this Act.

(2) Any such Proclamation may in like manner be at any time varied or revoked.

10 (3) Any such Proclamation may relate to any Crown land, Native land, private land, or other land; and may relate to any land notwithstanding that it may be subject to any lease, license, mortgage, reservation, or other restriction whatsoever.

15 5. Before the issue of any Proclamation under the *last preceding* section, the following requirements of this section shall be complied with, namely:—

Conditions to be complied with before any land is declared to be open for prospecting or mining operations under this Act.

(a) A notice of intention to recommend to the Governor-General that any area be proclaimed as aforesaid, given under the hand of the Minister, shall be published at least once in each of four consecutive weeks in one or more newspapers circulating in the locality in which such area is situated.

(b) Every such notice shall be in the form or to the effect set forth in the Schedule hereto:

25 Provided that in any such notice the Minister may give such further particulars with reference to the proposal as in the circumstances he may consider necessary or advisable:

(c) At the expiration of the time limited for the receipt of objections (being not earlier than thirty days after the first publication of the aforesaid notice) the Minister may, if he thinks fit, cause all such objections to be referred for consideration and recommendations to a Stipendiary Magistrate appointed with the concurrence of the Minister of Justice to hear the same. The Governor-General shall not in any case be recommended to issue a Proclamation with respect to any lands unless all objections in relation thereto have been so referred to a Stipendiary Magistrate, and reported on.

(d) After consideration of the report and recommendations of the Stipendiary Magistrate by the Minister he may, in his discretion, determine whether or not the objections should be upheld, and may, if he thinks fit, recommend to the Governor-General the issue of a Proclamation in relation to the whole area of such lands or to any defined portion thereof.

45 6. For the purposes of this Act the Minister may cause a geological survey to be made of any lands in New Zealand, whether or not a Proclamation in respect of such lands has been issued under section *four* hereof, and for such purpose may, by writing signed by him, authorize any person or persons, with such workmen and other assistance as may be required, to enter upon any such land and to do all such things as may be thought necessary with a view to ascertaining whether such land or any part of it is oil-bearing or not. Every instrument of authority given by the Minister under this section shall have effect according to its tenor.

Minister may cause geological surveys to be made for purposes of this Act.

*Prospecting-warrants and Licenses.*

Minister may  
issue prospecting-  
warrants.

7. (1) The Minister may, on application in the prescribed form, and subject to the provisions of this section, grant to any person a prospecting-warrant, authorizing such person to prospect for petroleum on any land defined in such warrant. 5

(2) A prospecting-warrant shall not be granted in respect of any land other than land for the time being open for operations under this Act by virtue of a Proclamation issued by the Governor-General pursuant to section *four* hereof.

(3) Notwithstanding anything to the contrary in the terms thereof, 10  
a prospecting-warrant under this section shall not, without the consent of the persons charged with their administration (in the case of lands held for any public purpose) or without the consent of the owner and occupier of any other lands, authorize the entry upon or the carrying-out of any prospecting operations on any land— 15

(a) Which is actually used as a garden, orchard, vineyard, nursery, plantation, or ornamental pleasure-ground :

(b) Which, being situated within a borough or town district, is not more than a quarter of an acre in extent :

(c) Which is the site of, or is situated within one hundred feet of, 20  
any house, factory, hospital, church, public-building, cemetery, or waterworks.

Terms of  
prospecting-  
warrants.

8. (1) Subject to the provisions of this Act, a prospecting-warrant may be granted over the whole or such portion as the Minister thinks fit of an area to be specified in the application for such warrant, not exceeding the maximum area to be prescribed in respect of prospecting-warrants by regulations under this Act. 25

(2) A prospecting-warrant issued under this Act shall grant to the holder of the warrant exclusive right to prospect for petroleum on the land comprised in the warrant ; and such other rights, not inconsistent 30  
with this Act, or with any regulations thereunder, as may be necessary for the effective carrying-out of prospecting operations :

Provided that such operations shall be carried out so as to obstruct or interfere as little as possible with the occupation and use of the land by any other person having a right to use or occupy the same. 35

(3) Every prospecting-warrant shall be for such term or terms and be subject to such conditions as may be prescribed by regulations under this Act. The Minister may, with respect to any prospecting-warrant, impose such other conditions, not inconsistent with this Act or with regulations thereunder, as in the circumstances of the particular case he 40  
thinks fit.

(4) The grant of a prospecting-warrant shall in every case be in the absolute discretion of the Minister, and he may for any reason that he thinks sufficient refuse to grant any such warrant.

9. (1) A prospecting-warrant shall not be issued to any person 45  
unless—

(a) He has deposited with the Minister, as security for compliance with the terms of the warrant, such sum as the Minister may in any case require, not exceeding such maximum sum as may be prescribed by regulations under this Act ; or 50

(b) He has lodged with the Minister an approved bond to His Majesty the King for a like amount, executed by one or more sureties.

Applicant for  
prospecting-  
warrant to make  
deposit or furnish  
bond as security  
for compliance  
with terms of  
warrant.

(2) Subject to any regulations under this Act, the security given as aforesaid in respect of any prospecting-warrant may be available in respect of any other prospecting-warrant or of any license granted under this Act to the same person.

5 10. (1) The amount of any deposit made under the *last preceding* section, or of any amount recovered by or on behalf of His Majesty under any bond given as aforesaid, shall be applicable by the Minister, as he thinks fit, towards the restoration or protection of any borings, wells, oil, or other property injuriously affected or endangered by reason of the failure of the holder of the warrant, or license, as the case may be, to comply with the requirements of this Act or any regulations thereunder, or with the terms and conditions of his warrant or license.

Application of securities given by holders of prospecting-warrants or of licenses under this Act.

15 (2) All moneys deposited with the Minister as herein provided shall be forthwith paid by him into the Common Fund of the Public Trust Office, and shall bear interest at the rate from time to time payable in respect of investments in the said Common Fund.

(3) The licensee shall be entitled to receive the income from time to time payable in respect of any such deposit.

20 (4) Subject to the provisions of this Act as to the application of deposits for the restoration or protection of property, the licensee shall be entitled to receive a refund of his deposit on the termination of the warrant or license in respect of which such deposit has been made.

25 11. (1) Within three months after the grant of a prospecting-warrant under this Act, or within such further period as the Minister may allow in that behalf, the grantee shall proceed with reasonable diligence to install (if not already installed) on the land comprised in the warrant a standard drill or other sufficient outfit and equipment, and shall commence drilling at least one well, and shall continue such drilling with reasonable diligence to production, or to a point where the well is proved unsuccessful to the satisfaction of the Minister.

Holder of prospecting-warrant obliged to carry on prospecting operations.

30 (2) The grantee shall thereafter drill and continue drilling with reasonable diligence at least one well at a time to production, or to a point where the well is proved unsuccessful to the satisfaction of the Minister, until he has drilled a number of such wells equal to the number of one-hundred-acre blocks comprised in the warrant, unless the Minister for any reason which he deems sufficient consents in writing to the drilling of a less number of wells:

35 Provided that, except where otherwise provided in the warrant, any well drilled to the extent hereinbefore referred to on the land comprised in the warrant under any former authority shall be taken into account in computing the number of wells to be drilled pursuant to this section.

(3) In selecting the site of any well proposed to be drilled pursuant to this section the grantee shall have regard to any wells that may have been already drilled on land adjoining the land comprised in his warrant, and shall not drill any well so as intentionally to interfere with any source of supply of petroleum to any well that has been drilled to the point of production.

40 (4) Without the previous consent in writing of the Minister, the holder of a prospecting-warrant or of a license under this Act shall not plug or otherwise obstruct any well which has been brought to the point of production while payable petroleum is being or can be obtained.

Holder of prospecting-warrant may receive license to win petroleum over whole or portion of area comprised in warrant.

12. (1) The holder of a prospecting-warrant shall not by virtue of such warrant be entitled to win payable petroleum, but, on compliance with the terms of his prospecting-warrant, shall be entitled as of right at any time during the currency of his prospecting-warrant to receive a license to win petroleum over the area comprised in the prospecting-warrant, or over such portion of that area as he may specify in his application, but not exceeding in any case the maximum area prescribed by regulations under this Act in respect of a license to win petroleum. 5

(2) Where a license to win petroleum is granted over portion only of the area comprised in a prospecting-warrant, the warrant shall, unless 10 revoked pursuant to the terms thereof, continue in force with respect to the balance of the area comprised therein.

(3) The deposit or bond, as the case may be, required by section *nine* hereof with respect to a prospecting-warrant shall remain under the control of the Minister after the grant of a license to win petroleum, 15 and shall be available for the protection or restoration of property endangered or injuriously affected by failure to comply with the terms of the license, or with any of the provisions of this Act or of any regulations thereunder.

License to win petroleum may be granted to person not being the holder of a prospecting-warrant.

13. (1) A license to win petroleum may, in the discretion of the 20 Minister, be granted to any person notwithstanding that he may not be the holder of a prospecting-warrant :

Provided that a license to win petroleum shall not be issued under this section in respect of any land over which a prospecting-warrant has been issued and is in force, except with the consent in writing of 25 the holder of the prospecting-warrant.

(2) In any case to which this section refers the applicant shall, before a license is issued to him, be required to make a deposit or lodge an approved bond, in the same manner and for the same purposes as if he were an applicant for a prospecting-warrant. The provisions of 30 section *ten* hereof, as to the investment of deposits in the Common Fund of the Public Trust Office, shall apply with respect to deposits made under this section.

License to win petroleum to give exclusive rights within area to which the license relates.

14. A license to win petroleum issued under this Act shall during its currency give to the holder thereof the exclusive right to win 35 petroleum within the area comprised in the license, and shall, in accordance with regulations under this Act, give such right of possession and occupation as may be necessary for the effective exercise of the rights conferred by the license.

Water rights attached to license.

15. (1) Subject to the terms of any prospecting-warrant or license 40 granted under this Act, every licensee shall for the purposes of such warrant or license have the right by himself, his agents or workmen, to take and divert water from any natural spring, lake, pool, or water-course situated on or flowing through the land comprised in such warrant or license, and may use such water for any purpose necessary 45 or incidental to his mining operations.

(2) The right conferred by this section shall be subject to the payment of such charges as may be prescribed and shall be subject to such other conditions as may be prescribed by regulations under this Act. 50

Holders of prospecting-warrants or of licenses required to keep geological records.

16. The holder of a prospecting-warrant or of a license to win petroleum shall keep a log, in the prescribed form, of all wells drilled by him, showing the state and character of the ground passed through by the drill. Such log shall be open at all reasonable times for inspection

by any Inspector, and a certified copy of the log shall from time to time be furnished to the Minister on demand, or in accordance with regulations under this Act.

17. (1) It shall not be lawful for the holder of any prospecting-warrant or of a license to win petroleum to assign, transfer, or sublet his warrant or license or any interest thereunder, without the consent of the Minister in writing first had and obtained; and any agreement to assign, transfer, or sublet, or any act purporting to assign, transfer, or sublet, such warrant or license or any interest therein in breach of this section shall be null and void. The Minister shall not be bound to consent to any proposed assignment, transfer, or subletting under this section.

Prospecting-warrant or license not assignable except with consent of Minister.

(2) Before consenting to any proposed transfer, assignment, or subletting the Minister may require the production of such information concerning the proposed transaction as in the circumstances of the case he considers necessary.

18. Every prospecting-warrant or license granted under this Act shall be granted subject to the following reservations or conditions, namely:—

Licensee having use of pipe-lines may be required to carry petroleum belonging to other licensees.

20 (a) The right of the Minister to grant upon such terms as he thinks just, for joint or several use in respect of mining operations under this Act, such rights-of-way or other easements through, upon, or over the land comprised in such warrant or license as may be necessary or appropriate to the development or working of the same or of any other land containing or believed to contain petroleum-deposits and for the treatment and transportation of the products thereof:

25 (b) The right of the Minister to require the licensee, being the owner or operator of any pipe-line, to accept and convey at reasonable rates and without discrimination any petroleum the property of the Crown or any other person.

19. (1) If at any time the Minister has cause to believe that the holder of any prospecting-warrant or of any license granted under this Act has failed to comply, or is not making reasonable endeavours to comply, with any of the provisions of this Act or of such prospecting-warrant or license, as the case may be, he may at any time during the currency of such warrant or license require the licensee to appear before a Warden or a St'pendiary Magistrate to show cause why the warrant or license should not be cancelled.

Provisions as to cancellation of prospecting-warrants and licenses.

40 (2) In any such case the Warden or Magistrate shall give at least fourteen days' notice in writing to the licensee, or to his agent or representative, requiring him to appear at a time and place specified in the notice to show cause why the warrant or license should not be cancelled. Having heard the matter in open Court, the Warden or 45 Magistrate shall forward his recommendations, together with the evidence, to the Minister who, if he is satisfied that it is just so to do, may thereupon cancel the warrant or license.

(3) The decision of the Minister to cancel any warrant or license pursuant to this section shall be final.

50 20. (1) With respect to buildings, machinery, and other structural or non-structural improvements made by any licensee upon the land comprised in his license, the following provisions shall apply:—

Right of licensee to remove buildings, &c., on determination of warrant or license.

- (a) In no case shall he have any right to compensation in respect of such improvements, either from His Majesty or from any owner or occupier of the land :
- (b) At any time before the determination of his license, or within the prescribed period thereafter, he may remove or otherwise dispose of all structural improvements belonging to him and then on the land : 5
- (c) Except as provided herein, no person shall have any right or title to any improvements on the land comprised in any license after he has ceased to be the holder of that license. 10

(2) This section shall apply to prospecting-warrants and the holders thereof in the same manner as it applies to licenses to win petroleum and to licensees thereunder.

Saving of existing warrants and licenses issued under Mining Act with respect to petroleum.

21. (1) Every mineral-prospecting warrant issued in relation to petroleum under the Mining Act, 1926, or any former Mining Act, and in force at the commencement of this Act, shall, subject to the provisions of this section, continue in force as if it were a prospecting-warrant issued under this Act. 15

(2) Every license issued under section four hundred and fifteen of the Mining Act, 1926, or the corresponding provisions of any former Mining Act, and in force at the commencement of this Act, shall, subject to the provisions of this section, continue in force as if it were a license to win petroleum issued under this Act. 20

Existing rights may be surrendered, and rights under this Act may be granted in lieu thereof.

(3) The holder of any prospecting-warrant or license to which this section refers may, at any time within twelve months after the commencement of this Act, surrender his warrant or license, as the case may be, and, on payment of the deposit or on lodging the security required by section *nine* hereof, shall be entitled to receive in exchange a prospecting-warrant or a license to win petroleum, as the case may be, under this Act in respect of the whole or a defined portion of the area comprised in the surrendered warrant or license, not exceeding in any case the maximum area in respect of which a prospecting-warrant or a license to win petroleum may be granted under this Act. 25 30

(4) If the holder of any warrant or license to which this section applies fails to surrender the same in exchange for a warrant or license under this Act, such warrant or license shall, unless it has sooner expired or been revoked in accordance with the terms thereof, be deemed to expire on the expiration of the aforesaid period of twelve months. 35

Notice to be given of existing rights with respect to petroleum created otherwise than by grant of warrant or license.

22. (1) Every person who at the commencement of this Act is or claims to be provisionally entitled, by virtue of any contract entered into with the owner of any land or with any other competent person, to prospect for or mine for petroleum on such land shall, within twelve months after the commencement of this Act, give notice in writing to the Minister of the existence and nature of such right and of the land affected thereby ; and if he fails so to do the right shall be deemed to have expired on the expiration of the aforesaid period of twelve months, whether or not it has been registered against the title to the land. 40 45

(2) The Minister shall cause to be kept a register of all notices received under this section.

(3) Where application for a prospecting-warrant or a license to win petroleum is received in respect of any land to which a notice of any such contract as aforesaid relates, at least twenty-one days' notice of the application shall be given to the person claiming to be entitled 50



under the contract, or to his agent, and any objections made by him to the grant of a prospecting-warrant or a license shall be considered before the application is finally dealt with by the Minister.

5 (4) Any notice required to be given under the *last preceding* sub-section may be sent by registered letter to the usual or last known place of business or abode of the person to whom the notice is required to be given.

10 23. (1) Before dealing with any application for a prospecting-warrant or for a license to win petroleum the Minister may require the applicant to supply information as to the geological formation of the land to which the application relates, or any other information relating to such land.

Minister may require applicant for prospecting-warrant or license to supply information as to geological formation, &c.

15 (2) Any such applicant, or any person who desires to make a preliminary investigation before becoming an applicant for a prospecting-warrant or license shall, with the authority in writing of the Minister, have the same rights of entry upon any land, with or without assistance, as if he were the holder of a prospecting-warrant under this Act; and shall further have the right of doing upon such land all such things as may be reasonably necessary for the purpose of obtaining the required information.

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*Compensation.*

25 24. (1) Every person having any estate or interest in any lands taken for the purposes of this Act, or in any lands injuriously affected by any operations under this Act, or suffering any damage from the exercise of any powers conferred by this Act or by any prospecting-warrant or license issued under this Act, shall be entitled to full compensation for the same from the person on whose behalf such lands were taken or from the licensee, as the case may be.

Persons injuriously affected by operations of Act entitled to compensation.

30 (2) In default of agreement between the parties, claims for compensation under this section shall be made and determined within the time and in the manner provided by the Public Works Act, 1908, in respect of claims under that Act for lands taken or damage done in exercise of the powers conferred by that Act.

35 (3) Compensation shall not be payable under this section in respect of petroleum that may be won from any land in accordance with this Act or any license granted thereunder, but the provisions hereinafter contained in this Act as to payment of royalties shall be deemed to be in full satisfaction of any rights that the owner or occupier of land may have to any petroleum therein or thereunder.

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*Royalties.*

45 25. (1) The licensee under a license to win petroleum shall, in accordance with the provisions hereinafter contained, pay a royalty equal to *ten* per centum of the selling-value of all crude petroleum produced under the license, except petroleum that may be used by the licensee in mining operations pursuant to the license, or petroleum that may be unavoidably lost.

Licensee to pay royalties equal to 10 per centum of value of crude petroleum won under license.

50 (2) The royalty payable in respect of any license shall be calculated for the half-yearly periods ending on the thirtieth day of June and the thirty-first day of December of each year, and shall be payable within one week after the close of any such half-yearly period.

(3) For the purposes of this section the selling-value of any petroleum shall be its selling-value as at the mouth of the well from which it has been produced. The value aforesaid shall be such amount as may be agreed on between the licensee and the Minister, and in default of agreement shall be fixed by arbitration. 5

(4) All royalties shall, as and when payable, be paid to the Under-Secretary of Mines, or to some person authorized by him to receive such payment.

Application of royalties.

26. All royalties received in respect of any license granted under this Act shall be applied as follows:— 10

(a) Such amount as may be prescribed, not exceeding *ten* per centum thereof, shall be deducted to meet the expenses of administration and other charges, and shall be paid into the Ordinary Revenue Account of the Consolidated Fund.

(b) In the case of any lands vested in His Majesty (whether ordinary Crown lands or not, but not including Native customary lands), the residue shall be paid into the appropriate fund or account, being the fund or account to which any rents or other revenues derived from such lands are payable. 15

(c) In the case of lands that have been alienated by the Crown, if the Crown, by virtue of any statute or otherwise, has reserved or retained its property in any minerals that may be contained in such lands, the residue shall be paid into the Ordinary Revenue Account of the Consolidated Fund. 20

(d) In the case of Native lands (whether Native freehold lands or customary lands) the residue shall be paid to the Native Trustee in trust for the owners or other persons beneficially entitled to the revenues from such lands. 25

(e) In all other cases the residue shall be paid to the owner or owners of the fee-simple of the lands comprised in the license from which the revenues are derived. Where there are more such owners than one the residue shall be apportioned between them in such manner as may be agreed on between the owners, or, in default of agreement, as may be determined by arbitration. 30 35

Licensee to furnish monthly statements as to output of petroleum.

27. (1) For the purpose of enabling the royalty payable by any licensee to be computed, the licensee shall furnish to the Minister, in such form as may be prescribed, a monthly statement showing the quantity and approximate value of all crude petroleum produced or saved during the preceding month, and such other information in relation thereto as may be required in accordance with regulations under this Act. 40

(2) All books, accounts, and other records of the licensee in relation to the license shall, for the purposes of this section, be open at all reasonable times to inspection by any person authorized in that behalf by the Minister. 45

#### Miscellaneous.

28. In every license to win petroleum that may be issued under this Act the following condition, or a condition to the like effect, shall be inserted, namely,— 50

Special condition to be inserted in all licenses giving the Crown a right in priority to purchase output.  
Cf. 1926, No. 15, s. 417

5 “The Government of the Dominion of New Zealand, or His Majesty’s Imperial Government, or the agents or representatives of either of the said Governments, shall at all times, upon giving reasonable notice to the licensee (or without prior notice in time of emergency, or in the event of a war in which the Forces of the said Dominion or Imperial Governments may be engaged by land or sea), have the right, in priority of all other persons or companies, and notwithstanding any contracts that may have been made by the licensee and are then subsisting, to purchase at current rates the whole or any portion of the output of the works and mines of the licensee. The Government of the Dominion of New Zealand shall, in time of emergency, or in the event of a war in which the Forces of the said Government or of His Majesty’s Imperial Government may be engaged by land or sea, have the right at any time, upon not less than twenty-four hours’ notice, to take over from the licensee, in whole or in part, the working, management, and control of the licensee’s mines, workings, refineries, plant, buildings, and appliances, and to operate and use the same in such manner and for such period as it deems necessary, subject to payment to the licensee or other person entitled of the value of the output of the same at current rates, less the actual costs of working incurred by the said Government, but allowing reasonable payment for interest on the value of the plant, mines, buildings, and appliances during such period, and for depreciation, wear-and-tear, or damage thereto, except such as may arise from the acts of the King’s enemies.”

30 29. (1) For the purpose of exercising any powers conferred by this Act, or by any prospecting-warrant or license granted under this Act, the Minister or any person authorized by him, or the holder of any such prospecting-warrant or license may, with such workmen and other assistance as may be required, enter upon any land in compliance with the provisions of this section.

Right of entry on lands.

40 (2) Before entering on any land (other than Native land) pursuant to this Act the Minister or person authorized by him as aforesaid, or the holder of any prospecting-warrant or license, as the case may be, shall give to the owner or occupier not less than seven days’ notice in writing of his intention so to do. If the owner or occupier is not residing on the land, notice of the intention to enter shall be posted thereon in a conspicuous place, and a certified copy of the notice shall be forwarded by registered letter to the usual or last-known place of business or abode of every person having any registered interest in the land, or the agent or representative of such person, so as to be delivered in due course of post at least seven days before such entry is proposed to be effected.

50 (3) In the case of Native land, not less than twenty-eight days’ notice in writing shall be given of intention to enter upon such land, and a copy of such notice shall, before such entry is effected, be published weekly for at least four consecutive weeks in the *Gazette* and *Kahiti*.

(4) Every notice of intention to enter upon any lands given pursuant to this section shall specify the lands affected thereby with sufficient particularity to enable the same to be identified by the owner or occupier thereof, and shall also specify the purposes for which such entry is proposed to be made.

(5) In the exercise of any powers conferred by this Act or by any prospecting-warrant or license issued thereunder with respect to any land, it shall be the duty of all officers, workmen, and other persons to do as little damage thereto as possible. 5

Governor-General  
on behalf of  
licensee and at  
his expense may  
take land under  
Public Works Act.

30. (1) For the purpose of facilitating the carrying-on of any mining operations under this Act the Governor-General may, on the application of a licensee, and at his expense in all things, take any land under the Public Works Act, 1908, as if for a public work within the meaning of that Act :

Provided that, except with the consent in writing of the persons charged with their administration (in the case of lands held for any public purpose), or of the owner and occupier (in the case of other lands), land of any of the following classes shall not be taken under this section, that is to say,—

- (a) Any land actually used as a garden, orchard, vineyard, nursery, plantation, or ornamental pleasure-ground; 20
- (b) Any land situated within a borough or town district, and being not more than a quarter of an acre in extent :
- (c) Any land, being the site of, or being situated within one hundred feet of the site of, any house, factory, hospital, church, public building, cemetery, or waterworks. 25

(2) Notwithstanding anything in the Public Works Act, 1908, the effect of a Proclamation issued for the purposes of this section shall be to vest the land in the licensee instead of in His Majesty ; and all proceedings subsequent to the issue of the Proclamation taken in respect of compensation, or otherwise for the purpose of complying with the said Act, shall be had against the applicant, who shall be deemed to be the respondent, and shall be liable in respect of such taking to the same extent as His Majesty or the Minister of Public Works would be if the land had been taken for a Government work. 35

Duties of  
Inspectors.

31. (1) It shall be the duty of every Inspector to see that the provisions of this Act and of warrants and licenses granted under this Act are complied with, and for that purpose he shall have the same powers in relation to this Act as he has under the Mining Act, 1926, in relation to that Act, and shall, in addition, have all the powers of an Inspector of Machinery appointed under the Inspection of Machinery Act, 1908. 40

(2) If any workman or other person employed in mining operations under this Act makes a complaint in writing to any Inspector relative to the conduct of such mining operations, it shall be the duty of the Inspector forthwith on receipt of such complaint to make inquiry into the subject-matter thereof, and to report thereon to the Minister. The name of the person making any such complaint shall not be divulged.

(3) In the exercise and performance of his duties and functions under this Act every such Inspector shall at all convenient times have free access to any works, plant, or machinery used in connection with any mining operations pursuant to a prospecting-warrant or license

granted under this Act; and it shall be the duty of the licensee and of every person employed by the licensee to afford all such assistance as may be reasonably required for facilitating the inspection of any mining operations, or of any works, plant, or machinery as aforesaid.

5 (4) Every person commits an offence and is liable on summary conviction to a fine of *twenty-five* pounds who obstructs the Inspector or any other authorized person in the performance of his duties or the exercise of his powers under this Act, or who refuses or fails to render to such Inspector or other person any assistance reasonably required by  
10 him in the performance of his duties.

32. (1) All wages payable by a licensee under this Act in respect of any mining operations carried on thereunder shall, as and when they become payable, be an equitable charge upon the licensee's interest in the land comprised in the prospecting-warrant or license, as the case  
15 may be, and in all plant, machinery, and appliances used for the purposes of any such operations.

Wages of workmen to constitute an equitable charge on plant, &c.  
Cf. 1922, No. 39, s. 47

(2) As between different claimants all such charges shall have priority according to the dates when the wages became payable in respect of which those charges have respectively arisen, and, subject to  
20 the provisions of the *next succeeding* subsection, every charge created by virtue of this section shall have priority over all existing or subsequent mortgages, charges, or encumbrances howsoever created.

(3) Notwithstanding anything to the contrary in any other Act, if any property subject to a charge created by this section is also  
25 subject to a charge created by such other Act, such charges shall rank equally with each other unless by virtue of that Act the charge created thereby would be deferred to the charge created by this section.

(4) For the purpose of enforcing any such charge, the Supreme Court or a Judge thereof may, on summons, make such order as he or it  
30 thinks fit, either for the sale of any property the subject of the charge, or for the appointment of a receiver, or otherwise; and any order for sale shall be carried into effect by the Sheriff in the same manner as in the case of a writ of sale, with any modifications that may be necessary or may be provided by rules of Court in that behalf.

33. In every case where an accident involving loss of life or serious bodily injury to any person occurs in connection with any mining operations under this Act, it shall be the duty of the licensee  
35 forthwith to send, by telegraph or other equally expeditious means, a notice of such accident to the nearest Inspector; and also to send to such Inspector a written notice in the prescribed form, containing  
40 such particulars with respect to the accident as may be required in accordance with regulations under this Act.

Notice to be given to Inspector of all accidents involving loss of life or serious bodily injury.

34. No person shall be capable of being appointed to or of continuing to hold any office or employment under the Crown in connection  
45 with the administration of this Act while he or his wife, or any member of his family, has any pecuniary interest in or in connection with any prospecting-warrant or license granted under this Act.

Persons charged with administration of this Act not to be financially interested in any license granted thereunder.

35. (1) All fees, rents, royalties, and other moneys payable under this Act (whether payable in respect of Crown lands or otherwise  
50 howsoever) shall be recoverable as if they were moneys due to the Crown, and, without restricting any other mode of recovery, may be recovered in any Court of competent jurisdiction by the Under-Secretary of Mines, by suit in his official name, or by any other person authorized in that behalf by the Minister.

Recovery of fees and other moneys.

(2) Except as otherwise provided in this Act, or by regulations under this Act, all such moneys shall be paid into the Consolidated Fund.

General penalty.

36. Every person who commits a breach of any of the provisions of this Act for which no penalty is expressly provided elsewhere than in this section shall be liable on summary conviction to a fine of *fifty* pounds. 5

*Regulations.*

Purposes for which regulations may be made.

37. The Governor-General may from time to time, by Order in Council, make regulations for all or any of the following purposes, 10 namely,—

- (a) Prescribing forms of application for the grant of prospecting-warrants or of licenses under this Act :
- (b) Prescribing forms of prospecting-warrants and of licenses to be granted under this Act, the maximum area that may be 15 comprised in any such warrant or license, and the terms and conditions upon which such warrants or licenses may be issued, including provisions for the revocation or renewal thereof :
- (c) Providing for the registration of all prospecting warrants and licenses issued under this Act, and of all assignments, 20 transfers, subleases, or other transactions in relation thereto :
- (d) Prescribing the duties of the holders of prospecting-warrants or of licenses, and the operations to be carried out in terms of 25 any such warrant or license :
- (e) Prescribing the rent to be paid by the holder of any prospecting-warrant or license in respect of the lands comprised therein, and providing for the payment of the balance of such rent, after making the prescribed deduction in respect of administrative expenses, into the appropriate fund or account in 30 the Public Account, or among the several owners or occupiers entitled thereto, as the case may require :
- (f) Providing, subject to the provisions of this Act, for the allocation of royalties payable under this Act among the several owners or occupiers entitled thereto : 35
- (g) Prescribing the proportion of rents and royalties to be paid into the Consolidated Fund for the purpose of meeting the expenses of administration and other charges incurred in respect of this Act :
- (h) Prescribing fees to be paid on application for prospecting-warrants or licenses, or on the grant or registration of any 40 such warrant or license ; or on the registration of any assignment or other transaction in relation to any such warrant or license ; or on the issue of any certificate or other document under this Act : 45
- (i) Prescribing the maximum amount of deposit that may be required as security for the proper fulfilment of the terms of any warrant or license :
- (j) Prescribing the conditions of any bond that may be accepted by the Minister in lieu of a deposit as aforesaid : 50
- (k) Prescribing the period or periods within which a licensee may, after the expiration or other determination of his license, be entitled to remove improvements from the land comprised in the license :

- 5 (l) Prescribing the qualifications of persons in charge of boring operations carried out under any license, or of persons employed in the capacity of well-managers, and providing for the examination and grant of certificates to qualified persons :
- (m) Prescribing forms and subject-matter of returns to be furnished by licensees with reference to operations conducted under a prospecting-warrant or license, and the times when such returns may be required :
- 10 (n) Prescribing the conditions subject to which any warrant or license granted under this Act may be surrendered or cancelled :
- (o) Prescribing fines, not exceeding *one hundred* pounds, for the breach of any regulations under this Act :
- 15 (p) For any other matters in respect of which regulations are contemplated or required by this Act.

38. With respect to all regulations made under this Act the following provisions shall apply :—

Regulations to be laid before Parliament.  
*Cf.* 1926, No. 15, s. 429

- 20 (a) They shall be published in the *Gazette*, and shall within twenty-eight days thereafter be laid before both Houses of Parliament, if Parliament is then in session ; and, if not, shall be laid before Parliament within fourteen days after the commencement of the next ensuing session. All such regulations shall be referred to the Goldfields and Mines Committee of each House.
- 25 (b) In any case where both Houses of Parliament by resolution recommend that any regulation be amended in any respect, or be revoked, the Governor-General, by Order in Council, shall forthwith proceed to give effect to such recommendation.
- 30 (c) No right, title, or interest acquired under or created by any such regulation shall be in any manner affected by the amendment or revocation thereof pursuant to this section.

*Repeals.*

35 39. Sections four hundred and fourteen to four hundred and eighteen of the Mining Act, 1926, are hereby repealed. Repeals.

## SCHEDULE.

FORM OF NOTICE OF INTENTION TO PROCLAIM LAND UNDER THE PETROLEUM ACT, 1927.  
 PURSUANT to the provisions in that behalf of section 5 of the Petroleum Act, 1927,  
 I [*Insert name*], the Minister of Mines for the Dominion of New Zealand, hereby give  
 notice as follows:—

- (1) Unless within the time hereinafter limited objections are received from persons having an estate or interest in the lands affected, His Excellency the Governor-General will be recommended to issue a Proclamation under the above Act declaring the lands hereinafter described to be open for mining operations thereunder.
- (2) A plan of the said lands, together with a general statement of the mining operations proposed to be authorized, and the terms and conditions subject to which prospecting-warrants and licenses may be granted, has been deposited in the Magistrate's Court at \_\_\_\_\_, and in the post-offices at \_\_\_\_\_, and is there open for inspection during office hours.
- (3) Persons having any estate or interest in any lands to which this notice relates are hereby invited to forward to the Minister of Mines, at Wellington, not later than the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_,\* notice in writing of any objections to the issue of a Proclamation as above referred to and of the grounds on which such objections are based. Every such notice of objection must specify clearly the land in respect of which it is made and the nature of the objector's estate or interest therein.
- (4) The land proposed to be included in the said Proclamation is the following [*Set out description*]:—

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

Minister of Mines.

\*NOTE.—This date must be not earlier than thirty days after the first publication of the notice.

By Authority: W. A. G. SKINNER, Government Printer, Wellington.—1927.