

Hon. Mr. McGowan.

## PETROLEUM MINING.

### ANALYSIS.

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### A BILL INTITULED

AN ACT to make Better Provision for the Prospecting and Mining  
of Petroleum. Title.

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

1. The Short Title of this Act is "The Petroleum Mining  
Act, 1904"; and it shall form part of and be read together with  
10 Act"). Short Title.

2. (1.) The Warden may in his discretion grant to any person a  
license (hereinafter referred to as "a prospecting license") authorising  
the holder to prospect for petroleum over any Crown lands specified  
15 in the license, not exceeding an area of ten thousand acres, whether  
such land is in or outside a mining district. Petroleum  
prospe-  
cting  
license.

(2.) Every application for a prospecting license shall be accom-  
panied by a deposit of one thousand pounds.

3. A prospecting license shall, unless previously cancelled under  
20 section *five* hereof, continue in force for a period of five years from  
the date on which it was granted. Duration of license.

4. The holder of any such license shall, while it continues in  
force, have the exclusive right to prospect for petroleum on the land  
to which the license refers, and may enter upon such land for that  
purpose. Rights of holder.

5. Every prospecting license shall be held under such conditions  
as to employment of labour and development of the mine as may from  
time to time be prescribed by regulations, and may at any time be  
cancelled for the non-observance on the part of the holder of any  
such conditions. Conditions of  
license.

6. (1.) At any time while a prospecting license is in force the  
holder shall, on complying with the provisions of this Act, have the  
30 Right of holder of  
license to select on  
lease.

right to a lease of such part of the land to which the license relates not exceeding one thousand acres, and in one continuous block, as he may select.

(2.) Every application for a lease shall be accompanied by a deposit of five thousand pounds. 5

(3.) The lease shall be for a term not exceeding sixty-three years, and shall be subject to the payment of such rent and to the observance of such conditions as may from time to time be prescribed by regulations.

**Regulations.**

7. The Governor may from time to time, by Order in Council 10 gazetted, make regulations—

(a.) Prescribing the rent payable and the labour and other conditions under which any prospecting license or lease shall be granted ; and

(b.) Providing for the refund from time to time of sums (not exceeding in the whole the amount deposited) in proportion to the amount spent in complying with any such labour or other conditions. 15

**Provision if land proves auriferous.**

8. (1.) Subsection nine of section ninety of the principal Act shall not apply to a lease granted under this Act in so far as that, 20 in the event of the land in respect of which such lease is granted, or any part thereof, being proved to be auriferous or to contain any metal or mineral other than petroleum, the lease shall not on that account be cancelled.

(2.) The Warden may from time to time, if it appears to him 25 that the working of the land comprised in such lease for the purpose specified in the lease is not thereby prejudiced, grant any mining privilege over any part of the land comprised in such lease :

Provided that, if at any time it appears to the Warden that the exercise of any such mining privilege is prejudicial to the working of 30 the land by the lessee, the Warden may forthwith cancel such mining privilege, and the holder thereof shall have no right to compensation in respect of such cancellation either against the Crown or the lessee.

(3.) Nothing in this section shall authorise the inclusion in any 35 such lease of any area in respect of which any mining privilege has been heretofore granted and is now in force.

**Certain provisions of principal Act to apply.**

9. Subject to the provisions of this Act, the provisions of the principal Act relating to prospecting licenses and to mineral licenses shall apply to prospecting licenses and to leases under this Act. 40