

**MINISTRY OF MINES
MISCELLANEOUS BRANCH**

Yangon, the 28th December 1956.

No. 33. - In exercise of the powers conferred by section 38A of the Land and Revenue Act, section 23A of the Lower Myanmar Towns and Village Lands Act, section 31 of the Upper Myanmar Land and Revenue Regulation, section 33 of the Forest Act and section 3 of the Union Mineral Resources (Grant of Right of Exploitation) (Enabling) Act (Act No. 47 of 1949) and all other powers thereunto enabling, the President of the Union hereby makes the following amendment to the Rules for the grant by the Government of the Union of Myanmar of licences to prospect for minerals and of mining leases in the Union of Myanmar published in Resolution No. 7552-7581/121, dated the 15th September 1913, of the Commerce and Industry Department of the Government of India, as subsequently amended, namely :—*

For Rule 6 of the said rules the following shall be substituted as Rule 6, namely :—

“6. (1) The President of the Union may grant, at such annual fee and on such conditions as may from time to time be prescribed, an oil exploring licence or licences in respect of the lands specified therein to any person holding a valid certificate of approval for petroleum. The right to explore or search for petroleum under the licence shall be subject to these rules and the conditions contained in the licence. Every such licence shall be in the form of Oil Exploring Licence appended to these rules.

(2) Every application for an oil exploring licence shall be made to the Financial Commissioner and shall be accompanied by a security deposit of K 50 for every one hundred square miles or part thereof of the area in respect of which such licence is applied for.”

* မြန်မာနိုင်ငံပြန်တမ်း၊ အပိုင်း -၁၊ ၁၉၅၇ ခုနှစ်၊ ဇန်နဝါရီလ (၁၂) ရက်၊ စာမျက်နှာ -၅၀။

Form of Oil Exploring Licence

THIS INSTRUMENT OF LICENCE made the day of 19 between the President of the Union of Myanmar (hereinafter referred to as "the President" which expression shall where the context so admits be deemed to include his successors in office and assigns) of the one part and (hereinafter referred to as "the licensee" which expression shall where the context so admits be deemed to include his heirs executors administrators representatives and assigns) of the other part;

WHEREAS the licensee in accordance with the Rules for the time being in force for the granting of oil exploring licences has applied to the President for an oil exploring licence in respect of the lands specified in the Schedule marked "A" hereunder written (hereinafter referred to as "the said lands"), and has deposited with the Financial Commissioner the sum of Kyats as the prescribed security (hereinafter referred to as "the said security deposit") in respect of such licence and has paid the sum of Kyats as exploring fee for one year in advance in respect of the area covered by such licence and whereas it has been found that the licensee is in possession of a valid Certificate of Approval.

Now THIS INSTRUMENT WITNESSETH as follows:—

1. In consideration of the fee covenants and agreements hereinafter reserved and contained and on the part of the licensee to be paid observed and performed, sole right and licence is hereby granted by the President to the licensee for the term of two years from the date hereof subject to the conditions hereinafter contained —

- (i) to explore and search the surface of the said lands for natural petroleum and/or natural gas and for that purpose to make geological geophysical and topographic examinations and to dig and turn up the surface of the land and drill bore holes to a depth not exceeding 500 feet;

- (ii) to clear undergrowth brushwood and trees for the purposes aforesaid and (with the sanction of the President previously obtained in writing) to make any roads on the said lands necessary for effectually carrying on the exploring operations hereby licensed; and
- (iii) appropriate and use for the purpose aforesaid the water upon or within any of the said lands and to collect and impound the same for such purposes but not so as to deprive any lands villages houses or watering places for cattle of a reasonable supply of water as heretofore accustomed.

Reserving nevertheless to the President full power and liberty at all times to enter into and upon and to grant or demise to any persons whomsoever liberty to enter into and upon such Government lands as may be included for all and every purpose other than that for which this licence is granted but subject to the rights of the licensee under this licence.

2. The licensee shall pay an advance annual fee of Kyats 25 for every hundred square miles or part thereof of the said lands for the first two years of the licence so granted and with every renewal an annual fee of Kyats 50 for every 100 square miles or part thereof of the said lands.

3. In so far as may be necessary for the purposes of the exploration hereby licensed the licensee may bring and use upon the said lands temporary buildings machinery equipment vehicles explosives and other effects and shall be entitled at any time to remove the same, without endangering or affecting in any way the people, cattle, houses and other public or private properties.

4. The licensee shall with all reasonable despatch commence to examine geologically and/ or by geophysical methods the said lands and shall during the subsistence of this licence continue with due diligence to carry out such geological and/ or geophysical work as may be necessary to determine the structure of the said

lands.

5. Before entering upon or commencing operations in any reserved forest included in the said lands the licensee shall give thirty days' notice to the Divisional Forest Officer and in carrying out the survey shall conform to such conditions as that officer may prescribe.

6. All excavations or borings which may have been made on the said lands during the subsistence of this licence shall unless the Financial Commissioner otherwise determines be filled up, and so far as possible the surface of the said lands shall be restored to its condition prior to such excavations or borings and the licensee shall make and pay reasonable satisfaction and compensation for all damage injury or disturbance which may be done in exercise of the rights conferred by the licence and shall indemnify the President against all claims and demands or suits which may be made or brought by any other person or persons in respect of any such damage injury or disturbance and all costs and expenses in connection therewith.

7. The licensee shall not enter upon any land in the occupation of any person without the consent of the occupier or in the absence of such consent without the written authority of the Collector nor cut or in any way injure any trees standing crops buildings huts structures or other property of any kind of the owner or occupier of any land or of any person without the consent of such owner occupier or other person.

8. At the end of each year of the period of the licence the licensee shall submit for the confidential information of the Financial Commissioner a report indicating the progress of his operations under this licence. The report shall include full particulars of any discovery or indication of petroleum or petroleum bearing strata and of any mineral of commercial value (including precious stones) other than petroleum.

9. The licensee shall within 48 hours send to the Deputy Commissioner, with a copy to the Financial Commissioner, a report of any accident causing serious bodily injury or seriously affecting or endangering life or property which shall occur in the course of the operations hereby licenced.

10. This licence does not confer upon the licensee any right to win and carry away natural petroleum or natural gas or precious stones or any other mineral excluding such quantities of clay and limestone gravel gypsum or other material as may be reasonably required by the licensee for his operations under this licence. The licensee may however remove any specimens or samples of petroleum found by him in or upon the said lands in the course of his operations under this licence in such quantities as the Financial Commissioner may determine. The licensee shall furnish the Financial Commissioner as soon as possible with full information of all such specimens and samples so removed and shall upon demand made within thirty days of the receipt by the Financial Commissioner, of such information provide the Financial Commissioner with such representative specimens and samples as may be required not exceeding one half of any individual specimen or sample so removed by the licensee and the Financial Commissioner shall be entitled to retain any specimen or sample so delivered.

11. The licensee shall not form or endeavour to form or procure or permit to be formed any Company, Syndicate or Association incorporated or not incorporated nor appeal publicly by means of a prospectus or otherwise for money for the purposes of exploiting the lands which are the subject of this licence or any portion thereof without the permission in writing of the President to be obtained on his being satisfied that such lands or portion thereof have been thoroughly and efficiently examined geologically and/or by geophysical methods.

12. The licensee shall not grant or assign any interest under this licence nor part with the possession of any of the rights hereby granted to any person or persons whomsoever without the previous consent in writing of the President."

13. If the licensee being a citizen of the Union of Myanmar or a Company incorporated under the Special Company Act, 1950, or a Myanmar Company as defined in the Myanmar Companies (Amendment) Act, 1955, shall cease so to be he shall forthwith inform the President and apply to him for his consent to an assignment of the rights granted by this licence in accordance with clause 12 hereof and in the event of the licensee failing to obtain such consent within such time as the President may in his discretion appoint, the President may revoke this licence. The revocation of this licence in pursuance of the foregoing provisions of this clause shall be subject and without prejudice to any obligations or liability imposed by or incurred under the terms and conditions hereof.

14. In the event of the inclusion by inadvertance in the said schedule marked "A" of lands or areas over which it may subsequently be proved that the Government are not entitled to the oil rights, or of lands or area as in respect of which the oil rights have already been granted to other individuals or companies the licensee shall immediately release to the President any such lands or areas when required to do so by the Financial Commissioner or any other officer authorized by him in this behalf.

15. If the licensee shall at any time refuse or neglect to observe or perform or shall act in contravention of any of the terms and conditions of this licence then and in any such case and notwithstanding the waiver of any previous breach of the like nature the President may by notice in writing signed on his behalf and served upon the licensee summarily declare the licence to be determined and thereupon the licence and all rights and liberties conferred or enjoyed thereby shall forthwith cease without prejudice however to the rights and remedies of the President in respect of any breach or non-performance or non-observance of any or all of the terms and conditions thereof on the part of the licensee.

Provided always that the aforesaid power shall not be exercisable unless and until notice has been given to the licensee specifying the particular breach complained of and if the breach is capable of remedy, requiring the licensee to remedy

the breach and, in any case, requiring the licensee to make compensation in money for the breach, and the licensee fails, within a period of three months thereafter to remedy the breach if it is capable of remedy, and to make reasonable compensation in money, to the satisfaction of the President for the breach.

16. Upon any occasion on which notice declaring the licence to be determined may be given as aforesaid by the President, the President in lieu of giving such notice may by notice in writing served as aforesaid declare the said security deposit of Kyats or any portion thereof or any further sum deposited under the licence in that behalf hereinafter contained to be forfeited to the President and the amount so forfeited shall thereupon become the absolute property of the Union unless the President on reference made to him by the licensee within thirty days next after the service of such notice shall otherwise determine.

17. The Financial Commissioner may from time to time appropriate and apply the said security deposit of Kyats or any part thereof or any further sum deposited under the licence in that behalf hereinafter contained in or towards the payment or satisfaction of any claim to compensation which may be made by any person or persons against the President in respect of any damage or injury done by the licensee in exercise of the rights conferred by the licence and in or towards payment of any damages, costs and expenses which may become payable as the result of or in connection with any suits or proceedings which may be instituted against the President in respect of any such damage or injury and also in or towards payment of the expenses of the carrying out or performance of any work or matters which licensee shall fail to carry out or perform after the expiry or determination of this licence or the surrender of any part of the said lands in accordance with clause 19 or in payment or satisfaction of such claims, damages, costs and expenses.

18. Whenever the said security deposit of Kyats or any part thereof or any further sum hereafter deposited with the Financial Commissioner in replenishment thereof shall be forfeited by the President or applied by the Financial Commissioner pursuant to the power hereinbefore declared in that behalf the licensee shall forthwith deposit with the Financial Commissioner such further sum as may be sufficient with the unappropriated part thereof to bring the amount in deposit with the Financial Commissioner up to the sum of Kyats

19. Without prejudice to any obligations or liability imposed or incurred under the terms and conditions hereof, the licensee may at any time during the term hereby granted or any renewal thereof determine this licence or surrender or relinquish any part or parts of the said lands by giving to the President not less than one month's previous notice in writing to that effect. On the surrender or determination of the licence in whole or in part as provided in this clause the licensee shall become entitled to a proportionate reduction in rent provided that such reduction in rent shall not take effect during the year in which he surrenders and for which rent has either been paid or has accrued.

20. The President shall, on an application made by the licensee in this behalf at least three months before the expiry of the term of this licence, grant a renewal of the licence in respect of the whole of the said lands or any part or parts thereof for one year and one further renewal for a similar period so that the total exploration period including the initial term of the original licence does not exceed four years.

21. On or before the expiration of this licence or any renewal thereof the licensee observing and performing the terms and conditions herein contained shall have the sole right to receive and shall on application be granted an oil prospecting licence or licences in accordance with the rules for the time being in force in respect of so much of the said lands as the licensee may specify in the application.

22. Failure on the part of the licensee to fulfil any of the terms and conditions of this licence shall not give the President any claim against the licensee or be deemed a breach of this licence in so far as such failure arises from force majeure and if the President is satisfied that through force majeure the fulfilment by the licensee of any of the terms and conditions of this licence has been delayed the period of such delay shall be added to the periods fixed by the licence. In this clause the expression "force majeure" includes act of God war insurrection riot civil commotion tide storm tidal wave flood lightning explosion fire earthquake and any other circumstances which the licensee could not reasonably prevent or control.

23. If at any time during the continuance of this licence or after the determination thereof any question or dispute shall arise regarding this licence or any matter or thing connected therewith or the powers duties or liabilities of the licensee then and in all such cases the matter in difference shall, in default of agreement, be referred to two arbitrators, one to be nominated by the President and the other by the licensee or in case of disagreement between the arbitrators by an Umpire to be appointed by the arbitrators in accordance with and subject to the provisions of Arbitration Act, 1944, or any statutory modification or re-enactment thereof for the time being in force.

24. On such date within twelve months after the determination of the licence as the Financial Commissioner shall elect the amount then remaining in deposit with the Financial Commissioner and not required by the Financial Commissioner to be applied to any of the purposes mentioned in clause 17 shall be refunded to the licensee or if the licensee shall have obtained an oil prospecting licence of the said lands or any portion thereof in terms of clause 21 it shall be retained at the credit of the licensee on account of the rents and royalties or security deposit to be payable under such licence.

25. Notwithstanding anything contained in the licence the licensee shall be subject to the operation of any enactment in force in the Union of Myanmar and applying to the local area in which the said lands or any part thereof are or is situated and to any rules framed or orders issued thereunder.

IN WITNESS WHEREOF the President and the licensee have hereunto set their hands and seals the day and year first herein above written.

Signed by _____

for and on behalf of the President of the
Union of Myanmar in the presence of —

Seal

Signed by _____

in the presence of —

SCHEDULE A

All these lands coloured pink on the attached plan situate _____
_____ and having a total area of _____
or thereabout.

By order,

BALWANT SINGH,

Secretary to the Govt. of the Union of Myanmar,

Ministry of Mines.