



# Petroleum (Production) Act 1934

## 1934 CHAPTER 36

An Act to vest in the Crown the property in petroleum and natural gas within Great Britain and to make provision with respect to the searching and boring for and getting of petroleum and natural gas, and for purposes connected with the matters aforesaid. [12th July 1934.]

BE IT ENACTED by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

### **1 Vesting of property in petroleum in His Majesty**

- (1) The property in petroleum existing in its natural condition in strata in Great Britain is hereby vested in His Majesty, and His Majesty shall have the exclusive right of searching and boring for and getting such petroleum:

Provided that nothing in this subsection shall apply to petroleum which at the commencement of this Act, may lawfully be gotten under a licence in force under the Petroleum (Production) Act, 1918, being a licence specified in the Schedule to this Act, so long as that licence remains in force.

- (2) For the purpose of this Act the expression " petroleum " includes any mineral oil or relative hydrocarbon and natural gas existing in its natural condition in strata, but does not include coal or bituminous shales or other stratified, deposits from which oil can be extracted by destructive distillation.

### **2 Licences to search for and get petroleum**

- (1) The Board of Trade, on behalf of His Majesty, shall have power to grant to such persons as they think fit licences to search and bore for and get petroleum.
- (2) Any such licence shall be granted for such consideration (whether by way of royalty or otherwise) as the Board of Trade with the consent of the Treasury may determine, and upon such other terms and conditions as the Board of Trade think fit.

- (3) The Board of Trade shall, as soon as may be after granting a licence under this section, publish notice of the fact in the London Gazette stating the name of the licensee and the situation of the area in respect of which the licence has been granted, and, if the said area or any part thereof is in Scotland, the Board shall also publish the said notice in the Edinburgh Gazette.

### **3 Provisions as to compulsory acquisition of rights to enter on land, and c**

- (1) Part I of the Mines (Working Facilities and Support) Act, 1923, as amended by any subsequent enactment, shall apply for the purpose of enabling a person holding a licence under this Act to acquire such ancillary rights as may be required for the exercise of the rights granted by the licence, and shall have effect accordingly, subject to the following modifications :—

- (a) references to a person having a right to work minerals shall include references to a person holding a licence under this Act, references to minerals shall include references to petroleum, and references to the working of minerals shall include references to the getting, carrying away, storing, treating and converting of petroleum;
- (b) without prejudice to the generality of sub section (1) of section three of the said Act, the ancillary rights therein mentioned shall include (in addition to the rights specified in subsection (2) of that section) a right to enter upon land and to sink bore holes therein for the purpose of searching for and getting petroleum, and a right to use and occupy land for the erection of such buildings, the laying and maintenance of such pipes, and the construction of such other works as may be required for the purpose of searching and boring for and getting, carrying away, storing, treating and converting petroleum:

Provided that, where a right to lay and maintain pipes under a highway is granted by virtue of this subsection, sections nineteen to twenty-eight and thirty to thirty-four of the Waterworks Clauses Act, 1847, shall be incorporated in the order granting the right, subject to any modifications or adaptations specified in the order.

- (2) In relation to any application made to the Railway and Canal Commission under Part I of the said Act, as applied by this section, the following provisions shall have effect:—
- (a) the Commission shall, in deciding whether to grant any right applied for or what terms and conditions, if any, should be imposed upon the grant of such a right, have regard, among other considerations, to the effect on the amenities of the locality of the proposed use and occupation of the land in respect of which the right is applied for:
  - (b) in determining the amount of any compensation to be paid in respect of the grant of any right, an additional allowance of not less than ten per cent. shall be made on account of the acquisition of the right being compulsory:
  - (c) the costs in connection with the application incurred by the applicant shall not be ordered to be paid by any person from whom a right is sought to be obtained; and the costs so incurred by each such person shall, unless the Commission is satisfied that an unconditional offer in writing was made by the applicant to that person of a sum as compensation equal to or greater than the amount of any compensation awarded to him by the Commission, be ordered to be paid by the applicant.

#### **4 Power to supply natural gas**

It shall be lawful for any person holding a licence under this Act, if so authorised by the Board of Trade, to supply to any premises natural gas gotten by him in pursuance of the licence:

Provided that where the premises to be supplied with the gas are situated within the authorised limits of supply of any undertakers within the meaning of the Gas Regulation Act, 1920, the Board of Trade shall not give their authority unless they are satisfied that those undertakers have been given an opportunity of purchasing the gas at a reasonable price and that the gas is to be supplied to those premises for industrial purposes only.

#### **5 Account of receipts and expenditure under Act**

- (1) Before the first day of October in the year nineteen hundred and thirty-five and each succeeding year an account shall be prepared by the Board of Trade, in such form and in such manner as the Treasury may direct, of the moneys received and expended by the Board under this Act during the last preceding financial year, and the Comptroller and Auditor-General shall examine and certify every such account and shall lay copies thereof, together with his report thereon, before both Houses of Parliament.
- (2) All moneys received by the Board under this Act shall be paid into the Exchequer and all expenses of the Board under this Act shall be defrayed out of moneys provided by Parliament.

#### **6 Power to make regulations**

- (1) The Board of Trade shall, before granting any licence under this Act, make regulations prescribing—
  - (a) the manner in which and the persons by whom applications for licences under this Act may be made;
  - (b) the fees to be paid on any such application;
  - (c) the conditions as to the size and shape of areas in respect of which licences may be granted;
  - (d) model clauses which shall, unless the Board think fit to modify or exclude them in any particular case, be incorporated in any such licence;and different regulations may be made for different kinds of licence.
- (2) Any regulations made under this section shall be laid before each House of Parliament as soon as may be after they are made, and if either House, within the next subsequent twenty-eight days on which that House has sat after any such regulations are laid before it, resolves that the regulations shall be annulled, the regulations shall thenceforth be void, but without prejudice to anything previously done thereunder or to the making of new regulations.

#### **7 Power to inspect plans of mines**

For the purpose of ascertaining on behalf of the Board of Trade the position of the workings, actual and prospective, of any mines or abandoned mines through or near which it is proposed to sink any borehole for the purpose of searching for or getting petroleum, any officer appointed by the Board of Trade shall have the same rights as to production and examination of plans and sections kept in pursuance of sections

twenty or twenty-one of the Coal Mines Act, 1911, or sections fourteen or nineteen of the Metalliferous Mines Regulation Act, 1872, as are by those Acts conferred on inspectors, and those sections shall apply accordingly.

## **8 Exercise of powers and duties of Board of Trade**

The powers and duties of the Board of Trade under this Act shall, subject to the directions of the Board, be exercised and performed through the Secretary for Mines.

## **9 Definition of minerals in 16 and 17 Geo. 5. c. 28. s. 23**

It is hereby declared that in subsection (1) of section twenty-three of the Mining Industry Act, 1926 (which imposes on persons sinking bore holes for the purpose of searching for or getting minerals obligations to give certain facilities to the Department of Scientific and Industrial Research) the expression " minerals" includes petroleum.

## **10 Savings**

- (1) Nothing in this Act shall prejudice the right of any person who, at the passing of this Act is using any supply of natural gas for any commercial purpose, to continue to use the gas for that purpose.
- (2) Nothing in this Act shall be construed as imposing any liability on any person where in the course of mining or other lawful operations petroleum is set free.
- (3) Nothing in this Act shall be construed as conferring, or as enabling the Board of Trade to confer, on any person, whether acting on behalf of His Majesty or not, any right which he does not enjoy apart from this Act to enter on or interfere with land.

## **11 Short title, repeal and extent**

- (1) This Act may be cited as the Petroleum (Production) Act, 1934.
- (2) The Petroleum (Production) Act, 1918, is hereby repealed:

Provided that nothing in this repeal shall affect the validity of any licence granted under the said Act which is specified in the Schedule to this Act, but any such licence shall, if in force at the commencement of this Act, have effect as if granted under this Act.

- (3) This Act shall not extend to Northern Ireland.

SCHEDULE

Sections 1 and 11.

LICENCES IN FORCE UNDER, THE PETROLEUM (PRODUCTION) ACT, 1918

Date of Licence.	Name of Original Licensee.	Situation of Licensed Area.
26th March, 1923	The Duke of Devonshire.	Near Hardstoft in the county of Derbyshire.
16th December, 1930	Henry King Hiller	Near Heathfield in the county of Sussex.
20th July, 1931	The N.M.D. Syndicate Ltd.	Near Three Bridges in the county of Sussex.