

Amended by Ord 34/1949



TRINIDAD AND TOBAGO.

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No. 22—1943.

I ASSENT,

A. B. WRIGHT,
Acting Governor.
7th August, 1943.

AN ORDINANCE further to regulate Mining and
Refining of Oil.

[12th August, 1943.]

ENACTED by the Governor of Trinidad and Tobago
with the advice and consent of the Legislative Council
thereof.

1. This Ordinance may be cited as the Oil Mining and Short title.
Refining Ordinance, 1943, and shall be read as one with the Construction.
Oil Mining and Refining Ordinance (hereinafter referred Ch. 26. No. 3.
to as the Principal Ordinance).

Definition.

2. For the purposes of this Ordinance—

*"Oilfield" defined by 34/49
new definition of
person operating
for oil"*

"person operating for oil" means an owner of oil mining rights, or a lessee under an oil mining lease or an assignee of such person, who by virtue of his ownership, lease, or assignment wins oil or employs others to win oil from any well drilled for oil;

"a subsidiary or an associated company", when used in relation to a person operating for oil, means a company or corporation under the control of that person, whether by reason of the majority of the voting power being vested in him or his nominees or (if that person is a company or corporation) its shareholders, or otherwise, and includes (if that person is a company or corporation) a company or corporation which is under the control as aforesaid of a third person who also controls that person.

Refinery.

*oilfield or
oilfields
(34/49)*

3. (1) As soon as the output of crude oil of a quality suitable for refining obtained from wells in any ~~area or areas~~ from time to time held by or on behalf of any person operating for oil in the Colony amounts in the aggregate to one hundred thousand tons per annum, assessed on the average daily production of such wells over a period of not less than six consecutive calendar months (such calculation not to include such portion of the production of any wells as may not be under control), such person (except as hereinafter in subsection (2) of this section provided) shall, if required by the Governor so to do, commence the erection of a refinery capable of dealing with at least fifty per centum of the output of crude oil ascertained as above and of so treating the said crude oil as to produce oil fuel that shall comply with the Admiralty specification at the time, provided that the said crude oil be of a suitable kind and quality for this purpose. Such person shall complete the refinery and put and maintain it in efficient working order with due diligence and dispatch, but in any event within two years from the date on which the site of such refinery shall have been definitely approved. Such person shall, if required by the Governor so to do, at intervals of not less than twelve months, make such additions to

the refinery as may be requisite for dealing with at least fifty per centum of the crude oil which the wells assessed as stated above are capable of yielding annually :

Provided that the sites of such refineries and all tanks for the storage of petroleum shall be selected by the person operating for oil with the previous written approval of the Governor, such approval not to be unreasonably withheld, due regard being had to the commercial interests of the undertaking :

Provided further that the sites of such refineries shall be submitted for the approval of the Governor within two months from the date on which the production shall have reached one hundred thousand tons per annum ascertained as above.

(2) If and so long as the Governor shall be satisfied that the condition hereinafter set forth is fulfilled in relation to a person operating for oil, the Governor shall not exercise the powers conferred by subsection (1) of this section in relation to that person, or, to the extent that he has in fact exercised those powers, the obligations of that person under that subsection shall be suspended. The condition above referred to shall be that another refinery exists in British territory which, in the opinion of the Governor—

- (a) has available sufficient surplus capacity over and above its normal output to deal with the percentage of crude oil referred to in subsection (1) of this section ; and
- (b) is capable of satisfying the requirement of that subsection as to the specification of the oil after refining ; and
- (c) is sufficiently near to the source of output of crude oil obtained by the person operating for oil to render the erection by him of a refinery in the Colony redundant ; and
- (d) is either controlled by the person operating for oil, or by a subsidiary or an associated company, or is owned by a person who has arranged, and carries out the arrangement, to the satisfaction of the Governor to refine at least the percentage of crude oil obtained by that person

which is referred to in subsection (1) of this section in such manner that the oil, after refining, shall conform with the specification provided for in that subsection.

(3) For the purpose of carrying out his obligations under subsection (1) of this section, the person operating for oil shall be given by the Governor the permission required to carry on the business of oil refining under the provisions of the Principal Ordinance.

(4) For the purposes of subsection (2) of this section the expression "British territory" shall be deemed to include Protectorates, Protected States and Mandated Territories.

(5) Any person who fails to comply with or acts in contravention of a requirement made under subsection (1) of this section shall be liable to a fine of four hundred and eighty dollars for every day during which such failure continues.

In the event of
state of emer-
gency or war
Governor to
have right of
pre-emption.

4. In the event of a state of national emergency or war (of the existence of which the Governor shall be the sole judge)—

- (1) The Governor shall have the right of pre-emption of all crude oil won by a person operating for oil and of all the products thereof and shall have the right to require such person, to the extent of any refinery capacity he may have in the Colony or which he or a subsidiary or associated company may control in British territory in accordance with subsection (2) of section 3 of this Ordinance, to produce oil fuel that shall comply with the Admiralty specification at the time, provided that the said crude oil be of a suitable kind and quality for this purpose.
- (2) The person operating for oil shall use his utmost endeavours to increase so far as reasonably possible with existing facilities the supply of crude oil or products thereof to the extent required by the Governor.

- (3) The person operating for oil shall with every reasonable expedition and so as to avoid demurrage on the vessel or vessels engaged to convey the same, do his utmost to deliver all crude oil or products thereof purchased by the Governor under his said right of pre-emption in the quantities at the time and in the manner required by the Governor at a convenient place of shipment or at a place of storage in the Colony to be determined by the Governor whether belonging to the Government or otherwise. In the event of a vessel employed to carry such crude oil or products on behalf of His Majesty being detained on demurrage at the port of loading, the person operating for oil shall pay the amount due for demurrage according to the terms of the chartered party in addition to or in lieu of, as the case may be, the rates of loading previously agreed with him unless the delay is due to causes beyond his control. Any dispute which may arise as to whether the delay is due to causes beyond the control of the person operating for oil shall be settled by agreement between the Governor and such person and in default of such agreement the question shall be referred to arbitration in accordance with the provisions of the Arbitration Ordinance, or any Ordinance or law amending or replacing the same for the time being in force.
- (4) For the purposes aforesaid the Governor shall be at liberty to take control of the works, plant and premises of the person operating for oil used in the winning and storing of crude oil, and in such event such person shall conform to and obey all directions issued by the Governor and, in default, shall be liable to a fine of two hundred and forty dollars for every day during which such default continues. Compensation shall be paid to such person for any loss or damage that may be proved to have been

sustained by him by reason of the exercise by the Governor of the powers conferred by this subsection. In default of agreement as to the amount of such compensation the matter shall be referred to arbitration in manner provided by subsection (3) of this section.

(5) The price to be paid for all crude oil or products thereof taken in pre-emption by the Governor shall be either—

- (a) as specified in a separate agreement ; or
- (b) if no such agreement shall have been entered into prior to the exercise of the right of pre-emption, a fair market price for the time being at the point of delivery as the same shall be settled by agreement between the Governor and the person operating for oil or in default of such agreement by arbitration in manner provided by subsection (3) of this section.

To assist in arriving at a fair market price at the point of delivery, the person operating for oil shall furnish for the confidential information of the Governor if so required, particulars of the quantities, descriptions and prices of crude oil or products thereof sold to other customers and of charters or contracts entered into for carriage and shall exhibit to the Governor original or authenticated copies of contracts or charter parties entered into for the sale or carriage of such oil or products.

Passed in Council this thirtieth day of July, in the year of Our Lord one thousand nine hundred and forty-three.

W. J. BOOS,
Clerk of the Council.

1943.
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