

TO
INWARD TELEGRAM
TO THE SECRETARY OF STATE FOR THE COLONIES

FROM BRITISH GUIANA (O.A.G.)

Cypher (O.T.P.)

D. 15th June, 1957.
R. 15th " " 23.15 hrs.

IMMEDIATE
REPLY URGENTLY REQUIRED
SECRET
No.224

Following for Kennedy. *at C.O.*

Begins.

My secret telegram No.212.

Oil.

Representative arrived yesterday and submitted application for exploration licence.

2. Applicant is Californian Exploration Company (fully owned subsidiary of Standard Oil Company of California) on behalf of Californian Oil Company (British Guiana) Limited, new company to be formed in British Guiana with authorised capital of \$720,000 (B.W.I.) to be supplemented by advances as required from principal parent company.
3. Application covers the whole off-shore area of Colony with adjacent land strip comprising altogether some 16,500 square miles but main interest and scope of exploration would be off-shore. Precise description of designated area is contained in my immediately following telegram.
4. Applicant urged prompt decision because exploration crew (survey vessels) will shortly complete work in Cuba and tentative plans made to bring crew to British Guiana by 5th July if application is granted.
5. This application offers most favourable and unprecedented immediate opportunity of complete seismic survey of Colony's marine oil possibilities by reputable international oil group. Extent of area is of course comprehensive and exclusive but this is probably an advantage. Area granted to almost unknown McBride Oil and Gas Corporation in 1954 under licences Nos.202 and 203 (with promise of adjacent off-shore areas) comprised some 8,000 square miles although there was little prospect of satisfactory exploration as result proved. See my savingram No.12 of 7th January, 1957.
6. Regulations 27 and 34 of Petroleum Regulations were not amended to conform to revised rate of royalty and rent agreed for McBride (savingram No.468 of 10th September 1954). It is proposed to inform applicant that rates are to be revised with royalty at 12% ~~as advised in your telegram No.385 of 15th September, 1954.~~

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TO UNCLASSIFIED

7. Application will be considered by Executive Council Wednesday 19th June. Grateful for your comments by Tuesday 18th June and particularly for your advice as to whether or not there is any objection to designation of area in licence as described in following telegram, having regard to existing lack of definition of off-shore international boundary. Applicant would prefer precise designation but would accept general reference to British Guiana territorial waters. My own feeling is that precise designation should be avoided at this stage.

Ends.