

205
Guyana Shell Ltd
G. M. S. P. Ltd

GUYANA SHELL LIMITED
OIL EXPLORATION LICENCE

No. 205

OIL EXPLORATION LICENCE

RENEWAL
RENEWED for one year as from the... 10th August
January, 19 67... to the... December

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THIS DEED made the eleventh day of August, 1965,
between His Excellency SIR RICHARD EDMONDS LUYT, Knight Commander of
the Most Distinguished Order of Saint Michael and Saint George, upon
whom has been conferred the Distinguished Conduct Medal, Governor and
Commander-in-Chief in and over the Colony of British Guiana, Vice-
Admiral of the same (hereinafter referred to as "the Governor",
which expression includes the Officer for the time being administering
the Government of the said Colony) of the one part and GUYANA SHELL
LIMITED (hereinafter referred to as the "Licensee") of the other part.

WHEREAS the Licensee in accordance with the conditions laid
down in the Regulations for the time being in force for the granting
of Oil Exploration Licences has applied to the Governor for an Oil
Exploration Licence in respect of the lands and submarine areas
specified in Schedule A hereunder (hereinafter referred to as "the
said lands") and has entered into a bond in the form set out in
Schedule B hereunder with the Accountant General in the sum of ten
thousand dollars (British Guiana currency) conditioned for the due
and faithful carrying out of the provisions contained in this Deed;

NOW THIS DEED WITNESSETH AS FOLLOWS:-

1. In consideration of the sum of two thousand five hundred
dollars (British Guiana currency) payable by the Licensee in
accordance with the provisions of the Petroleum (Prospecting and
Winning) Regulations (Cap. 199) and of the further sum of twenty-
two thousand five hundred dollars (British Guiana currency) which
the Licensee has agreed to pay to the Government of British Guiana,
which sums have before the execution hereof been paid by the

Licenses to the Accountant General on behalf of the Governor, the sole right and licence is hereby granted by the Governor to the Licensee for the term of one year from the date hereof with the right of renewal for one year subject to the rights of any holder of any right, title or interest in or over the said lands or any part thereof and subject to the restrictions, conditions and provisions hereinafter contained to explore and search the surface of the lands described in Schedule A hereunder for petroleum and for that purpose to make geological and geophysical and topographic examinations on the ground and from the air and to dig and turn up the surface of the land to the extent necessary for efficient exploration and drill geological information boreholes which shall not except with the consent of the Commissioner of Lands and Mines (hereinafter referred to as "the Commissioner") exceed a depth of five hundred feet. Reserving nevertheless to the Governor 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 Crown or Colony lands as may be included in the said lands 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:

Provided, however, that the limits of the said lands shall be revised by the Governor at any time and in any direction if, as a result of negotiations between the Government of British Guiana and the Governments of any adjoining territories, it is determined that any portion of the said lands lies outside the jurisdiction of the Government of British Guiana and it is necessary to exclude such portion of the said lands from the provisions of this Licence, or if it is determined that lands or submarine areas outside of the said lands lie within the jurisdiction of the Government of British Guiana and it is necessary to revise the said limits to include such lands or submarine areas within the area to which this Licence applies:

Provided further that neither the Governor nor the Government of British Guiana shall be responsible for any loss or damage which the Licensee may incur by reason of his activities in any part of the submarine areas included in the said lands that might be claimed by any other territory.

Right to
erect and
dismantle
huts, etc.

2. Subject to the rights of holders of surface rights the Licensee may erect and bring upon the said lands such temporary huts, sheds and structures, steam and other engines, machinery and conveniences, chattels and effects as shall be proper and necessary for effectually carrying on the operations hereby licensed and subject as aforesaid the Licensee shall be entitled at any time to dismantle and remove the same.

Local
Resident
Manager.

3. The Licensee shall before commencing any operations in the said lands furnish to the Commissioner the name and address of the Manager resident in the locality of the said lands under whose supervision such operations are to be carried on. Any notice which is required by any Ordinance for the time being in force or which the Governor, or any person authorised by him, is in accordance with the terms of this Licence required or entitled to serve upon the Licensee shall be sufficiently served if the same shall be delivered or sent by post to such Manager at such address.

Working
obliga-
tions.

4. The licensee shall with all reasonable despatch commence to examine geologically or by geophysical methods the said lands and shall during the subsistence of this Licence continue with due diligence to carry out such geological or geophysical work as may be necessary to determine the structure of the said lands. In addition the Licensee shall during the subsistence of this Licence expend a total of approximately nine hundred and fifty thousand dollars (British Guiana currency) for the

purpose of carrying out such geological or geophysical work; such expenditure may include direct contract costs for geological or geophysical work, the Licensee's general operating expenses and reasonable charges for management and supervision of the geological or geophysical work, as the case may be.

Indemnity.

5. All excavations or borings which may have been made in the said lands during the subsistence of this Licence shall, unless the Commissioner in the case of unoccupied Crown or Colony lands, or the holder of the surface rights in the case of other lands, otherwise determines be filled up, and so far as possible the surface of the land shall be restored to its condition prior to such excavations or borings, and the Licensee shall indemnify the Governor against all claims and demands which may be made by any other person for damage shown to result from the exercise of the powers hereby conferred.

Reports.

6.(1) The Licensee shall furnish to the Commissioner when required in writing to do so copies of all records and maps, including all technical and field records, both geological and geophysical, and all well records, including geophysical and other well logs, kept and compiled by the Licensee in connection with his operations under this Licence.

The Licensee shall furnish also, a quarterly report (which he hereby undertakes to have prepared) indicating the progress of his operations under this Licence in and upon the said lands and containing a map, on a scale to be agreed between the Commissioner and the Licensee, which shall show as far as is reasonably practicable the true topographic position of any land

geologically or geophysically surveyed, examined or mapped. The quarterly report and map shall include full particulars of any discovery or indication of petroleum or petroleum bearing strata and of any mineral of commercial value other than petroleum. Any officer authorised in writing by the Commissioner may at all reasonable times inspect and make abstracts or copies of any logs, records, plans or maps prepared by the Licensee in the course of his operations under this Licence. All such information so supplied by the Licensee shall (except with the consent in writing of the Licensee, which shall not be unreasonably withheld) be treated by the Commissioner as confidential, but the Commissioner shall nevertheless be entitled at any time to make use of any information received from the Licensee for the purpose of preparing and publishing aggregated returns and general reports on the extent of oil prospecting or oil mining operations in the said Colony and for the purposes of any arbitration or litigation between the Governor and the Licensee.

(2) Within two months after the end of the term hereby granted, or any renewal thereof, the Licensee shall furnish to the Commissioner a record in a form from time to time approved by the Commissioner of the operations conducted in the said lands during each year together with maps, technical field reports, both geological and geophysical and all well records including geophysical and other well logs.

Sample of
petroleum.

7. The Licensee may 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, but shall furnish the 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 Commissioner of such information provide the Commissioner with such representative specimens and samples as may be required, not exceeding one half of any individual specimen or samples so removed by the Licensee and the Commissioner shall be entitled to retain any specimen or sample so delivered.

Formation of
company etc.,
by Licensee.

8. 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 purpose of exploiting the lands which are the subject of this Licence or any portion thereof without the permission in writing of the Governor to be obtained on his being satisfied that such lands or portions thereof have been thoroughly and efficiently examined geologically or by geophysical methods.

Consent to
assignment.

9. 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 Governor

Assignment
of Licence.

10. The Licensee shall not assign or attempt to assign the rights granted by this Licence to any person other than a British subject or a company incorporated in the Colony or in some other part of Her Majesty's dominions.

Licensee
ceasing
to be in-
corporated
in British
Guiana.

11. If the Licensee shall cease to be a company incorporated in the Colony the Company or the person exercising the powers of the Company in that regard shall forthwith inform the Governor and apply to him for his consent to an assignment of the rights granted by this Licence in accordance with clause 9 (Consent to assignment) hereof and in the event of the Licensee

falling to obtain such consent within such time as the Governor may in his discretion appoint, the Governor 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 obligation or liability imposed by or incurred under the terms and conditions hereof.

Reciprocity.

12. This Licence shall be determined if the Licensee shall be or become controlled directly or indirectly by a national of or by a company incorporated in any country the laws and customs of which do not permit British subjects or companies incorporated in Her Majesty's dominions or companies incorporated in that country controlled directly or indirectly by British subjects or companies incorporated in Her Majesty's dominions to acquire, hold and operate petroleum concessions on conditions which in the opinion of the Governor are reasonably comparable with the conditions upon which such rights are granted to nationals of that country with the addition of conditions corresponding to those imposed by this clause and the immediately preceding clause hereof.

Exclusion of
lands for
public purposes.

13. Notwithstanding the rights conferred on the Licensee under this Licence, the Governor, upon giving three months' written notice to the Licensee, shall have power at any time to reserve from operations under this Licence any lands or submarine areas which may from time to time be required for villages, new villages, village extensions, water reserves, drainage, irrigation or sea defence purposes, navigation ports, wharves or for public fisheries or any public purposes whatsoever.

Provided that, during the subsistence of this Licence or any renewal thereof, the area or areas so reserved shall not exceed in all five per centum of the total square miles of land area included in this Licence or one per centum of the total square miles of submarine area included in this Licence:

Provided further, that any area or areas so reserved shall not exceed ten square miles in any one block of land or submarine area:

Provided further, that the reservation of any lands or submarine areas upon which any active operations such as well drilling, road construction, waterworks or other work relating to the winning of petroleum have previously been commenced or are in progress shall not be required:

Provided further, that if the Licensee shall satisfy the Governor that the reservation of any such selected land areas or submarine areas will interfere with or impede its operations or proposed operations, the Licensee shall have the right to indicate and offer proof as to the availability of other land areas or submarine areas from which said percentages may be selected:

And provided, further, that the reservation of any land areas or submarine areas shall not prevent or prejudice the right of the Licensee to search, bore for, win and work all or any petroleum lying and being within, under or throughout the said land areas and said submarine areas so reserved, and to carry away and dispose of the produce thereof to and for the use and benefit of the Licensee.

Foreshore.

14. This Licence shall not confer any surface rights to the foreshore and no use shall be made thereof by the Licensee unless and until the authority of the Governor (which shall not be unreasonably withheld) is first obtained.

Construction
of works.

15. Any works or installations erected by the Licensee shall be of such nature and shall be so constructed, placed, marked or buoyed as to minimise their constituting a danger or obstruction to shipping and the Licensee if required by the Governor to do so shall illuminate between the hours of sunset and sunrise, in

a manner satisfactory to the Harbour Master, all platforms, derricks, piers, survey marks or any other installations erected within the area of the said lands. The means of illumination shall be such as is approved or required by the Harbour Master.

Pollution.

16. The Licensee shall adopt all practical precautions (which shall include the provision of modern equipment) to prevent pollution of the coastal waters by oil, mud, or any other fluid or substance which might contaminate the sea water or shore line.

Power of revocation.

17. If the licensee shall at any time refuse or neglect to observe or perform any of the terms and conditions of this Licence the Governor may by notice in writing signed by him and served upon the Licensee summarily declare that the Licence hereby granted shall thenceforth determine and the Licence and all rights and liberties conferred hereby or enjoyed hereby or hereunder shall forthwith determine without prejudice to the rights and remedies of the Governor in respect of any prior breach or non-performance of any or all of the terms and conditions hereof 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 reasonable time thereafter, to remedy the breach if it is capable of remedy, and to make reasonable compensation in money, to the satisfaction of the Governor for the breach.

Renewal.

18. The Governor may at his discretion on an application made in that behalf by the Licensee on three

months' notice in writing prior to the expiry of the second term of one year referred to in clause 1 grant a renewal of this Licence in respect of the whole of the said lands or any part thereof for a further term of twelve months subject to the payment by the Licensee of an apportioned part of the sum mentioned in clause 1 (Fee hereof based upon the proportion which the area retained bears to the area originally licensed hereby.

Right of Licensee to Oil Prospecting Licence.

19. On or before the expiration of this Licence or any renewal thereof, the Licensee having observed and performed the terms and conditions herein contained shall have a right to one or more Oil Prospecting Licence or Licences in the form prescribed in the Regulations then in force/in respect of any part or parts of the said lands as the Licensee may select if he shall comply with the Regulations as to applications for Oil Prospecting Licences.

Force majeure.

20.(1) Failure on the part of the Licensee to fulfil any of the terms and conditions of this Licence shall not give the Governor 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 through force majeure fulfilment by the Licensee of any of the terms and conditions of this Licence be delayed the period of such delay shall be added to the periods fixed by this Licence.

(2) In this clause the expression "force majeure" includes the act of God, war, insurrection, riot, civil commotion, tide, storm, tidal wave, flood, lightning, explosion, fire, earthquake and any other happening which the Licensee could not reasonably prevent or control.

Arbitration.

21. 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 herewith or the powers, duties or liabilities of the Licensee hereunder then and in all such cases the matter in difference 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.

Cap. 38.

Marginal notes.

22. The marginal notes are for convenience only and do not form part of this Licence.

Interpretation.

23. For the purpose of this Licence -

"British subject" shall be deemed to include a person under Her Majesty's protection;

"foreshore" means that part of the shore of the sea and of tidal navigable rivers which is covered by the medium high tide between the spring tides and the neap tides;

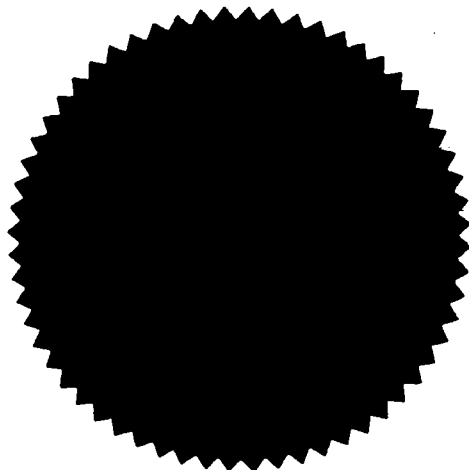
"Her Majesty's dominions" shall be deemed to include British Protectorates and protected States and territories administered by the government of any part of Her Majesty's dominions under the trusteeship system of the United Nations or in accordance with a mandate from the United Nations;

"Licensee" means a person (or company) to whom an Oil Exploration Licence is granted, his successors in title and the persons deriving title under him;

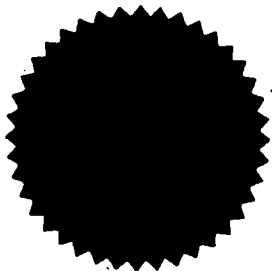
"petroleum" includes any mineral oil or relative hydro-carbon and natural gas existing in its natural condition in strata but does not include coal or bituminous shales or other stratified deposits from which oil can be extracted by destructive distillation;

"submarine area" means the foreshore of the
Colony and the land underlying the sea
waters contiguous thereto.

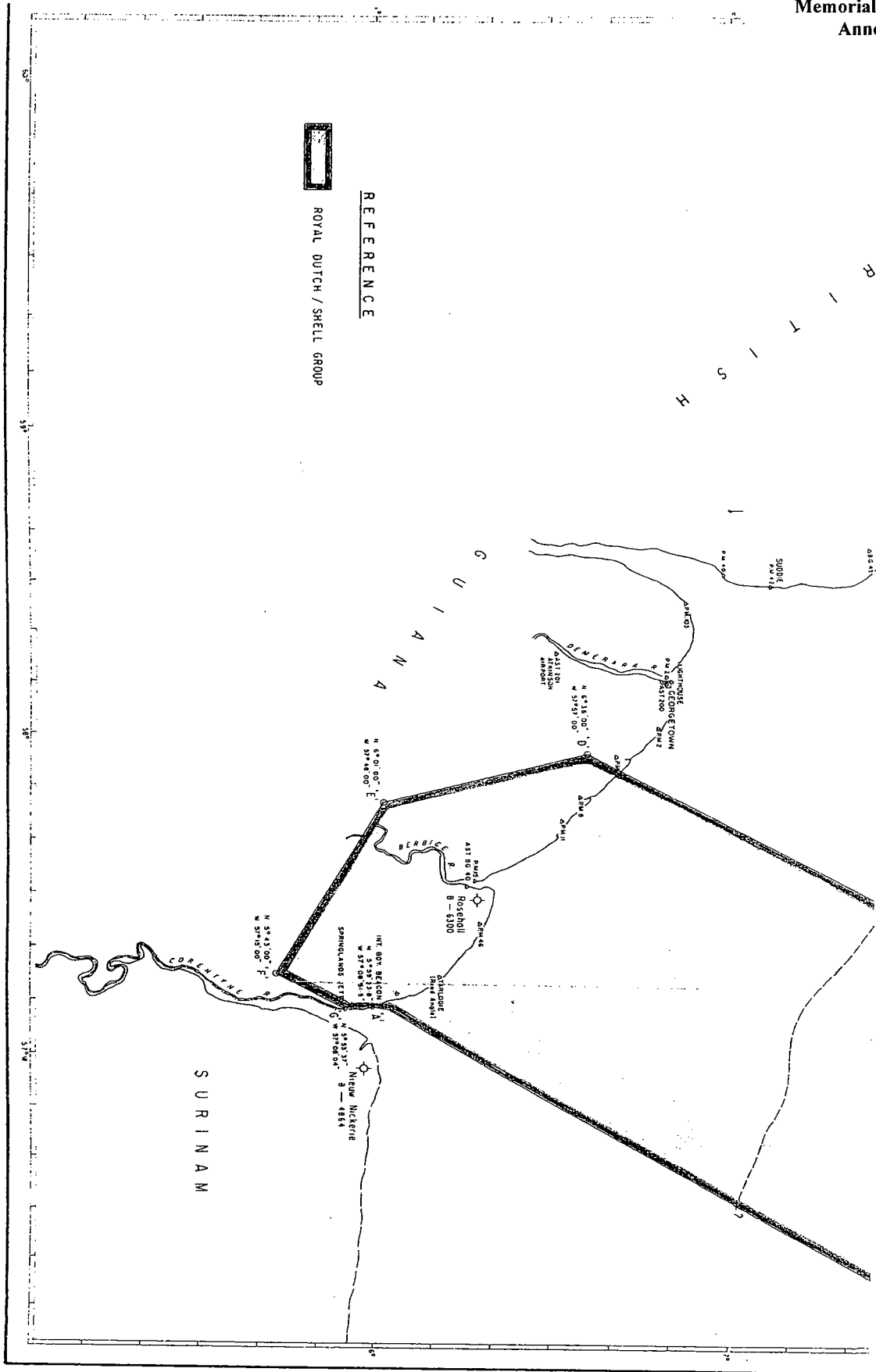
IN WITNESS WHEREOF the Governor has hereunto set
his hand and caused the public seal of the Colony to be
hereunto affixed and the Licensee has caused its common
seal to be hereunto affixed the day and year first herein
above written.



Richard E. Lawrence
.....
Governor.



Guyana Shell Limited
by *Geoffrey Charles* Director
.....
L. J. ... Secretary
Licensee.



SCHEDULE A

An area of approximately 9,600 square miles shown coloured on attached plan, commencing at a point "A" bearing latitude $5^{\circ} 59' 53.8''$ North, longitude $57^{\circ} 08' 51.5''$ West, established by the intersection of the Surinam and British Guiana International Boundary demarcated by a large triangular wooden beacon, thence N 13° (true) for a distance of approximately 3 miles, thence N 33° (true) for a distance of about 123 miles to a point "B" bearing latitude $7^{\circ} 32' 00''$ North, longitude $56^{\circ} 10' 00''$ West, thence N 300° (true) for a distance of about 75 miles to a point "C" bearing latitude $8^{\circ} 04' 00''$ North, longitude $57^{\circ} 07' 00''$ West, thence N 210° (true) for a distance of about 116 miles to a point "D" on land bearing latitude $6^{\circ} 36' 00''$ North, longitude $57^{\circ} 57' 00''$ West, thence N 165° (true) for a distance of about 40 miles to a point "E" bearing latitude $6^{\circ} 04' 00''$ North, longitude $57^{\circ} 48' 00''$ West, thence N 120° (true) for a distance of about 43 miles to a point "F" bearing latitude $5^{\circ} 43' 00''$ North longitude $57^{\circ} 15' 00''$ West, thence N 30° (true) for a distance of about 15 miles to a point "G" at Springlands Jetty, left bank Corentyne River bearing latitude $5^{\circ} 53' 37''$ North longitude $57^{\circ} 08' 04''$ West, thence down the left bank Corentyne River (shore-line) for a distance of about 8 miles, to the point "A" of commencement.

APPROVED.

OIL EXPLORATION LICENCE ISSUED ON THE
11TH AUGUST, 1965.

M. Clarke
Crown Solicitor.
11.8.65.

Memorial of Guyana
Annex 107

SCHEDULE B

BOND IN RESPECT OF OIL EXPLORATION LICENCE

KNOW ALL MEN BY THESE PRESENTS that WE - GUYANA SHELL LIMITED, a company incorporated in the colony of British Guiana under the provisions of the Companies Ordinance, Chapter 328, whose registered office is situate at lot 29 Holmes and Main Streets, Cummingsburg, Georgetown, British Guiana, are and firmly bound to the Accountant General of the Colony of British Guiana and his successors in office in the sum of \$10,000.00 (ten thousand dollars) of the good and lawful money of the colony to be paid to the said Accountant General and his successors in office for which payment to be well and truly made, WE bind ourselves and our successors by these presents.

DATED this 11th day of August, 1965.

WHEREAS by Deed of even date herewith and made between GUYANA SHELL LIMITED of the one part, and the Governor of the other part, the sole right and licence is granted to the said GUYANA SHELL LIMITED to explore and search the surface of that parcel of land situate in British Guiana and comprising a portion of the continental shelf and an area of land on the coast of British Guiana and having an area of 9,600 (nine thousand, six hundred) square miles more or less and delineated in the plan attached to the said Deed for petroleum and for that purpose to make geological, geophysical and topographic examinations on the ground and from the air and to dig and turn up the surface of the land and drill geological information boreholes, subject to the

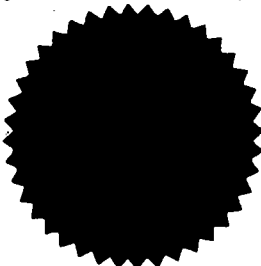
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terms, conditions and covenants therein contained.

NOW THE CONDITION of the above-written bond or obligation is such that if the said GUYANA SHELL LIMITED or their successors shall well and truly observe and perform all and every the covenants and agreements by them to be observed and performed as hereinbefore mentioned and shall in a proper and workmanlike manner do all and every the acts, matters and things by them to be done under the said Deed to the satisfaction of the Governor for the time being of the said Colony THEN the above-written bond or obligation shall be void otherwise the same shall remain in full force and effect.

IN TESTIMONY WHEREOF, WE the party hereto have hereunto set our hands and seal this 11th day of August, 1965, at Georgetown, Demerara, in the presence of the subscribing witnesses.

SIGNED, SEALED AND DELIVERED
by GUYANA SHELL LIMITED,



[Handwritten Signature]
.....
DIRECTOR.

[Handwritten Signature]
.....
SECRETARY.

in the presence of:-

1. *[Handwritten Signature]*
2. *[Handwritten Signature]*

