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MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 2225

Press
Mis.

Dated 8.4.1891.

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CIRCULAR No. ⁵⁶⁵/₃₋₈ M.

FROM

J. W. P. MUIR-MACKENZIE, Esq., C.S.,

Under-Secretary to the Government of India,

TO

The Secretary to the Govt. of Madras.

Revenue & Agricultural Dept.
Minerals.

CALCUTTA, the 17th March 1891.

SIR,

I AM directed to forward a copy of draft rules which have been recently framed for the grant of licenses to explore and prospect for minerals and of mining leases.

2. The rules were framed in the first instance with an especial view to the requirements of the Provinces of Burma and Assam by a Committee*

* Sir E. Buck, Secretary to the Government of India.
The Honourable Mr. R. J. Crosthwaite, Additional Member
of the Governor General's Council for making Laws and
Regulations.
The Honourable Mr. P. Nolan, Secretary to the Govern-
ment of Bengal.
Dr. W. King, Director, Geological Survey of India.
Mr. J. E. O'Connor, Assistant Secretary to the Government
of India, Finance and Commerce Department.

appointed by the Government of India for the purpose in March 1890. The meetings of the Committee were attended by representatives nominated by the Calcutta Chamber of Commerce. The rules framed by the Committee were then forwarded to the Chief Commissioners of Burma and Assam for an expression of opinion, and have since been further revised by a second Committee.†

3. I am to explain that, although the principles involved in the rules have been approved by the Governor General in Council, and may therefore be provisionally acted on, the rules themselves have not been thrown into the final shape in which they will be published, nor have they as yet been submitted to the Secretary of State whose sanction it is necessary to obtain before they can be officially promulgated. The Government of India desire, therefore, that the rules should only be utilized at present, as a guide in framing proposals for the sanction of the Government of India and that they should not be published.

† Sir E. Buck.
Honourable Mr. Nolan.
Dr. King.

File No. 5925

4. In the meantime I am to ask that *His Excellency the Govt.* will favour the Government of India with *his* opinion on the rules, together with any suggestions for their amendment which *His Excellency* may consider necessary, either for general purposes or to meet local requirements.

I have the honour to be,

SIR,

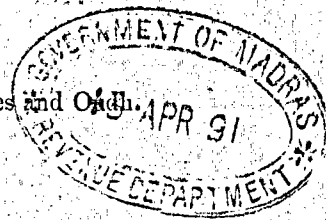
Your most obedient Servant,

James Mackenzie

Under-Secretary to the Government of India.

To the Secretary to the Government of Madras.

" " " " Bombay.
" " " " Bengal.
" " " " the North-Western Provinces and Oudh.
" " " " the Punjab.
" Chief Commissioner, Central Provinces.
" " " " Burma.
" " " " Assam.
" " " " Coorg.
" " " " Ajmere-Merwara.
" Secretary for Berar to the Resident, Hyderabad.



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FILE No. 3.

SERIAL No. 8.

1891.

GOVERNMENT OF INDIA.

REVENUE AND AGRICULTURAL DEPARTMENT.

MINERALS.

To

ALL LOCAL GOVERNMENTS AND ADMINISTRATIONS.

Circular No. ⁵⁶⁵/₃₋₈ M.

Dated Calcutta, the 17th March 1891.

SUBJECT.

FORWARDS a copy of the draft rules recently framed for the grant of exploring and prospecting licenses and mining leases and asks for an opinion on the rules together with any suggestions for their amendment which may be considered necessary.

Rules for the grant of licenses to explore
and prospect for minerals, and of min-
ing leases.

ROUGH DRAFT CONFIDENTIALLY CIRCU-
LATED FOR THE GUIDANCE OF LOCAL
GOVERNMENTS AND ADMINISTRATIONS.

The following rules regulating the grant of
licenses to explore and prospect for minerals and
the grant of leases of mines and minerals have
been made by the Governor General in Council.

Licenses and leases other than the licenses
and leases provided for by these rules can only be
granted by the Governor General in Council.

In these rules—

Collector means the Revenue-officer in charge
of the district; and

Local Government includes a Chief Commis-
sioner.

Exploring Licenses.

1. A license to explore land for minerals or
mineral oil, called hereinafter an exploring license,
authorises the licensee to search the surface of the
land specified in the license for minerals of every
description and for mineral oil, and, subject to
such restrictions as the Local Government may
from time to time impose, to remove any speci-
mens or samples found by the licensee within such
land.*

2. The license can only be granted with respect
to land in which the mines, minerals, or mineral
oils are the property of the Government, and will
not authorize the licensee to enter upon any land
in private occupation without having first obtained
the occupier's consent.

3. It will not authorize the licensee to mine or
quarry, but he will be permitted to turn up the sur-
face of unoccupied land to a depth not exceeding
two feet.

4. An exploring license may be granted by
such person and under such rules as the Local
Government may prescribe.

5. Each exploring license shall run for one year,
and there shall be paid for such license a fee not
exceeding ₹10 as the Local Government may
prescribe.

6. A royalty of 30 per. cent. will be payable to
Government upon the value of all precious stones
found and removed by an explorer, whether he has
taken out a license or not. Neglect to report the
discovery of such stones within a reasonable time
will involve a forfeiture of the license, and all

* NOTE.—The surface of unoccupied and unreserved land
which is the property of Government may be freely searched
without a license, but the Government does not object to
granting a license to explore when one is applied for.

claim to have an application for a mining or prospecting lease favourably considered.

7. A license gives no exclusive or preferential rights, but in considering rival claims for a prospecting license or mining lease, due regard will be had to operations conducted under cover of an exploring license.

Prospecting Licenses.

8. (1) A license to prospect for minerals or mineral oil, called hereinafter a prospecting license, confers on the licensee the sole right, subject to the conditions therein contained, to mine, quarry, bore, dig and search for, win, work and carry away any mineral or mineral oil specified in the license and lying and being within, under or throughout the land with respect to which the license extends.

(2) A prospecting license can only be granted with respect to land in which the mines, minerals or mineral oils are the property of the Government, and which is comprised in a compact block the area of which does not exceed the area specified in the schedule annexed, A, to these rules, and the length of which does not exceed four times its breadth.

(3) Such license will not authorize the licensee to enter upon any land in private occupation without having first obtained the occupier's consent.

9. When the mineral value of any area has already been sufficiently ascertained, the Local Government may refuse to grant licenses to prospect, and may order the area to be demarcated into blocks, and such blocks to be put up to auction for such purpose and under such rules as may be prescribed [for this purpose] by the Government of India.

10. (1) A prospecting license shall not be granted except to a person approved by the Local Government, and such person shall deposit as security such sum, not being less than Rs. 1,000 as the Local Government may determine.

(2) A prospecting license may not be granted to a Company or to any Syndicate on behalf of a proposed Company without the previous sanction of the Governor General in Council.

11. (1) Applications for prospecting licenses shall, unless the Local Government in any case otherwise directs, be made to the Collector of the district in which the land or any part of the land is situate with respect to which the license is required.

The application shall contain the following particulars, namely:—

- (a) the name, residence, and profession of the applicant;
- (b) a description, as accurate as possible and illustrated by a rough sketch, of the situation, boundaries and area of the land with respect to which the license is required; and

- (c) a specification of the mineral or minerals for which the applicant desires to prospect.

The application shall also state whether the applicant has been approved by the Local Government.

12. On receipt of the application the Collector shall, as soon as practicable, inquire whether the grant of the license applied for is inexpedient, on the ground either that the land described in the application is required for public purposes, or that there is some other objection to the grant.

13. (1) Subject to the control of the Local Government, the Collector, if he finds that there is no objection to the grant of the license applied for, and if the applicant has been approved by the Local Government, shall as soon as practicable grant to the applicant a license in such form as may be prescribed, and shall report the matter to the Local Government, or such other authority as the Local Government may direct.

(2) If the Collector is of opinion that it is not expedient to grant the license, or if he finds that the licensee has not been approved by the Local Government, he shall refuse to grant the license and shall forthwith report the matter through the proper channel to the Local Government which may pass such orders as it thinks fit.

14. When a person has been granted a prospecting license, a second prospecting license shall not, while the first license is in force, be granted to him with respect to land in the same neighbourhood within such distance from the boundaries of the land included in the first license as is specified in the schedule annexed to these rules.

15. A register of applications for prospecting licenses shall be kept in English in the Collector's Office, specifying—

1. Number of application.
2. Date.
3. Name and residence of applicant.
4. Situation of the land.
5. Boundaries.
6. Estimated area.
7. Date of sanction by the Local Government.
8. Date of license.
9. Rent and royalty payable.
10. Period for which granted.

16. A prospecting license shall contain such conditions as may in any particular case seem necessary, and shall in all cases contain the following conditions:—

- (i) The term for which the license shall be granted shall be one year, or such shorter term as the applicant may desire. The license may be renewed by the Collector for a further term not exceeding one year, whenever he is satisfied that the licensee has been prevented from completing his search of the land by other causes than his own default.

- (ii) A moderate rent not exceeding one rupee per acre shall be paid for the land with respect to which the license is applicable.
- (iii) The licensee shall pay a royalty at a rate not exceeding 30 per cent. of the value of all precious stones won and carried away, and shall be liable for a royalty not exceeding 5 per cent. on all other minerals won and carried away over and above such amount as the Local Government may allow to be taken free for purposes of experiment.
- (iv) No land in private occupation shall be entered upon, and no trees, standing crops or other private property shall be cut or in any way injured, unless and until the owner's consent has been obtained.
- (v) The licensee shall make and pay reasonable satisfaction and compensation for all injury which may be done by him in exercise of the powers granted by the license, and shall indemnify the Government against all claims which may be made by third parties in respect of any such damage or injury.
- (vi) The licensee shall not cut or injure any tree on unoccupied and unreserved land without the general or special permission of the Collector in writing.
- (vii) The licensee shall not grant or assign any of his interest under the license to any person including any Company or Association or body individuals, whether incorporated or not, without the previous consent in writing of the Local Government, or to any Company without the sanction of the Government of India.
- (viii) In case of any breach on the part of the licensee of any of the four preceding clauses, the Collector may summarily revoke the license and re-enter and take possession of the land.
- (ix) The licensee shall, within six months from the determination of the license, or from the date of the abandonment of the undertaking, whichever date first occurs, securely plug any bores and fill up any holes or excavations that he may have made in the land, and shall effectually restore the surface of the land and all buildings thereon which he may have damaged in the course of prospecting. Provided that the clause shall not apply to any land which may have been given to the licensee on a mining lease.
- (x) If any question or dispute arises regarding the license, or any matter or thing connected therewith, or the powers of

the licensee thereunder, or the amount or payment of the rent or royalty made payable thereby, the matter in difference shall be decided by the Local Government, whose decision shall be final.

17. On or before the determination of his license, the licensee shall have a right, subject to the rules hereinafter contained—

- (a) in the case of mineral oil or minerals other than precious stones, to a mining lease in accordance with the terms contained in the rules for mining leases;
- (b) in the case of precious stones, to the first offer of such mining lease (if any) as the Governor General in Council may think fit to grant.

The lease may include so much land, either comprising the whole or a part only of the area for which the prospecting license was granted, as shall not exceed the area specified with respect to mining leases in the schedule A annexed to these rules.

Mining Leases.

17. (1) An application for the grant of a mining lease, not being a lease of a mine of precious stones, shall be presented to the Collector in whose district the land or a part of the land is situate with respect to which the lease is applied for. The Collector shall forward the application through the proper channel to the Local Government.

(2) A mining lease can only be granted with respect to land in which the mines, minerals or mineral oils are the property of Government, and a lease of a mine of precious stones can only be granted by the Governor General in Council.

18. The application shall contain:—

- (a) the name, residence, and profession of the applicant;
- (b) the name of the mineral for which the applicant intends to mine;
- (c) a map of the area over which the lease is to extend.

19. On receipt of the application the Local Government may, if it considers that the applicant should be granted a mining lease, grant the same in accordance with the terms contained in these rules and over one or more blocks, each not exceeding in extent the area specified in the schedule annexed to these rules as to the Local Government may seem fit.

A lease shall not be executed until it has been approved by the Advocate General, or other legal adviser, if any, appointed for the Province.

20. The length of each block shall not be more than four times its breadth, and the same lessee shall not, without the consent of the Government of India, be granted two blocks except at the distance from one another mentioned in the last column of the said schedule A.

21. The term for which a mining lease may be granted shall not exceed thirty years without the previous sanction of the Governor General in Council, and in case the lease is granted under rule 11, clause (ix), in consideration of the lessee's having had a prospecting license, *the term of the lease shall not, without the lessee's consent, be less than twenty years.*

22.

23. The lease shall contain such conditions and stipulations as the Local Government may in each case consider necessary; but shall in every case contain the following conditions, namely:—

- (i) a royalty shall be paid at the rate specified for the particular mineral in the schedule C annexed to these rules, and if any other mineral shall be discovered, then royalty shall be paid therefor at the rate specified in the same schedule for such mineral;
- (ii) the lessee shall also pay for every year after the first year a fixed yearly dead rent at the rates laid down in the schedule B annexed to these rules;
- (iii) the lessees shall pay for all land which they may take up, use or occupy for the purpose of the mine, a surface rent at the rate specified in the schedule B;
- (iv) the lessee shall make and pay reasonable satisfaction and compensation for all injury which may be done by him in exercise of the powers granted by the lease, and shall indemnify the Government against all claims which may be made by third parties in respect of any such injury;
- (v) the lessee shall not cut or injure any tree reserved in the lease;
- (vi) the lessee shall not assign or underlet without the previous consent in writing of the Local Government;
- (vii) the lessee shall commence operations within *two years* from the date of the execution of the lease, and shall thereafter carry them on effectually in a proper, skilful and mining-like manner unless prevented by unavoidable cause;
- (viii) the lessee shall keep correct accounts showing the amount and particulars of all minerals obtained from the mine and the number of persons employed therein, and also complete plans of the mine, and shall allow officers authorised by the Local Government in that behalf at any time to examine the accounts or plans;
- (ix) the lessee shall allow officers authorised by the Local Government to enter

upon the premises for the purpose of inspecting the same;

- (x) the lessee shall without delay send to the Collector a report of any accident which may occur at or in the mine leased, and also the finding therein of any mineral which is not specified in the lease;
- (xi) in case the royalty or rent reserved or made payable by the lease is not paid within twenty-eight days next after the date fixed in the lease for the payment of the same, the Local Government may enter upon the mine and seize and sell any minerals or moveable property therein, and, if the royalty or rent cannot be so recovered, may determine the lease and take possession of the mine;
- (xii) in case of any breach on the part of the lessee of any covenant in the lease, the Local Government may determine the lease and re-enter and take possession of the mine;
- (xiii) the lessee shall deliver up the mine at the end or sooner determination of the term in a proper state for working;
- (xiv) if any question or dispute arises regarding the lease and any matter or thing connected with the mines and minerals leased or the working or non-working thereof or the amount and payment of the royalty or rent reserved or made payable by the lease, the matter in difference shall be decided by the Local Government whose decision thereon shall be final.

Draft. G.

SCHEDULE A.

Maximum areas granted for—	MAXIMUM AREA IN SQUARE MILES FOR				DISTANCE BETWEEN GRANTS TO SAME PERSON OR PERSONS.	
	PROSPECTING.		MINING.		Prospect- ing.	Mining.
	Maximum area.	Minimum breadth.	Maximum area.	Minimum breadth.		
					Mile.	Mile.
Coal . . . to be	4		2		8	2
Oil . . . ,	2		1		4	1
Metals . . . ,	1		$\frac{1}{2}$		4	$\frac{1}{2}$
Precious stones . . ,	1		...		1	...
Gold . . .	1		$\frac{1}{4}$		1	$\frac{1}{4}$

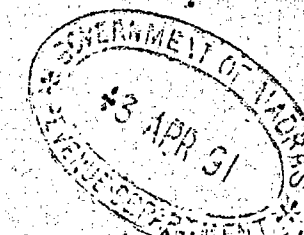
SCHEDULE B.

Rent charged for—	Surface rent per acre.	Dead rent per acre.
Coal . . .	The rent rate assess- able under the reve- nue or rent law of the Province or, if no such rent is so assessable, the rate which may be fixed by agreement, sub- ject to a maximum of 1 rupee.	4 annas.
Oil . . .		1 rupee.
Gold . . .		1 rupee.
Iron . . .		1 anna.
Other metals . . .		1 rupee.

SCHEDULE C.

Royalty—	Prospecting and mining.
Coal, exclusive of dust and coal used on the works.	From 2 annas to 4 annas per ton.
Oil . . .	20 per cent., price of crude oil.
Gold . . .	5 per cent. of value of gold ex- tracted.
Iron . . .	Not exceeding 2 annas per ton of ironstone.
Other metals . . .	5 annas per ton of dressed ore.

Precious stones	Prospecting.
	30 per cent. on value.



Rules for the grant of licenses to explore and prospect for minerals, and of mining leases.

ROUGH DRAFT CONFIDENTIALLY CIRCULATED FOR THE GUIDANCE OF LOCAL GOVERNMENTS AND ADMINISTRATIONS.

The following rules regulating the grant of licenses to explore and prospect for minerals and the grant of leases of mines and minerals have been made by the Governor General in Council.

Licenses and leases other than the licenses and leases provided for by these rules can only be granted by the Governor General in Council.

In these rules—

Collector means the Revenue-officer in charge of the district; and

Local Government includes a Chief Commissioner.

Exploring Licenses.

1. A license to explore land for minerals or mineral oil, called hereinafter an exploring license, authorises the licensee to search the surface of the land specified in the license for minerals of every description and for mineral oil, and, subject to such restrictions as the Local Government may from time to time impose, to remove any specimens or samples found by the licensee within such land.*

2. The license can only be granted with respect to land in which the mines, minerals, or mineral oils are the property of the Government, and will not authorize the licensee to enter upon any land in private occupation without having first obtained the occupier's consent.

3. It will not authorize the licensee to mine or quarry, but he will be permitted to turn up the surface of unoccupied land to a depth not exceeding two feet.

4. An exploring license may be granted by such person and under such rules as the Local Government may prescribe.

5. Each exploring license shall run for one year, and there shall be paid for such license a fee not exceeding Rs 10 as the Local Government may prescribe.

6. A royalty of 30 per cent. will be payable to Government upon the value of all precious stones found and removed by an explorer, whether he has taken out a license or not. Neglect to report the discovery of such stones within a reasonable time will involve a forfeiture of the license, and all

* NOTE.—The surface of unoccupied and unreserved land which is the property of Government may be freely searched without a license, but the Government does not object to granting a license to explore when one is applied for.

claim to have an application for a mining or prospecting lease favourably considered.

7. A license gives no exclusive or preferential rights, but in considering rival claims for a prospecting license or mining lease, due regard will be had to operations conducted under cover of an exploring license.

Prospecting Licenses.

8. (1) A license to prospect for minerals or mineral oil, called hereinafter a prospecting license, confers on the licensee the sole right, subject to the conditions therein contained, to mine, quarry, bore, dig and search for, win, work and carry away any mineral or mineral oil specified in the license and lying and being within, under or throughout the land with respect to which the license extends.

(2) A prospecting license can only be granted with respect to land in which the mines, minerals or mineral oils are the property of the Government, and which is comprised in a compact block the area of which does not exceed the area specified in the schedule annexed, A, to these rules, and the length of which does not exceed four times its breadth.

(3) Such license will not authorize the licensee to enter upon any land in private occupation without having first obtained the occupier's consent.

9. When the mineral value of any area has already been sufficiently ascertained, the Local Government may refuse to grant licenses to prospect, and may order the area to be demarcated into blocks, and such blocks to be put up to auction for such purpose and under such rules as may be prescribed [for this purpose] by the Government of India.

10. (1) A prospecting license shall not be granted except to a person approved by the Local Government, and such person shall deposit as security such sum, not being less than Rs. 1,000 as the Local Government may determine.

(2) A prospecting license may not be granted to a Company or to any Syndicate on behalf of a proposed Company without the previous sanction of the Governor General in Council.

11. (1) Applications for prospecting licenses shall, unless the Local Government in any case otherwise directs, be made to the Collector of the district in which the land or any part of the land is situate with respect to which the license is required.

The application shall contain the following particulars, namely:—

- (a) the name, residence, and profession of the applicant;
- (b) a description, as accurate as possible and illustrated by a rough sketch, of the situation, boundaries and area of the land with respect to which the license is required; and

- (c) a specification of the mineral or minerals for which the applicant desires to prospect.

The application shall also state whether the applicant has been approved by the Local Government.

12. On receipt of the application the Collector shall, as soon as practicable, inquire whether the grant of the license applied for is inexpedient, on the ground either that the land described in the application is required for public purposes, or that there is some other objection to the grant.

13. (1) Subject to the control of the Local Government, the Collector, if he finds that there is no objection to the grant of the license applied for, and if the applicant has been approved by the Local Government, shall as soon as practicable grant to the applicant a license in such form as may be prescribed, and shall report the matter to the Local Government, or such other authority as the Local Government may direct.

(2) If the Collector is of opinion that it is not expedient to grant the license, or if he finds that the licensee has not been approved by the Local Government, he shall refuse to grant the license and shall forthwith report the matter through the proper channel to the Local Government which may pass such orders as it thinks fit.

14. When a person has been granted a prospecting license, a second prospecting license shall not, while the first license is in force, be granted to him with respect to land in the same neighbourhood within such distance from the boundaries of the land included in the first license as is specified in the schedule annexed to these rules.

15. A register of applications for prospecting licenses shall be kept in English in the Collector's Office, specifying—

1. Number of application.
2. Date.
3. Name and residence of applicant.
4. Situation of the land.
5. Boundaries.
6. Estimated area.
7. Date of sanction by the Local Government.
8. Date of license.
9. Rent and royalty payable.
10. Period for which granted.

16. A prospecting license shall contain such conditions as may in any particular case seem necessary, and shall in all cases contain the following conditions:—

- (i) The term for which the license shall be granted shall be one year or such shorter term as the applicant may desire. The license may be renewed by the Collector for a further term not exceeding one year, whenever he is satisfied that the licensee has been prevented from completing his search of the land by other causes than his own default.

- (ii) A moderate rent not exceeding one rupee per acre shall be paid for the land with respect to which the license is applicable.
- (iii) The licensee shall pay a royalty at a rate not exceeding 30 per cent. of the value of all precious stones won and carried away, and shall be liable for a royalty not exceeding 5 per cent. on all other minerals won and carried away over and above such amount as the Local Government may allow to be taken free for purposes of experiment.
- (iv) No land in private occupation shall be entered upon, and no trees, standing crops or other private property shall be cut or in any way injured, unless and until the owner's consent has been obtained.
- (v) The licensee shall make and pay reasonable satisfaction and compensation for all injury which may be done by him in exercise of the powers granted by the license, and shall indemnify the Government against all claims which may be made by third parties in respect of any such damage or injury.
- (vi) The licensee shall not cut or injure any tree on unoccupied and unreserved land without the general or special permission of the Collector in writing.
- (vii) The licensee shall not grant or assign any of his interest under the license to any person including any Company or Association or body individuals, whether incorporated or not, without the previous consent in writing of the Local Government, or to any Company without the sanction of the Government of India.
- (viii) In case of any breach on the part of the licensee of any of the four preceding clauses, the Collector may summarily revoke the license and re-enter and take possession of the land.
- (ix) The licensee shall, within six months from the determination of the license, or from the date of the abandonment of the undertaking, whichever date first occurs, securely plug any bores and fill up any holes or excavations that he may have made in the land, and shall effectually restore the surface of the land and all buildings thereon which he may have damaged in the course of prospecting. Provided that the clause shall not apply to any land which may have been given to the licensee on a mining lease.
- (x) If any question or dispute arises regarding the license, or any matter or thing connected therewith, or the powers of

the licensee thereunder, or the amount or payment of the rent or royalty made payable thereby, the matter in difference shall be decided by the Local Government, whose decision shall be final.

17. On or before the determination of his license, the licensee shall have a right, subject to the rules hereinafter contained—

- (a) in the case of mineral oil or minerals other than precious stones, to a mining lease in accordance with the terms contained in the rules for mining leases;
- (b) in the case of precious stones, to the first offer of such mining lease (if any) as the Governor General in Council may think fit to grant.

The lease may include so much land, either comprising the whole or a part only of the area for which the prospecting license was granted, as shall not exceed the area specified with respect to mining leases in the schedule A annexed to these rules.

Mining Leases.

17. (1) An application for the grant of a mining lease, not being a lease of a mine of precious stones, shall be presented to the Collector in whose district the land or a part of the land is situate with respect to which the lease is applied for. The Collector shall forward the application through the proper channel to the Local Government.

(2) A mining lease can only be granted with respect to land in which the mines, minerals or mineral oils are the property of Government, and a lease of a mine of precious stones can only be granted by the Governor General in Council.

18. The application shall contain :—

- (a) the name, residence, and profession of the applicant;
- (b) the name of the mineral for which the applicant intends to mine;
- (c) a map of the area over which the lease is to extend.

19. On receipt of the application the Local Government may, if it considers that the applicant should be granted a mining lease, grant the same in accordance with the terms contained in these rules and over one or more blocks, each not exceeding in extent the area specified in the schedule annexed to these rules as to the Local Government may seem fit.

A lease shall not be executed until it has been approved by the Advocate General, or other legal adviser, if any, appointed for the Province.

20. The length of each block shall not be more than four times its breadth, and the same lessee shall not, without the consent of the Government of India, be granted two blocks except at the distance from one another mentioned in the last column of the said schedule A.

21. The term for which a mining lease may be granted shall not exceed thirty years without the previous sanction of the Governor General in Council, and in case the lease is granted under rule 11, clause (ix), in consideration of the lessee's having had a prospecting license, *the term of the lease shall not, without the lessee's consent, be less than twenty years.*

22.

23. The lease shall contain such conditions and stipulations as the Local Government may in each case consider necessary; but shall in every case contain the following conditions, namely:—

- (i) a royalty shall be paid at the rate specified for the particular mineral in the schedule C annexed to these rules, and if any other mineral shall be discovered, then royalty shall be paid therefor at the rate specified in the same schedule for such mineral;
- (ii) the lessee shall also pay for every year after the first year a fixed yearly dead rent at the rates laid down in the schedule B annexed to these rules;
- (iii) the lessee shall pay for all land which they may take up, use or occupy for the purpose of the mine, a surface rent at the rate specified in the schedule B;
- (iv) the lessee shall make and pay reasonable satisfaction and compensation for all injury which may be done by him in exercise of the powers granted by the lease, and shall indemnify the Government against all claims which may be made by third parties in respect of any such injury;
- (v) the lessee shall not cut or injure any tree reserved in the lease;
- (vi) the lessee shall not assign or underlet without the previous consent in writing of the Local Government;
- (vii) the lessee shall commence operations within *two years* from the date of the execution of the lease, and shall thereafter carry them on effectually in a proper, skilful and mining-like manner unless prevented by unavoidable cause;
- (viii) the lessee shall keep correct accounts showing the amount and particulars of all minerals obtained from the mine and the number of persons employed therein, and also complete plans of the mine, and shall allow officers authorised by the Local Government in that behalf at any time to examine the accounts or plans;
- (ix) the lessee shall allow officers authorised by the Local Government to enter

upon the premises for the purpose of inspecting the same;

- (x) the lessee shall without delay send to the Collector a report of any accident which may occur at or in the mine leased, and also the finding therein of any mineral which is not specified in the lease;
- (xi) in case the royalty or rent reserved or made payable by the lease is not paid within twenty-eight days next after the date fixed in the lease for the payment of the same, the Local Government may enter upon the mine and seize and sell any minerals or moveable property therein, and, if the royalty or rent cannot be so recovered, may determine the lease and take possession of the mine;
- (xii) in case of any breach on the part of the lessee of any covenant in the lease, the Local Government may determine the lease and re-enter and take possession of the mine;
- (xiii) the lessee shall deliver up the mine at the end or sooner determination of the term in a proper state for working;
- (xiv) if any question or dispute arises regarding the lease and any matter or thing connected with the mines and minerals leased or the working or non-working thereof or the amount and payment of the royalty or rent reserved or made payable by the lease, the matter in difference shall be decided by the Local Government whose decision thereon shall be final.

Draft. G.

SCHEDULE A.

	MAXIMUM AREA IN SQUARE MILES FOR				DISTANCE BETWEEN GRANTS TO SAME PERSON OR PERSONS.	
	PROSPECTING.		MINING.		Prospect- ing.	Mining.
	Maximum area.	Minimum breadth.	Maximum area.	Minimum breadth.		
Maximum areas granted for—					Mile.	Mile.
Coal .. to be	4		2		8	2
Oil .. "	2		1		4	1
Metals .. "	1		$\frac{1}{2}$		4	$\frac{1}{2}$
Precious stones .. "	1		...		1	...
Gold .. "	1		$\frac{1}{4}$		1	$\frac{1}{4}$

SCHEDULE B.

	Surface rent per acre.	Dead rent per acre.
Rent charged for—	The rent rate assess- able under the reve- nue or rent law of the Province or, if no such rent is so assessable, the rate which may be fixed by agreement, sub- ject to a maximum of 1 rupee.	
Coal ..		4 annas.
Oil ..		1 rupee.
Gold ..		1 rupee.
Iron ..		1 anna.
Other metals ..		1 rupee.

SCHEDULE C.

	Prospecting and mining.
Royalty—	
Coal; exclusive of dust and coal used on the works.	From 2 annas to 4 annas per ton.
Oil ..	20 per cent., price of crude oil.
Gold ..	5 per cent. of value of gold ex- tracted.
Iron ..	Not exceeding 2 annas per ton of ironstone.
Other metals ..	5 annas per ton of dressed ore.

	Prospecting.
Precious stones	30 per cent. on value.

(189 / .)

REVENUE DEPARTMENT.

No. 2588

ABSTRACT.

28.500

26.2.13

5-8-19

22-5-22

15-5-43

on 14

Go. No. 2225 of 8 April 1891

Referred to the
Commissioners of
Land Revenue for
early report

L.V.
94

S/L

11/4/91

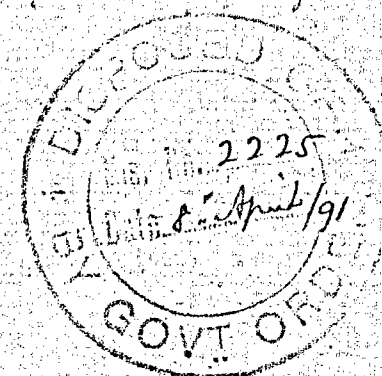
To the Com^r of L.R.
with encl.

that

SUBJECT.

Forwarding a copy of
the draft rules recently framed
for the grant of exploring & prospecting
license of mining leases & asking for
an opinion on the rules together with
any suggestions for their amendment
which may be considered necessary

From
The Government of India



Dated 17th March 1891

Received 3.4.91

Enclosures 1

No. 265
3-8