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‘Qatar Oil Concession and connected Documents [Oil concession granted by the Shaikh of Qatar to the Anglo-Persian Oil Company, 17 May 1935]’

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About this record

The memorandum contains a printed copy (folios 2-4) of the oil concession agreed between the Shaikh of Qatar, Abdullah bin Qasim al Thani [‘Abdullāh bin Jāsīm Āl Thānī’], and Charles C Mylles, Representative of the Anglo-Persian Oil Company (APOC), on 17 May 1935. Following the concession agreement are copies of three letters (folio 5) sent by Mylles to Shaikh ‘Abdullāh, all dated 17 May 1935, relating to the signing of the concession agreement.

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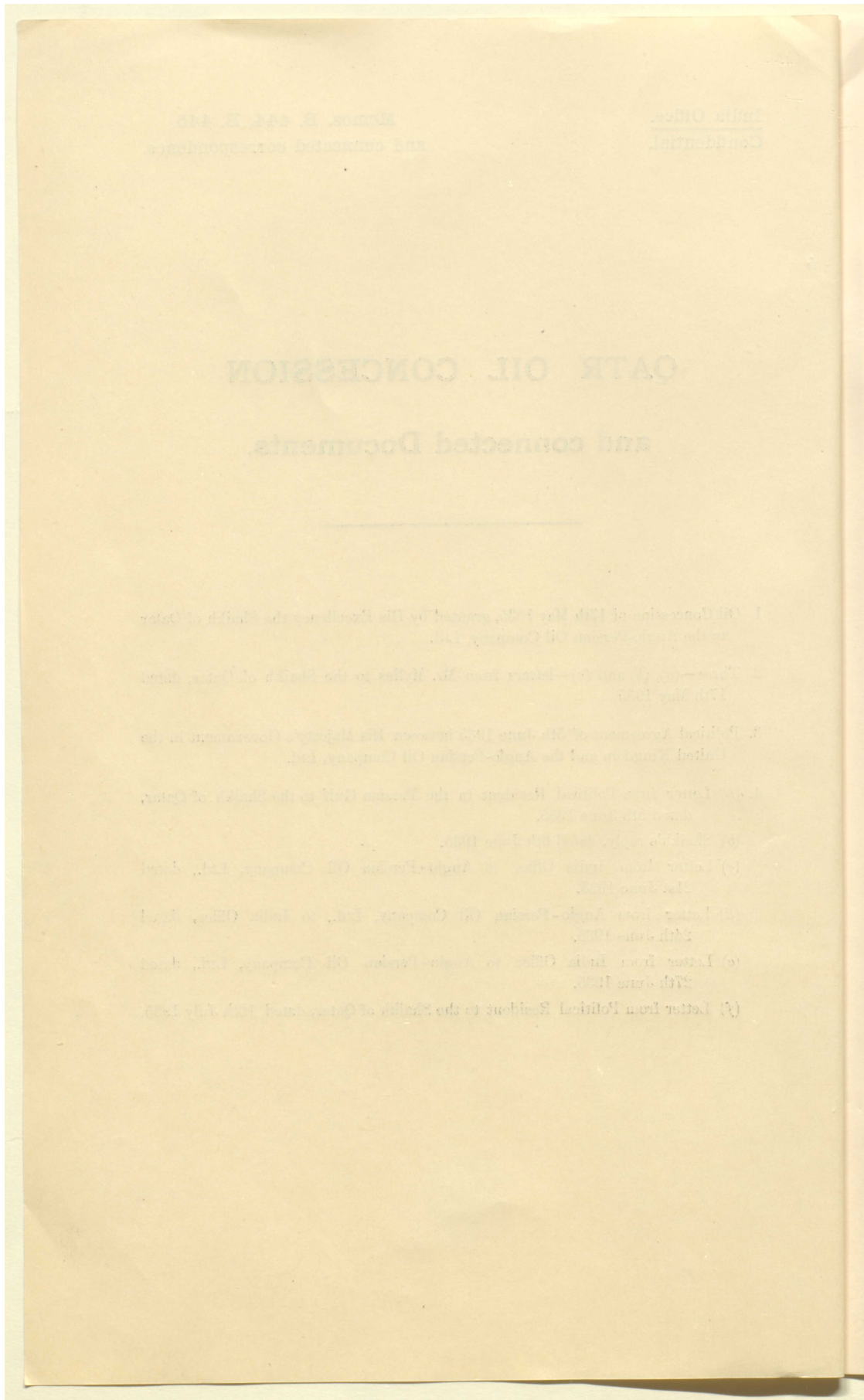
India Office.
Confidential.

Memos. B. 444, B. 445
and connected correspondence.

QATR OIL CONCESSION
and connected Documents.

1. Oil Concession of 17th May 1935, granted by His Excellency the Shaikh of Qatar to the Anglo-Persian Oil Company, Ltd.
2. Three—(a), (b) and (c)—letters from Mr. Mylles to the Shaikh of Qatar, dated 17th May 1935.
3. Political Agreement of 5th June 1935 between His Majesty's Government in the United Kingdom and the Anglo-Persian Oil Company, Ltd.
4. (a) Letter from Political Resident in the Persian Gulf to the Shaikh of Qatar, dated 5th June 1935.
(b) Shaikh's reply, dated 6th June 1935.
(c) Letter from India Office to Anglo-Persian Oil Company, Ltd., dated 21st June 1935.
(d) Letter from Anglo-Persian Oil Company, Ltd., to India Office, dated 24th June 1935.
(e) Letter from India Office to Anglo-Persian Oil Company, Ltd., dated 27th June 1935.
(f) Letter from Political Resident to the Shaikh of Qatar, dated 10th July 1935.

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'Qatar Oil Concession and connected Documents [Oil concession granted by the Shaikh of Qatar to the Anglo-Persian Oil Company, 17 May 1935]' [2r] (3/10)

India Office.
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Memo. B. 444

Oil Concession granted by Shaikh of Qatar to the Anglo-Persian Oil Co., Ltd., dated 17th May 1935.

THIS AGREEMENT was made on the Seventeenth day of May 1935, corresponding to the Fourteenth day of Safar 1354, BETWEEN His EXCELLENCY SHAIKH ABDULLAH BIN QASIM AL THANI, Ruler of Qatar (who is hereinafter called "the Shaikh," and this expression, whenever the contract requires, shall include his successors and assigns), on the one part, and CHARLES CLARK MYLLES, on behalf of the Anglo-Persian Oil Co., Ltd. (which will hereinafter be called as "the Company," and this expression shall, whenever it is required by the contract, include its assigns), on the other part.

Agreement is hereby concluded between the Shaikh and the Company as follows :—

Article First.—The Shaikh grants to the Company, in virtue of this Agreement, and under the following conditions, the sole right, throughout the principality of Qatr, to explore, to prospect, to drill for and to extract and to ship and to export and the right to refine and sell petroleum and natural gases, ozokerite, asphalt and everything which is extracted therefrom, which shall hereinafter be called "the Substances." If the Company discovers, in the course of its investigation and general activities, any minerals other than the Substances mentioned in the first article, e.g. gold or iron oxide or any other minerals, it shall not be justified to appropriate the same, but must inform the Shaikh of their discovery; and the Shaikh shall have full right to, and absolute control over, those minerals which have been extracted and he shall be free in granting concessions for the extracting of those minerals to any Company or Companies or to dispose of those minerals in any manner he considers to be consistent to his interests.

Article Second.—Subject to the conditions of Article 7 below, the Company can operate in any part of the State of Qatr as is defined below, but it will not operate on places such as religious lands, cemeteries, lands occupied by religious buildings or by essential enterprise by their owners as may exist on the date of the signature of this Agreement or any customary extensions of such religious lands or cemeteries or buildings as may be pointed out by the Shaikh. The State of Qatr means the whole area over which the Shaikh rules and which is marked on the north of the line drawn on the map attached to this Agreement.

The period of this Agreement shall be seventy-five years from the date of its signature.

Article Third.—The Company shall explore the State of Qatr minutely by any method which is best in its opinion to enable it to ascertain the probable existence of the Substances.

And for the purpose of carrying out its work in accordance with this Agreement, the Company shall employ all customary and proper means and shall carry out the examination by methods agreeable to the modern Scientific knowledge. The Company shall inform His Excellency the Shaikh of all its operations in this connection from time to time.

The Company undertakes to keep drawings and maps and accurate records of the wells drilled and such-like data, whether they be topographical, geological or drilling, as it is customary to keep, and such information as these shall be open to inspection by the Shaikh or his authorised representative.

Article Fourth.—In consideration of the rights granted by His Excellency the Shaikh to the Company in accordance with this Agreement, the Company shall pay

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to His Excellency the Shaikh the following payments during the period of this Agreement, namely:—

- (a) On signature - - - - Four Lakhs of Rupees.
(Rs. 4,00,000.)
- (b) At the end of each year of the first five years from the date of signature - One and a half Lakhs of Rupees.
(Rs. 1,50,000.)
- (c) At the end of the sixth year from the date of signature and at the end of every year which follows it until the end of the concession - - - Three Lakhs of Rupees.
(Rs. 3,00,000.)
- (d) When the Company wins oil and saves it into storage it shall pay royalty on the Substances, in accordance with the description of Article First, as follows:—
- (1) On all the Substances which it has won and saved into storage, except asphalt, ozokerite and natural gas per ton (2,240 English pounds) at the rate of - - - Three Rupees.
(Rs. 3.)
- (2) On asphalt and ozokerite won and saved into storage per ton (2,240 English pounds) at the rate of - One Rupee Eight Annas.
(Re. 1 as. 8.)
- (3) On natural gas produced and sold per 1,000 cubic feet at the rate of - - - Two Annas.
(As. 2.)

But the Company shall not pay royalty on any of the Substances used within the State of Qatr by the Company or its employees.

Article Fifth.—The Company will measure all liquid matters, at the time of their extraction from wells, either by dipping reservoirs, or by means of measuring instruments, and measure solid substances by weighing; and it should supply the Shaikh with a copy of the register if His Excellency so demand. Likewise, the Company shall submit to His Excellency the Shaikh an account of the Substances extracted by it for every six months and the authorized agent of the Shaikh shall have the right of inspection thereof at all reasonable times.

Article Sixth.—The Company may construct, maintain and operate roads and telegraph and telephone installations and their lines and wireless stations, railways, refineries and the ordinary ports situated at Dohah for importing its materials, and pipe-lines and pumping stations, workshops, houses and other things and works which are useful for it, as required for the purposes of its operations, and also the accommodations required for its employees, but excepting the places occupied by the enterprise of their owners, or those which it will be difficult for their owners to part with; and these are exempted. And the Company has the right to choose the port which may be suitable for exporting its substances; and it will likewise have the right to use all the means of transport required for its operations in accordance with this Agreement, excepting aerial transport, which, on every occasion arising for it, the Company must obtain the Shaikh's permission and consent thereto. And His Excellency the Shaikh shall have the full right to use those roads, the electric (telegraph) lines, the wireless installations, telephones, and railways for his personal business and for governmental purposes, in case of need free of charge; and the Shaikh shall have the right, also, to use all the ports used and constructed by the Company and the Company undertakes to afford His Excellency the Shaikh all facilities in this respect.

Article Seventh.—The Shaikh grants to the Company the use and occupation of uncultivated lands belonging to the Shaikh himself and which the Company may require for its operations, free, after an understanding is arrived at between the

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Shaikh and the Company about them, excepting the lands surrounding Riyan, as will be defined by the Shaikh himself. The Company has no right to acquire lands occupied by the enterprise of the owners thereof and also houses, places and lands which their owners decline to sell or to rent; and excepting these, it does not matter to use (other lands) if occasion arose. And the Company shall inform the Shaikh from time to time of the lands, houses and buildings which it requires to occupy for its enterprise. And the lands, houses and buildings already acquired by the Company and found by it to be unnecessary for it any longer for its business, shall be restored by the Company to the Shaikh free. Provided that all the lands, houses and buildings which have been acquired by the Company shall be handed over to the Shaikh free on the termination or prior to that, on the cancellation, free.

Article Eighth.—The Company may take any quantity of water which it may require for its operations, free of charge, on the condition that this will not cause any loss or damage to any of the inhabitants. And subject to the same conditions as have been specified, the Company can explore, drill and impound water to satisfy the requirements of its operations.

In case of need, the Shaikh's army or military expeditions can take, free of charge, any quantity of water available under the Company's control, after its requirements are satisfied; and, likewise, the inhabitants can take such surplus water for themselves and their animals, free of charge.

Article Ninth.—The Company can take any earth, mud, gravels, lime, gypsum and stones and other similar substances which it requires for its operations, free of charge, but it will not prevent the people from taking their customary requirements of these materials. The Company, however, must only take what it requires; and shall have no right to export any of these (materials) abroad.

Article Tenth.—In consideration of the sums agreed upon in the Fourth Article, the Company shall have the right to import water, petroleum fuel, machinery, motor-cars, florries, aeroplanes, equipments, instruments, wood, utensils, iron ware, building materials, medicines, office equipments, household furniture, and all other things, equipments and goods required by the Company or by its employees for its operations; but not for sale to others; and it shall have the right to export its substances and their derivatives and things already imported by the Company without Customs duty or import duty or export duty or tax or any other duty. The Company shall, however, pay the ordinary duty applicable to British merchants in the State of Qatar on all the personal effects, piece-goods, general merchandise and provisions which it imports for the personal use of its employees. And the Company and its operations, incomes, profits and properties shall be exempt and free, during the period of this Agreement, from all the present and future taxes of any kind whatsoever.

Article Eleventh.—The Shaikh agrees that he will afford the necessary assistance to carry out this Agreement, and that he will use his authority to protect the Company's employees and property as far as possible. But the Company shall also, itself, take the necessary steps in this respect, namely, that the Shaikh or his representative will appoint armed guards of his own choice and the Company shall pay the expenses; and the guards should be sufficient in number and equipment. And neither does the Shaikh guarantee to the Company what may be caused by unforeseen circumstances, nor will he be responsible therefor. For instance, should, God forbid, an attack be made by an enemy or any accident occurs in spite of him, through any aggressor, the Shaikh shall, in case of such aggression, use his endeavour to ward off an aggression of this nature; but he shall not be responsible for any loss or damage thereby caused.

Article Twelfth.—The Company has the right to transfer this Agreement to any other commercial Company; but it shall have not right to transfer it to any Government whatsoever on the conditions that the said Company shall be able to fulfil the obligations of this Agreement and its engagements entirely. The Company shall inform the Shaikh if it transferred this Agreement in the manner aforesaid and obtain his assent and acquiescence. And the Company shall have the liberty to form a single Company, if it finds it necessary, to carry out this Agreement, and that Company so formed shall be identical with the Anglo-Persian Oil Company, Limited, and the aforesaid Company shall enjoy all the rights and privileges granted

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to the Company in virtue of this Agreement, and it must bear all the engagements and responsibilities set forth therein.

Article Thirteenth.—The Company may terminate this Agreement if it finds it disagreeable for it to act upon the same ; but it shall have no right to cancel it or to abandon it and to discontinue operating it except after three years with effect from the beginning of operation, by giving six months' previous notice, in writing, to the Shaikh of its intention to do so. And if the said cancellation should take place within thirty-five years from the date of signature of this Agreement, all the lands granted by the Shaikh and any lands or buildings purchased by the Company and any houses or buildings constructed by, and any immoveable properties belonging to, the Company within the State of Qatr shall be surrendered to the Shaikh free of charge. And the wells actually producing at the time of the said cancellation shall be surrendered in a condition considered to be good and satisfactory, as they were at that time.

And if the said cancellation should take place after thirty-five years from the date of signature of this Agreement, all the Company's properties within the State of Qatr shall be surrendered, in that case, to the Shaikh, free of charge ; and the wells actually producing at the time of the said cancellation shall be surrendered in a condition which is reasonably considered good and satisfactory, as they were at that time.

On the termination of this Agreement at the conclusion of the seventy-five years, stipulated for in the Second Article, or the conclusion of any extension or renewal of its period all the Company's properties existing in the State of Qatr shall be surrendered to the Shaikh free of charge ; and the wells actually producing at that time shall be surrendered in a condition which is reasonably considered good and satisfactory, as they used to be at that time.

Article Fourteenth.—The Shaikh has the right to cancel this Agreement in the two cases mentioned below :—

(A) If the Company fails to pay the sums mentioned in the Fourth Article within six months from the date they fall due. Provided that if any dispute should be made by the Company in regard to any payment thereof, the Shaikh shall not cancel the Agreement until arbitration takes place thereon in accordance with Article Sixteenth and unless the Company fails to comply with the award of the arbitrators within three months from the date of the said award.

(B) If the Company is in default according to the provisions for arbitration set forth in the Sixteenth Article.

Article Fifteenth.—The Shaikh shall not hold the Company liable if default should occur on the part of the Company in carrying out or fulfilling the provisions of the Agreement by the mere occurrence of *force majeure* delaying operation ; but should any difference occur between His Excellency the Shaikh and the Company as to the existence or non-existence of such *force majeure*, the same shall be referred to arbitration, as provided for in the Sixteenth Article. And the Shaikh stipulates that the *force majeure* delaying operation means that which occurs in connection with the Company's operations in Qatr and that nothing else must be taken into consideration and must not be used by the Company as an argument in this respect. And the Company shall proceed to effect repairs at the time when any damage, of any nature, takes place, and the period of the said delay, together with any period reasonably necessary for repairing the damage will be added to the period fixed in accordance with this Agreement.

Article Sixteenth.—Should any dispute occur between the Shaikh and the Company in regard to the interpretation of this Agreement or of any matter arising therefrom or in regard to the engagements obligatory on either of the parties in accordance therewith, such dispute shall be referred to two arbitrators if no agreement can be arrived at for settling it by any other method, and the Shaikh will appoint one of them and the other will be appointed by the Company. Each of the two parties shall appoint his arbitrator within thirty days after receiving the demand therefor from the other party. The two arbitrators shall thereupon appoint a third arbitrator, but if the two arbitrators or any two arbitrators appointed instead of them are unable to agree upon the third arbitrator within sixty days from the demand for arbitration, the two parties agree that, in that case, the third arbitrator should be appointed by the Political Resident ; and the Shaikh makes it a condition that he should agree to the third arbitrator.

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The award of arbitration shall be consistent with the legal principles familiar to civilised nations.

The decision of the majority of arbitrators shall be final, and the place of arbitration shall be Qatr.

On giving any award, the arbitrators shall fix a sufficient time within which the party against whom the award is given, should carry out the said award. And that party shall be considered at fault only when he fails to comply with the award before the expiry of the aforesaid period and not otherwise.

Article Seventeenth.—The labourers employed by the Company must be from amongst the Shaikh's own subjects or from amongst those approved by the Shaikh, excepting technical employees and the managers and clerks whom the Company may require and whom it cannot find in the country. As the Shaikh prescribes as a condition the dismissal of any employee whose retention is disapproved by the Shaikh, if the Shaikh has observed any irregular conduct on his part. And it naturally follows that the wages which the Company pays to the employees from amongst Qatr people shall be reasonable.

Article Eighteenth.—The Shaikh and the Company declare that they base action upon this Agreement on the basis of good faith and pure belief and upon the interpretation of this Agreement in a manner consistent with reason. And the Company undertakes to acknowledge the Shaikh's authority and his rights in his capacity as the Ruler of the State of Qatr principality and to respect them in every manner.

Article Nineteenth.—Nothing contained in this Agreement shall prevent the Shaikh in any manner whatever from granting concessions to other parties for anything excepting the Substances mentioned in the First Article provided that the said concessions do not interfere with the rights of the Company or its operations in accordance with this Agreement.

Article Twentieth.—The Company will pay all the sums due to the Shaikh, in accordance with this Agreement, into the Shaikh's account in the Eastern Bank Limited in Bahrein and the receipt taken from that Bank shall be a full acquittance of the Company's liability for the sum mentioned in the Bank's receipt. The Shaikh may, from time to time appoint another Bank or other Banks for the purposes of this Article, and this shall be done in writing.

Article Twenty-First.—This Agreement shall be binding upon both parties and their successors and assigns; and it has been written in Arabic and English and all due care has been taken to make the two texts identical in meaning. And if any difference should arise as to the meaning or the interpretation of any article, at any time, the Arabic version is to be relied upon.

Article Twenty-Second.—The expression year, month and day used in this Agreement shall mean what is consistent with the English Solar Calendar and not any other.

IN WITNESS whereof the two parties have hereunto set their hands and seals on the day and in the year mentioned in the preamble.

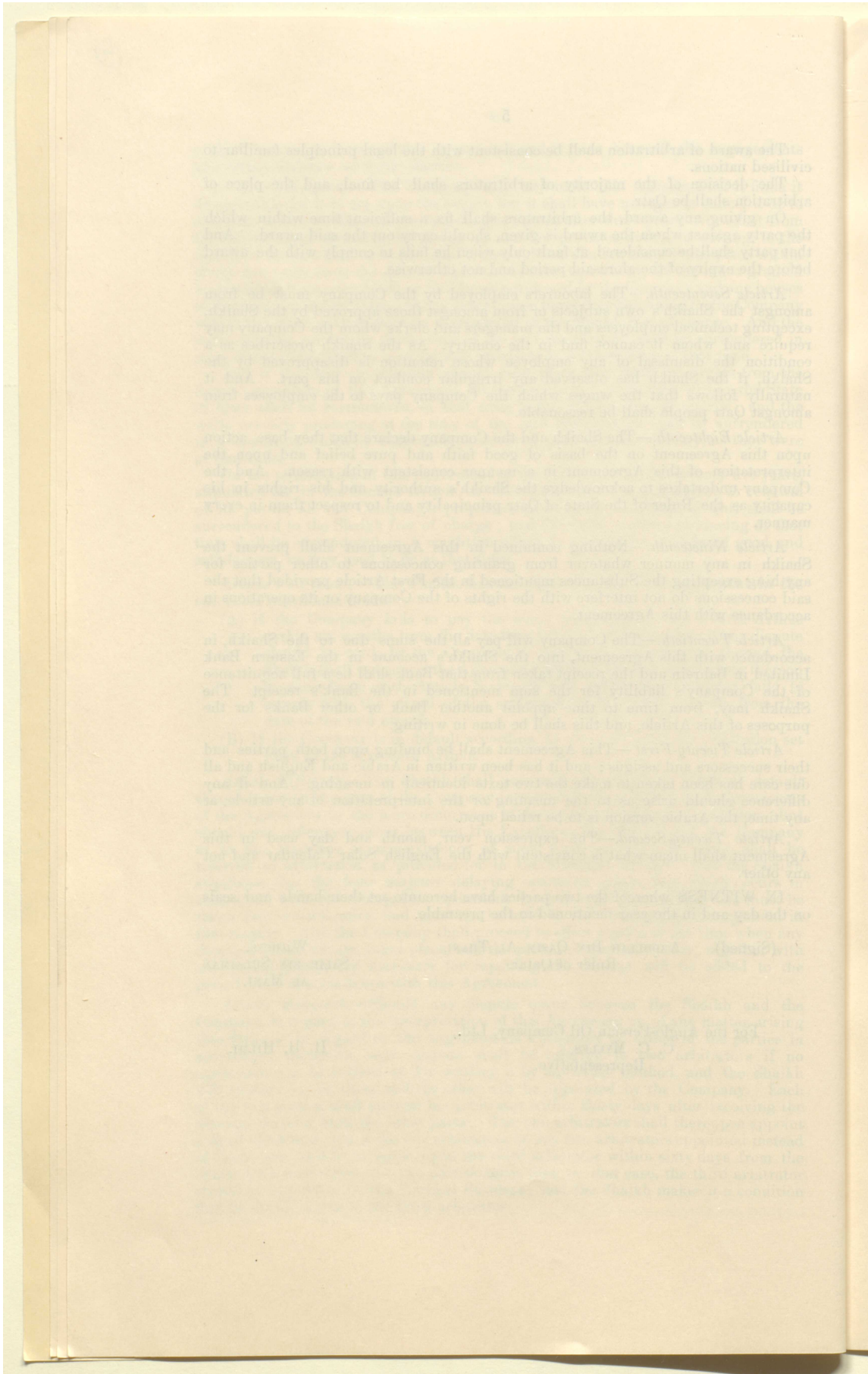
(Signed) ABDULLAH BIN QASIM AL THANI,
Ruler of Qatar.

Witness.
SALIH BIN SULAIMAN
AL MANI.

For the Anglo-Persian Oil Company, Ltd.,
C. C. MYLLES,
Representative.

H. H. HILMI.

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2 (a)

To His Excellency Shaikh
Abdullah bin Qasim ath Thani,
Ruler of Qatr.

Sir,

In view of your having signed the Oil Concession for the State of Qatr in favour of this Company, I am authorised by the Company to give you the following undertakings additional to all the undertakings set forth in the Concession:—

- (1) The Company will drill two artesian wells free of charge at such place as may be selected by His Excellency the Shaikh.
- (2) The Company will warn all its employees that they should respect and give heed to general laws and religious customs, and that they should not display in public forbidden things such as intoxicating liquors.
- (3) Consequent on the demand of His Excellency the Shaikh for the employment of informed persons in Qatr, who should represent His Excellency in exercising what may be necessary in regard to his rights in accordance with this concession, the Company undertakes to pay the salaries of such informed persons, whose number should not be more than two persons only on condition that these salaries shall be reasonable and in keeping with their positions and duties.
- (4) The Company will supply to His Excellency the Shaikh either in cash or in kind at the Company's option annually until oil is won and saved into storage:—

Two thousand tins (2,000) of petrol,
Three thousand tins (3,000) of kerosene;
and thereafter—
Five thousand tins (5,000) of petrol,
Ten thousand tins (10,000) of kerosene.

It is requested that you will let me have your acceptance in writing of these undertakings.

For Anglo-Persian Oil Co., Ltd.,
(Sd.) CHAS. MYLLES,
Representative.

17th May 1935.

2 (b)

To His Excellency Shaikh
Abdullah bin Qasim ath Thani,
Ruler of Qatr.

Sir,

Referring to Article Seventh in the Agreement of the Concession, the land which surrounds the castle of the Shaikh in Doha is exempt from all operations of the Company and its works, and this land will be defined by the Shaikh, as is the case at Riyan.

For Anglo-Persian Oil Co., Ltd.,
(Sd.) CHAS. MYLLES,
Representative.

Doha, Qatr,
17th May 1935.

2 (c)

To His Excellency Shaikh
Abdullah al Qasim ath Thani,
Ruler of Qatr.

Sir,

I am instructed to inform you that I have signed the Agreement of the Oil Concession of Qatr in accordance with my authority from the Anglo-Persian Oil Co., Ltd., on the understanding that it is subject to the approval of His Britannic Majesty's Government.

I have the honour to be,
Sir,
Your obedient Servant,
For Anglo-Persian Oil Co., Ltd.,
(Sd.) CHAS. MYLLES,
Representative.

Doha, Qatr,
17th May 1935.

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