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TITLE 30--MINERAL LANDS AND MINING
CHAPTER 3A--LEASES AND PROSPECTING PERMITS
SUBCHAPTER I--GENERAL PROVISIONS

Sec. 181. Lands subject to disposition; persons entitled to benefits; reciprocal privileges; helium rights reserved

Deposits of coal, phosphate, sodium, potassium, oil, oil shale, gilsonite (including all vein-type solid hydrocarbons), or gas, and lands containing such deposits owned by the United States, including those in national forests, but excluding lands acquired under the Appalachian Forest Act, approved March 1, 1911 (36 Stat. 961), and those in incorporated cities, towns, and villages and in national parks and monuments, those acquired under other Acts subsequent to February 25, 1920, and lands within the naval petroleum and oil-shale reserves, except as hereinafter provided, shall be subject to disposition in the form and manner provided by this chapter to citizens of the United States, or to associations of such citizens, or to any corporation organized under the laws of the United States, or of any State or Territory thereof, or in the case of coal, oil, oil shale, or gas, to municipalities. Citizens of another country, the laws, customs, or regulations of which deny similar or like privileges to citizens or corporations of this country, shall not by stock ownership, stock holding, or stock control, own any interest in any lease acquired under the provisions of this chapter.

The term "oil" shall embrace all nongaseous hydrocarbon substances other than those substances leasable as coal, oil shale, or gilsonite (including all vein-type solid hydrocarbons).

The term "combined hydrocarbon lease" shall refer to a lease issued in a special tar sand area pursuant to section 226 of this title after November 16, 1981.

The term "special tar sand area" means (1) an area designated by the Secretary of the Interior's orders of November 20, 1980 (45 FR 76800-76801) and January 21, 1981 (46 FR 6077-6078) as containing substantial deposits of tar sand.

The United States reserves the ownership of and the right to extract helium from all gas produced from lands leased or otherwise granted under the provisions of this chapter, under such rules and regulations as shall be prescribed by the Secretary of the Interior: Provided further, That in the extraction of helium from gas produced from such lands it shall be so extracted as to cause no substantial delay in the delivery of gas produced from the well to the purchaser thereof.

(Feb. 25, 1920, ch. 85, Sec. 1, 41 Stat. 437; Feb. 7, 1927, ch. 66, Sec. 5, 44 Stat. 1058; Aug. 8, 1946, ch. 916, Sec. 1, 60 Stat. 950; Pub.

L. 86-705, Sec. 7(a), Sept. 2, 1960, 74 Stat. 790; Pub. L. 97-78, Sec. 1(1), (4), Nov. 16, 1981, 95 Stat. 1070.)

References in Text

The Appalachian Forest Act, referred to in the first undesignated paragraph, is act Mar. 1, 1911, ch. 186, 36 Stat. 961, as amended, also known as the Weeks Law, which is classified to sections 480, 500, 513 to 519, 521, 552 and 563 of Title 16, Conservation. For complete classification of this Act to the Code, see Short Title note set out under section 552 of Title 16 and Tables.

Amendments

1981--Pub. L. 97-78, in first par., substituted ``gilsonite (including all vein-type solid hydrocarbons),'' for ``native asphalt, solid and semisolid bitumen, and bituminous rock (including oil-impregnated rock or sands from which oil is recoverable only by special treatment after the deposit is mined or quarried)'', and added, after first par. three paragraphs which defined ``oil'', ``combined hydrocarbon lease'', and ``special tar sand area'', respectively.

1960--Pub. L. 86-705 included deposits of native asphalt, solid and semisolid bitumen, and bituminous rock.

1946--Act Aug. 8, 1946, reenacted: existing par., less three provisos, as first sentence of first par., inserting ``potassium'' after ``sodium'', which was also included in the 1927 amendment, and substituting provision for disposition of deposits ``in incorporated cities, towns, and villages, and in national parks and monuments, those acquired under other Acts subsequent to February 25, 1920, and lands within the naval petroleum and oil-shale reserves'' for such disposition ``in national parks, and in lands withdrawn or reserved for military or naval uses or purposes'' and phrase ``associations of such citizens'' for ``any association of such persons''; former third proviso as second sentence of first par.; former first proviso, as second par., inserting reservation of ownership provision and striking out ``permitted'' before ``leased or otherwise granted''; and former second proviso as proviso in second par.

1927--Act Feb. 7, 1927, included deposits of potassium.

Short Title of 2000 Amendments

Pub. L. 106-463, Sec. 1, Nov. 7, 2000, 114 Stat. 2010, provided that: ``This Act [amending section 184 of this title and enacting provisions set out as a note under section 184 of this title] may be cited as the `Coal Market Competition Act of 2000'.''

Pub. L. 106-393, title V, Sec. 501, Oct. 30, 2000, 114 Stat. 1624, provided that: ``This title [amending section 191 of this title and enacting provisions set out as a note under section 191 of this title] may be cited as the `Mineral Revenue Payments Clarification Act of 2000'.''

Short Title of 1987 Amendment

Pub. L. 100-203, title V, Sec. 5101(a), Dec. 22, 1987, 101 Stat. 1330-256, provided that: ``This subtitle [subtitle B (Secs. 5101-5113) of Pub. L. 100-203, enacting sections 195 and 226-3 of this title, amending sections 187a, 187b, 188, 191, and 226 of this title and section 3148 of Title 16, Conservation, and enacting provisions set out as notes under this section and section 226 of this title] may be cited as the `Federal Onshore Oil and Gas Leasing Reform Act of 1987'.''

Short Title of 1981 Amendment

Pub. L. 97-78, Nov. 16, 1981, 95 Stat. 1070, which amended this section and sections 182, 184, 209, 226, 241, 351, and 352 of this title and enacted provisions set out as a note under this section, is popularly known as the ``Combined Hydrocarbon Leasing Act of 1981''.

Short Title of 1976 Amendment

Pub. L. 94-377, Sec. 1(a), Aug. 4, 1976, 90 Stat. 1083, as amended by Pub. L. 95-554, Sec. 8, Oct. 30, 1978, 92 Stat. 2075, provided that: ``This Act [enacting sections 202a, 208-1, and 208-2 of this title, amending sections 184, 191, 201, 203, 207, 209, and 352 of this title, repealing sections 201-1 and 204 of this title, and enacting provisions set out as notes under sections 184, 201, 201-1, 203, and 204 of this title] may be cited as the `Federal Coal Leasing Amendments Act of 1976'.''

Short Title of 1960 Amendment

Section 1 of Pub. L. 86-705 provided: ``That this Act [amending this section and sections 182, 184, 187a, 226, 226-1, 226-2, and 241 of this title, and enacted provisions set out as notes under sections 187a and 226 of this title] may be cited as the `Mineral Leasing Act Revision of 1960'.''

Short Title

Act Feb. 25, 1920, ch. 85, Sec. 44, as added Dec. 22, 1987, Pub. L. 100-203, title V, Sec. 5113, 101 Stat. 1330-263, provided that: ``This Act [enacting this chapter] may be cited as the `Mineral Leasing Act'.''

This chapter is also popularly known as the ``Mineral Leasing Act of 1920'' and the ``Mineral Lands Leasing Act''.

Savings Provision

Provisions of Federal Land Policy and Management Act of 1976, Pub. L. 94-579, Oct. 21, 1976, 90 Stat. 2743, not to be construed as permitting any person to place, or allow to be placed, spent oil shale,

etc., on any Federal land other than land leased for the recovery of shale oil under the act of Feb. 25, 1920, section 181 et seq. of this title, see section 701(d) of Pub. L. 94-579, set out as a note under section 1701 of Title 43, Public Lands.

Section 15 of act Aug. 8, 1946, provided: ``No repeal or amendment made by this Act [enacting sections 187a, 187b, 226c-226e, and 236b, amending this section and sections 184, 188, 193, 209, 225, 226, and 285, and repealing sections 223a, 226a, and 226b of this title] shall affect any right acquired under the law as it existed prior to such repeal or amendment, and such right shall be governed by the law in effect at the time of its acquisition; but any person holding a lease on the effective date of this Act [Aug. 8, 1946] may, by filing a statement to that effect, elect to have his lease governed by the applicable provisions of this Act instead of by the law in effect prior thereto.''

Construction and Applicability of 1981 Amendments

Section 1(10), (11) of Pub. L. 97-78 provided that:

``(10) Nothing in this Act [see Short Title of 1981 Amendment note above] shall affect the taxable status of production from tar sand under the Crude Oil Windfall Profit Tax Act of 1980 (Public Law 96-223) [see Tables for classification], reduce the depletion allowance for production from tar sand, or otherwise affect the existing tax status applicable to such production.

``(11) No provision of this Act [see Short Title of 1981 Amendment note above] shall apply to national parks, national monuments, or other lands where mineral leasing is prohibited by law. The Secretary of the Interior shall apply the provisions of this Act to the Glen Canyon National Recreation Area, and to any other units of the national park system where mineral leasing is permitted, in accordance with any applicable minerals management plan if the Secretary finds that there will be no resulting significant adverse impacts on the administration of such area, or on other contiguous units of the national park system.''

Admission of Alaska as State: Selection of Lands

Admission of Alaska into the Union was accomplished Jan. 3, 1959, on issuance of Proc. No. 3269, Jan. 3, 1959, 24 F.R. 81, 73 Stat. c16, as required by sections 1 and 8(c) of Pub. L. 85-508, July 7, 1958, 72 Stat. 339, set out as notes preceding section 21 of Title 48, Territories and Insular Possessions.

Selection of lands by Alaska from lands made available by Statehood provisions including lands subject to leases, permits, licenses or contracts issued under this chapter, see section 6(h) of Pub. L. 85-508, set out as note preceding section 21 of Title 48.

Outer Continental Shelf; Mineral Leases

Grant by the Secretary of the Interior of mineral leases on submerged lands of outer Continental Shelf, see section 1331 et seq., of

Title 43, Public Lands.

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TITLE 30--MINERAL LANDS AND MINING
CHAPTER 3A--LEASES AND PROSPECTING PERMITS
SUBCHAPTER I--GENERAL PROVISIONS

Sec. 182. Lands disposed of with reservation of deposits of coal, etc.

The provisions of this chapter shall also apply to all deposits of coal, phosphate, sodium, oil, oil shale, gilsonite (including all vein-type solid hydrocarbons), or gas in the lands of the United States, which lands may have been or may be disposed of under laws reserving to the United States such deposits, with the right to prospect for, mine, and remove the same, subject to such conditions as are or may hereafter be provided by such laws reserving such deposits.

(Feb. 25, 1920, ch. 85, Sec. 34, 41 Stat. 450; Pub. L. 86-705, Sec. 7(a), Sept. 2, 1960, 74 Stat. 790; Pub. L. 97-78, Sec. 1(1), Nov. 16, 1981, 95 Stat. 1070.)

Amendments

1981--Pub. L. 97-78 substituted ``gilsonite (including all vein-type solid hydrocarbons),'' for ``native asphalt, solid and semisolid bitumen, and bituminous rock (including oil-impregnated rock or sands from which oil is recoverable only by special treatment after the deposit is mined or quarried)''.

1960--Pub. L. 86-705 included native asphalt, solid and semisolid bitumen, and bituminous rock.

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TITLE 30--MINERAL LANDS AND MINING
CHAPTER 3A--LEASES AND PROSPECTING PERMITS

SUBCHAPTER I--GENERAL PROVISIONS

Sec. 183. Cancellation of prospecting permits

The Secretary of the Interior shall reserve and may exercise the authority to cancel any prospecting permit upon failure by the permittee to exercise due diligence in the prosecution of the prospecting work in accordance with the terms and conditions stated in the permit, and shall insert in every such permit issued under the provisions of this chapter appropriate provisions for its cancellation by him.

(Feb. 25, 1920, ch. 85, Sec. 26, 41 Stat. 448.)

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TITLE 30--MINERAL LANDS AND MINING

CHAPTER 3A--LEASES AND PROSPECTING PERMITS

SUBCHAPTER I--GENERAL PROVISIONS

Sec. 184. Limitations on leases held, owned or controlled by persons, associations or corporations

(a) Coal leases

No person, association, or corporation, or any subsidiary, affiliate, or persons controlled by or under common control with such person, association, or corporation shall take, hold, own or control at one time, whether acquired directly from the Secretary under this chapter or otherwise, coal leases or permits on an aggregate of more than 75,000 acres in any one State and in no case greater than an aggregate of 150,000 acres in the United States: Provided, That any person, association, or corporation currently holding, owning, or controlling more than an aggregate of 150,000 acres in the United States on the date of enactment of this section shall not be required on account of this section to relinquish said leases or permits: Provided, further, That in no case shall such person, association, or corporation be permitted to take, hold, own, or control any further Federal coal leases or permits until such time as their holdings, ownership, or control of Federal leases or permits has been reduced below an aggregate of 150,000 acres within the United States.

(b) Sodium leases or permits, acreage

(1) No person, association, or corporation, except as otherwise provided in this subsection, shall take, hold, own, or control at one time, whether acquired directly from the Secretary under this chapter, or otherwise, sodium leases or permits on an aggregate of more than five thousand one hundred and twenty acres in any one State.

(2) The Secretary may, in his discretion, where the same is necessary in order to secure the economic mining of sodium compounds leasable under this chapter, permit a person, association, or corporation to take or hold sodium leases or permits on up to 30,720 acres in any one State.

(c) Phosphate leases, acreage

No person, association, or corporation shall take, hold, own, or control at one time, whether acquired directly from the Secretary under this chapter, or otherwise, phosphate leases or permits on an aggregate of more than twenty thousand four hundred and eighty acres in the United States.

(d) Oil or gas leases, acreage, Alaska; options, semi-annual statements

(1) No person, association, or corporation, except as otherwise provided in this chapter, shall take, hold, own or control at one time, whether acquired directly from the Secretary under this chapter, or otherwise, oil or gas leases (including options for such leases or interests therein) on land held under the provisions of this chapter exceeding in the aggregate two hundred forty-six thousand and eighty acres in any one State other than Alaska \1\ Provided, however, That acreage held in special tar sand areas, and acreage under any lease any portion of which has been committed to a federally approved unit or cooperative plan or communitization agreement or for which royalty (including compensatory royalty or royalty in-kind) was paid in the preceding calendar year, shall not be chargeable against such State limitations. In the case of the State of Alaska, the limit shall be three hundred thousand acres in the northern leasing district and three hundred thousand acres in the southern leasing district, and the boundary between said two districts shall be the left limit of the Tanana River from the border between the United States and Canada to the confluence of the Tanana and Yukon Rivers, and the left limit of the Yukon River from said confluence to its principal southern mouth.

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\1\ So in original. Probably should be followed by a colon.

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(2) No person, association, or corporation shall take, hold, own, or control at one time options to acquire interests in oil or gas leases under the provisions of this chapter which involve, in the aggregate, more than two hundred thousand acres of land in any one State other than Alaska, or, in the case of Alaska, more than two hundred thousand acres in each of its two leasing districts, as hereinbefore described. No option to acquire any interest in such an oil or gas lease shall be enforceable if entered into for a period of more than three years (which three years shall be inclusive of any renewal period if a right to renew

is reserved by any party to the option) without the prior approval of the Secretary. In any case in which an option to acquire the optionor's entire interest in the whole or a part of the acreage under a lease is entered into, the acreage to which the option is applicable shall be charged both to the optionor and to the optionee, but the charge to the optionor shall cease when the option is exercised. In any case in which an option to acquire a part of the optionor's interest in the whole or a part of the acreage under a lease is entered into, the acreage to which the option is applicable shall be fully charged to the optionor and a share thereof shall also be charged to the optionee, as his interest may appear, but after the option is exercised said acreage shall be charged to the parties pro rata as their interests may appear. In any case in which an assignment is made of a part of a lessee's interest in the whole or part of the acreage under a lease or an application for a lease, the acreage shall be charged to the parties pro rata as their interests may appear. No option or renewal thereof shall be enforceable until notice thereof has been filed with the Secretary or an officer or employee of the Department of the Interior designated by him to receive the same. Each such notice shall include, in addition to any other matters prescribed by the Secretary, the names and addresses of the parties thereto, the serial number of the lease or application for a lease to which the option is applicable, and a statement of the number of acres covered thereby and of the interests and obligations of the parties thereto and shall be subscribed by all parties to the option or their duly authorized agents. An option which has not been exercised shall remain charged as hereinbefore provided until notice of its relinquishment or surrender has been filed, by either party, with the Secretary or any officer or employee of the Department of the Interior designated by him to receive the same. In addition, each holder of any such option shall file with the Secretary or an officer or employee of the Department of the Interior as aforesaid within ninety days after the 30th day of June and the 31st day of December in each year a statement showing, in addition to any other matters prescribed by the Secretary, his name, the name and address of each grantor of an option held by him, the serial number of every lease or application for a lease to which such an option is applicable, the number of acres covered by each such option, the total acreage in each State to which such options are applicable, and his interest and obligation under each such option. The failure of the holder of an option so to file shall render the option unenforceable \2\ by him. The unenforceability \3\ of any option under the provisions of this paragraph shall not diminish the number of acres deemed to be held under option by any person, association, or corporation in computing the amount chargeable under the first sentence of this paragraph and shall not relieve any party thereto of any liability to cancellation, forfeiture, forced disposition, or other sanction provided by law. The Secretary may prescribe forms on which the notice and statements required by this paragraph shall be made.

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 \2\ So in original. Probably should be ``unenforceable''.
 \3\ So in original. Probably should be ``unenforceability''.

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(e) Association or stockholder interests, conditions; combined interests

(1) No person, association, or corporation shall take, hold, own or control at one time any interest as a member of an association or as a stockholder in a corporation holding a lease, option, or permit under the provisions of this chapter which, together with the area embraced in any direct holding, ownership or control by him of such a lease, option, or permit or any other interest which he may have as a member of other associations or as a stockholder in other corporations holding, owning or controlling such leases, options, or permits for any kind of minerals, exceeds in the aggregate an amount equivalent to the maximum number of acres of the respective kinds of minerals allowed to any one lessee, optionee, or permittee under this chapter, except that no person shall be charged with his pro rata share of any acreage holdings of any association or corporation unless he is the beneficial owner of more than 10 per centum of the stock or other instruments of ownership or control of such association or corporation, and except that within three years after September 2, 1960 no valid option in existence prior to September 2, 1960 held by a corporation or association on September 2, 1960 shall be chargeable to any stockholder of such corporation or to a member of such association so long as said option shall be so held by such corporation or association under the provisions of this chapter.

(2) No contract for development and operation of any lands leased under this chapter, whether or not coupled with an interest in such lease, and no lease held, owned, or controlled in common by two or more persons, associations, or corporations shall be deemed to create a separate association under the preceding paragraph of this subsection between or among the contracting parties or those who hold, own or control the lease in common, but the proportionate interest of each such party shall be charged against the total acreage permitted to be held, owned or controlled by such party under this chapter. The total acreage so held, owned, or controlled in common by two or more parties shall not exceed, in the aggregate, an amount equivalent to the maximum number of acres of the respective kinds of minerals allowed to any one lessee, optionee, or permittee under this chapter.

(f) Limitations on other sections; combined interests permitted for certain purposes

Nothing contained in subsection (e) of this section shall be construed (i) to limit sections 227, 228, 251 of this title or (ii), subject to the approval of the Secretary, to prevent any number of lessees under this chapter from combining their several interests so far as may be necessary for the purpose of constructing and carrying on the business of a refinery or of establishing and constructing, as a common carrier, a pipeline or railroad to be operated and used by them jointly in the transportation of oil from their several wells or from the wells of other lessees under this chapter or in the transportation of coal or (iii) to increase the acreage which may be taken, held, owned, or controlled under this section.

(g) Forbidden interests acquired by descent, will, judgment, or decree; permissible holding period

Any ownership or interest otherwise forbidden in this chapter which may be acquired by descent, will, judgment, or decree may be held for two years after its acquisition and no longer.

(h) Cancellation, forfeiture, or disposal of interests for violation; bona fide purchasers and other valid interests; sale by Secretary; record of proceedings

(1) If any interest in any lease is owned, or controlled, directly or indirectly, by means of stock or otherwise, in violation of any of the provisions of this chapter, the lease may be canceled, or the interest so owned may be forfeited, or the person so owning or controlling the interest may be compelled to dispose of the interest, in any appropriate proceeding instituted by the Attorney General. Such a proceeding shall be instituted in the United States district court for the district in which the leased property or some part thereof is located or in which the defendant may be found.

(2) The right to cancel or forfeit for violation of any of the provisions of this chapter shall not apply so as to affect adversely the title or interest of a bona fide purchaser of any lease, interest in a lease, option to acquire a lease or an interest therein, or permit which lease, interest, option, or permit was acquired and is held by a qualified person, association, or corporation in conformity with those provisions, even though the holdings of the person, association, or corporation from which the lease, interest, option, or permit was acquired, or of his predecessor in title (including the original lessee of the United States) may have been canceled or forfeited or may be or may have been subject to cancellation or forfeiture for any such violation. If, in any such proceeding, an underlying lease, interest, option, or permit is canceled or forfeited to the Government and there are valid interests therein or valid options to acquire the lease or an interest therein which are not subject to cancellation, forfeiture, or compulsory disposition, the underlying lease, interest, option, or permit shall be sold by the Secretary to the highest responsible qualified bidder by competitive bidding under general regulations subject to all outstanding valid interests therein and valid options pertaining thereto. Likewise if, in any such proceeding, less than the whole interest in a lease, interest, option, or permit is canceled or forfeited to the Government, the partial interests so canceled or forfeited shall be sold by the Secretary to the highest responsible qualified bidder by competitive bidding under general regulations. If competitive bidding fails to produce a satisfactory offer the Secretary may, in either of these cases, sell the interest in question by such other method as he deems appropriate on terms not less favorable to the Government than those of the best competitive bid received.

(3) The commencement and conclusion of every proceeding under this subsection shall be promptly noted on the appropriate public records of the Bureau of Land Management.

(i) Bona fide purchasers, conditions for obtaining dismissals

Effective September 21, 1959, any person, association, or corporation who is a party to any proceeding with respect to a violation of any provision of this chapter, whether initiated prior to said date

or thereafter, shall have the right to be dismissed promptly as such a party upon showing that he holds and acquired as a bona fide purchaser the interest involving him as such a party without violating any provisions of this chapter. No hearing upon any such showing shall be required unless the Secretary presents prima facie evidence indicating a possible violation of this chapter on the part of the alleged bona fide purchaser.

(j) Waiver or suspension of rights

If during any such proceeding, a party thereto files with the Secretary a waiver of his rights under his lease (including particularly, where applicable, rights to drill and to assign) or if such rights are suspended by the Secretary pending a decision in the proceeding, whether initiated prior to enactment of this chapter or thereafter, payment of rentals and running of time against the term of the lease or leases involved shall be suspended as of the first day of the month following the filing of the waiver or suspension of the rights until the first day of the month following the final decision in the proceeding or the revocation of the waiver or suspension.

(k) Unlawful trusts; forfeiture

Except as otherwise provided in this chapter, if any lands or deposits subject to the provisions of this chapter shall be subleased, trusted, possessed, or controlled by any device permanently, temporarily, directly, indirectly, tacitly, or in any manner whatsoever, so that they form a part of or are in any wise controlled by any combination in the form of an unlawful trust, with the consent of the lessee, optionee, or permittee, or form the subject of any contract or conspiracy in restraint of trade in the mining or selling of coal, phosphate, oil, oil shale, gilsonite (including all vein-type solid hydrocarbons), gas, or sodium entered into by the lessee, optionee, or permittee or any agreement or understanding, written, verbal, or otherwise, to which such lessee, optionee, or permittee shall be a party, of which his or its output is to be or become the subject, to control the price or prices thereof or of any holding of such lands by any individual, partnership, association, corporation, or control in excess of the amounts of lands provided in this chapter, the lease, option, or permit shall be forfeited by appropriate court proceedings.

(l) Rules and regulations; notice to and consultation with Attorney General; application of antitrust laws; definitions

(1) At each stage in the formulation and promulgation of rules and regulations concerning coal leasing pursuant to this chapter, and at each stage in the issuance, renewal, and readjustment of coal leases under this chapter, the Secretary of the Interior shall consult with and give due consideration to the views and advice of the Attorney General of the United States.

(2) No coal lease may be issued, renewed, or readjusted under this chapter until at least thirty days after the Secretary of the Interior notifies the Attorney General of the proposed issuance, renewal, or readjustment. Such notification shall contain such information as the

Attorney General may require in order to advise the Secretary of the Interior as to whether such lease would create or maintain a situation inconsistent with the antitrust laws. If the Attorney General advises the Secretary of the Interior that a lease would create or maintain such a situation, the Secretary of the Interior may not issue such lease, nor may he renew or readjust such lease for a period not to exceed one year, as the case may be, unless he thereafter conducts a public hearing on the record in accordance with subchapter II of chapter 5 of title 5 and finds therein that such issuance, renewal, or readjustment is necessary to effectuate the purposes of this chapter, that it is consistent with the public interest, and that there are no reasonable alternatives consistent with this chapter, the antitrust laws, and the public interest.

(3) Nothing in this chapter shall be deemed to convey to any person, association, corporation, or other business organization immunity from civil or criminal liability, or to create defenses to actions, under any antitrust law.

(4) As used in this subsection, the term ``antitrust law'' means--

(A) the Act entitled ``An Act to protect trade and commerce against unlawful restraints and monopolies'', approved July 2, 1890 (15 U.S.C. 1 et seq.), as amended;

(B) the Act entitled ``An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes'', approved October 15, 1914 (15 U.S.C. 12 et seq.), as amended;

(C) the Federal Trade Commission Act (15 U.S.C. 41 et seq.), as amended;

(D) sections 73 and 74 of the Act entitled ``An Act to reduce taxation, to provide revenue for the Government, and for other purposes'', approved August 27, 1894 (15 U.S.C. 8 and 9), as amended; or

(E) the Act of June 19, 1936, chapter 592 (15 U.S.C. 13, 13a, 13b, and 21a).

(Feb. 25, 1920, ch. 85, Sec. 27, 41 Stat. 448; Apr. 30, 1926, ch. 197, 44 Stat. 373; July 3, 1930, ch. 854, Sec. 1, 46 Stat. 1007; Mar. 4, 1931, ch. 506, 46 Stat. 1524; Aug. 8, 1946, ch. 916, Sec. 6, 60 Stat. 954; June 1, 1948, ch. 365, 62 Stat. 285; June 3, 1948, ch. 379, Sec. 6, 62 Stat. 291; Aug. 2, 1954, ch. 650, 68 Stat. 648; Pub. L. 85-122, Aug. 13, 1957, 71 Stat. 341; Pub. L. 85-698, Aug. 21, 1958, 72 Stat. 688; Pub. L. 86-294, Sec. 1, Sept. 21, 1959, 73 Stat. 571; Pub. L. 86-391, Sec. 1(c), Mar. 18, 1960, 74 Stat. 8; Pub. L. 86-705, Sec. 3, Sept. 2, 1960, 74 Stat. 785; Pub. L. 88-526, Sec. 1, Aug. 31, 1964, 78 Stat. 710; Pub. L. 88-548, Aug. 31, 1964, 78 Stat. 754; Pub. L. 94-377, Secs. 11, 15, Aug. 4, 1976, 90 Stat. 1090, 1091; Pub. L. 97-78, Sec. 1(2), (5), Nov. 16, 1981, 95 Stat. 1070; Pub. L. 106-191, Sec. 2, Apr. 28, 2000, 114 Stat. 232; Pub. L. 106-463, Sec. 3, Nov. 7, 2000, 114 Stat. 2011; Pub. L. 109-58, title III, Sec. 352, Aug. 8, 2005, 119 Stat. 714.)

References in Text

The date of enactment of this section, referred to in subsec. (a), probably means the date of enactment of Pub. L. 94-377, which was Aug. 4, 1976.

The Act entitled ``An Act to protect trade and commerce against unlawful restraints and monopolies'', approved July 2, 1890, as amended, referred to in subsec. (l)(4)(A), is act July 2, 1890, ch. 647, 26 Stat. 209, as amended, known as the Sherman Act, which is classified to sections 1 to 7 of Title 15, Commerce and Trade. For complete classification of this Act to the Code, see Short Title note set out under section 1 of Title 15 and Tables.

The Act entitled ``An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes'', approved October 15, 1914, as amended, referred to in subsec. (l)(4)(B), is act Oct. 15, 1914, ch. 323, 38 Stat. 730, as amended, known as the Clayton Act, and is classified generally to sections 12, 13, 14 to 19, 21, and 22 to 27 of Title 15, and sections 52 and 53 of Title 29, Labor. For further details and complete classification of this Act to the Code, see References in Text note set out under section 12 of Title 15 and Tables.

The Federal Trade Commission Act, referred to in subsec. (l)(4)(C), is act Sept. 26, 1914, ch. 311, 38 Stat. 717, as amended, which is classified generally to subchapter I (Sec. 41 et seq.) of chapter 2 of Title 15. For complete classification of this Act to the Code, see section 58 of Title 15 and Tables.

Act of June 19, 1936, chapter 592, referred to in subsec. (l)(4)(E), is act June 19, 1936, ch. 592, 49 Stat. 1526, known as the Robinson-Patman Antidiscrimination Act and also as the Robinson-Patman Price Discrimination Act, which enacted sections 13a, 13b, and 21a of Title 15, Commerce and Trade, and amended section 13 of Title 15. For complete classification of this Act to the Code, see Short Title note set out under section 13 of Title 15 and Tables.

Codification

In subsec. (l)(2), ``subchapter II of chapter 5 of title 5'' substituted for ``the Administrative Procedure Act'' on authority of Pub. L. 89-554, Sec. 7(b), Sept. 6, 1966, 80 Stat. 631, the first section of which enacted Title 5, Government Organization and Employees.

Amendments

2005--Subsec. (d)(1). Pub. L. 109-58 inserted `` , and acreage under any lease any portion of which has been committed to a federally approved unit or cooperative plan or communitization agreement or for which royalty (including compensatory royalty or royalty in-kind) was paid in the preceding calendar year, '' after ``acreage held in special tar sand areas''.

2000--Subsec. (a). Pub. L. 106-463 inserted heading, struck out ``(1)'' before ``No person'', substituted ``75,000 acres'' for ``forty-six thousand and eighty acres'', and substituted ``150,000 acres'' for ``one hundred thousand acres'' wherever appearing.

Subsec. (b)(2). Pub. L. 106-191 substituted ``30,720 acres'' for ``fifteen thousand three hundred and sixty acres''.

1981--Subsec. (d)(1). Pub. L. 97-78, Sec. 1(5), inserted proviso that acreage held in special tar sand areas not be chargeable against State limitations.

Subsec. (k). Pub. L. 97-78, Sec. 1(2), substituted ``gilsonite

(including all vein-type solid hydrocarbons)' for ``native asphalt, solid and semisolid bitumen, bituminous rock''.

1976--Subsec. (a)(1). Pub. L. 94-377, Sec. 11(a), inserted ``or any subsidiary, affiliate, or persons controlled by or under common control with such person, association, or corporation'' before ``shall take, hold, own or control'', ``and in no case greater than an aggregate of one hundred thousand acres in the United States'' after ``in any one State,'' proviso relating to non-relinquishment of leases or permits by an entity owning or controlling more than an aggregate of one hundred thousand acres, and proviso prohibiting ownership or control of further Federal leases or permits until reduction to below an aggregate of one hundred thousand acres.

Subsec. (a)(2). Pub. L. 94-377, Sec. 11(b), struck out par. (2) providing for application, hearing and granting of additional acreage, not to exceed 5120 acres in any one State, to a person, association or corporation requiring such extra acreage to carry on business economically, and the subsequent reevaluation of such entity's continuing need for such extra acreage.

Subsec. (l). Pub. L. 94-377, Sec. 15, added subsec. (l).

1964--Subsec. (a)(1). Pub. L. 88-526 struck out `` , except as otherwise provided in this subsection,'' after ``corporation'' and increased aggregate number of acres from 10,240 to 46,080 acres.

Subsec. (c). Pub. L. 88-548 increased aggregate number of acres from 10,240 to 20,480 acres.

1960--Pub. L. 86-705 generally revised provisions and divided them into subsecs. (a) to (k). Other changes concerned: maximum acreage in Alaska, unreported options, their unenforceability, form for notice of options, party to give notice, inclusion of options in acreage determinations, charge of association or corporate holdings against principal stockholders, hearings requirement based upon prima facie evidence of violations, running of time against a lease and the payment of rentals during a waiver or suspension of a lessee's rights.

Pub. L. 86-391 authorized issuance of phosphate permits.

1959--Pub. L. 86-294 inserted provision that the right of cancellation or forfeiture for violations shall not apply so as to affect adversely the interest of a bona fide purchaser in a lease acquired in conformity with acreage limitations; that bona fide purchasers in such situations have the right to be dismissed as parties from proceedings; and that if a party to proceedings files waiver of rights to drill or assigns his interests, or if such rights are suspended pending decision, he shall, if he is not in violation of provisions, have the right to have his interest extended for a period of time equal to the period between filing of waiver or order of suspension and final decision, without payment of rental.

1958--Pub. L. 85-698 increased limitation on acreage which may be taken or held under coal leases or permits in any one State from 5,120 to 10,240 acres, permitted applications for additional coal leases or permits not exceeding 5,120 additional acres in the State, provided for hearings on such applications, authorized reevaluation and cancellation of leases and permits for additional acreage, and prohibited assignment, transfer, or sale of any of the additional acreage without the Secretary's approval.

1957--Pub. L. 85-122 struck out ``or permits exceeding in the aggregate five thousand one hundred and twenty acres in any one State,

and'' after ``phosphate leases'' in second sentence.

1954--Act Aug. 2, 1954, increased acreage that any one person can hold in the aggregate from fifteen thousand three hundred and sixty acres to forty-six thousand and eighty acres, increased number of acres that can be held under option from one hundred thousand acres to two hundred thousand acres, and extended terms of the option from 2 to 3 years.

1948--Act June 1, 1948, substituted in second proviso ``within two years after the passage of this Act'' for ``on or before August 8, 1950'' in order to allow options to be exercised up to that time.

Act June 3, 1948, increased aggregate acreage allowed one person, etc., from two thousand five hundred and sixty acres to five thousand one hundred and twenty acres of coal or sodium leases, and increased the aggregate acreage allowed one person, etc., from seven thousand six hundred and eighty acres to fifteen thousand three hundred and sixty acres of oil or gas leases.

1946--Act Aug. 8, 1946, principally doubled amount of land that may be leased by any person or corporation in any one State and abolished former acreage limitation of 2,560 acres on one structure; excluded operating contracts and leases held in common from definition of ``association''; inserted provisions relating to options; and omitted provisions relating to cooperative or unit plans and operating, drilling or development contracts.

1931--Act Mar. 4, 1931, amended section generally.

1930--Act July 3, 1930, amended section generally.

1926--Act Apr. 30, 1926, amended section generally.

Effective Date of 1959 Amendment

Section 2 of Pub. L. 86-294 provided that: ``The rights granted by the second and third sentences of the amendment contained within section 1 of this Act [amending this section to provide that holder of interest in lease has right to be dismissed from cancellation or forfeiture proceedings upon showing he acquired his interest as bona fide purchaser and without violation of provisions, and to provide right to have his lease extended if rights thereunder to drill and to assign are suspended or waived during such proceedings and it is determined he is not in violation of provisions] shall apply with respect to any proceeding now pending or initiated after the date of enactment of this Act [Sept. 21, 1959].''

Savings Provision

See note set out under section 181 of this title.

Section 11(b) of Pub. L. 94-377 provided in part that repeal by such section of subsec. (a)(2) of this section is subject to valid existing rights.

Transfer of Functions

Functions of Secretary of the Interior, referred to in subsec. (l), to promulgate regulations under this chapter relating to the fostering

of competition for Federal leases, the implementation of alternative bidding systems authorized for the award of Federal leases, the establishment of diligence requirements for operations conducted on Federal leases, the setting of rates for production of Federal leases, and the specifying of the procedures, terms, and conditions for the acquisition and disposition of Federal royalty interests taken in kind, transferred to Secretary of Energy by section 7152(b) of Title 42, The Public Health and Welfare. Section 7152(b) of Title 42 was repealed by Pub. L. 97-100, title II, Sec. 201, Dec. 23, 1981, 95 Stat. 1407, and functions of Secretary of Energy returned to Secretary of the Interior. See House Report No. 97-315, pp. 25, 26, Nov. 5, 1981.

Findings

Pub. L. 106-463, Sec. 2, Nov. 7, 2000, 114 Stat. 2010, provided that: ``Congress finds that--

- ``(1) Federal land contains commercial deposits of coal, the Nation's largest deposits of coal being located on Federal land in Utah, Colorado, Montana, and the Powder River Basin of Wyoming;
- ``(2) coal is mined on Federal land through Federal coal leases under the Act of February 25, 1920 (commonly known as the `Mineral Leasing Act') (30 U.S.C. 181 et seq.);
- ``(3) the sub-bituminous coal from these mines is low in sulfur, making it the cleanest burning coal for energy production;
- ``(4) the Mineral Leasing Act sets for each leasable mineral a limitation on the amount of acreage of Federal leases any 1 producer may hold in any 1 State or nationally;
- ``(5)(A) the present acreage limitation for Federal coal leases has been in place since 1976;
- ``(B) currently the coal lease acreage limit of 46,080 acres per State is less than the per-State Federal lease acreage limit for potash (96,000 acres) and oil and gas (246,080 acres);
- ``(6) coal producers in Wyoming and Utah are operating mines on Federal leaseholds that contain total acreage close to the coal lease acreage ceiling;
- ``(7) the same reasons that Congress cited in enacting increases for State lease acreage caps applicable in the case of other minerals--the advent of modern mine technology, changes in industry economics, greater global competition, and the need to conserve Federal resources--apply to coal;
- ``(8) existing coal mines require additional lease acreage to avoid premature closure, but those mines cannot relinquish mined-out areas to lease new acreage because those areas are subject to 10-year reclamation plans, and the reclaimed acreage is counted against the State and national acreage limits;
- ``(9) to enable them to make long-term business decisions affecting the type and amount of additional infrastructure investments, coal producers need certainty that sufficient acreage of leasable coal will be available for mining in the future; and
- ``(10) to maintain the vitality of the domestic coal industry and ensure the continued flow of valuable revenues to the Federal and State governments and of energy to the American public from coal production on Federal land, the Mineral Leasing Act should be

amended to increase the acreage limitation for Federal coal leases.''

Pub. L. 106-191, Sec. 1, Apr. 28, 2000, 114 Stat. 231, provided that: ``The Congress finds and declares that--

``(1) The Federal lands contain commercial deposits of trona, with the world's largest body of this mineral located on such lands in southwestern Wyoming.

``(2) Trona is mined on Federal lands through Federal sodium leases issued under the Mineral Leasing Act of 1920 [30 U.S.C. 181 et seq.].

``(3) The primary product of trona mining is soda ash (sodium carbonate), a basic industrial chemical that is used for glass making and a variety of consumer products, including baking soda, detergents, and pharmaceuticals.

``(4) The Mineral Leasing Act [30 U.S.C. 181 et seq.] sets for each leasable mineral limitations on the amount of acreage of Federal leases any one producer may hold in any one State or nationally.

``(5) The present acreage limitation for Federal sodium (trona) leases has been in place for over five decades, since 1948, and is the oldest acreage limitation in the Mineral Leasing Act. Over this time frame Congress and/or the BLM has revised acreage limits for other minerals to meet the needs of the respective industries. Currently, the sodium lease acreage limitation of 15,360 acres per State is approximately one-third of the per State Federal lease acreage cap for coal (46,080 acres) and potassium (51,200 acres) and one-sixteenth that of oil and gas (246,080 acres).

``(6) Three of the four trona producers in Wyoming are operating mines on Federal leaseholds that contain total acreage close to the sodium lease acreage ceiling.

``(7) The same reasons that Congress cited in enacting increases in other minerals' per State lease acreage caps apply to trona: the advent of modern mine technology, changes in industry economics, greater global competition, and need to conserve the Federal resource.

``(8) Existing trona mines require additional lease acreage to avoid premature closure, and are unable to relinquish mined-out areas to lease new acreage because those areas continue to be used for mine access, ventilation, and tailings disposal and may provide future opportunities for secondary recovery by solution mining.

``(9) Existing trona producers are having to make long term business decisions affecting the type and amount of additional infrastructure investments based on the certainty that sufficient acreage of leaseable [sic] trona will be available for mining in the future.

``(10) To maintain the vitality of the domestic trona industry and ensure the continued flow of valuable revenues to the Federal and State governments and products to the American public from trona production on Federal lands, the Mineral Leasing Act should be amended to increase the acreage limitation for Federal sodium leases.''

Admission of Alaska into the Union was accomplished Jan. 3, 1959, on issuance of Proc. No. 3269, Jan. 3, 1959, 24 F.R. 81, 73 Stat. c16, as required by sections 1 and 8(c) of Pub. L. 85-508, July 7, 1958, 72 Stat. 339, set out as notes preceding section 21 of Title 48, Territories and Insular Possessions.

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TITLE 30--MINERAL LANDS AND MINING

CHAPTER 3A--LEASES AND PROSPECTING PERMITS

SUBCHAPTER I--GENERAL PROVISIONS

Sec. 187. Assignment or subletting of leases; relinquishment of rights under leases; conditions in leases for protection of diverse interests in operation of mines, wells, etc.; State laws not impaired

No lease issued under the authority of this chapter shall be assigned or sublet, except with the consent of the Secretary of the Interior. The lessee may, in the discretion of the Secretary of the Interior, be permitted at any time to make written relinquishment of all rights under such a lease, and upon acceptance thereof be thereby relieved of all future obligations under said lease, and may with like consent surrender any legal subdivision of the area included within the lease. Each lease shall contain provisions for the purpose of insuring the exercise of reasonable diligence, skill, and care in the operation of said property; a provision that such rules for the safety and welfare of the miners and for the prevention of undue waste as may be prescribed by said Secretary shall be observed, including a restriction of the workday to not exceeding eight hours in any one day for underground workers except in cases of emergency; provisions prohibiting the employment of any child under the age of sixteen in any mine below the surface; provisions securing the workmen complete freedom of purchase; provision requiring the payment of wages at least twice a month in lawful money of the United States, and providing proper rules and regulations to insure the fair and just weighing or measurement of the coal mined by each miner, and such other provisions as he may deem necessary to insure the sale of the production of such leased lands to the United States and to the public at reasonable prices, for the protection of the interests of the United States, for the prevention of monopoly, and for the safeguarding of the public welfare. None of such provisions shall be in conflict with the laws of the State in which the leased property is situated.

(Feb. 25, 1920, ch. 85, Sec. 30, 41 Stat. 449; Pub. L. 95-554, Sec. 5, Oct. 30, 1978, 92 Stat. 2074.)

Amendments

1978--Pub. L. 95-554 substituted ``provisions prohibiting the employment of any child under the age of sixteen in any mine below the surface'' for ``provisions prohibiting the employment of any boy under the age of sixteen or the employment of any girl or woman, without regard to age, in any mine below the surface''.

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TITLE 30--MINERAL LANDS AND MINING

CHAPTER 3A--LEASES AND PROSPECTING PERMITS

SUBCHAPTER I--GENERAL PROVISIONS

Sec. 187a. Oil or gas leases; partial assignments

Notwithstanding anything to the contrary in section 187 of this title, any oil or gas lease issued under the authority of this chapter may be assigned or subleased, as to all or part of the acreage included therein, subject to final approval by the Secretary and as to either a divided or undivided interest therein, to any person or persons qualified to own a lease under this chapter, and any assignment or sublease shall take effect as of the first day of the lease month following the date of filing in the proper land office of three original executed counterparts thereof, together with any required bond and proof of the qualification under this chapter of the assignee or sublessee to take or hold such lease or interest therein. Until such approval, however, the assignor or sublessor and his surety shall continue to be responsible for the performance of any and all obligations as if no assignment or sublease had been executed. The Secretary shall disapprove the assignment or sublease only for lack of qualification of the assignee or sublessee or for lack of sufficient bond: Provided, however, That the Secretary may, in his discretion, disapprove an assignment of any of the following, unless the assignment constitutes the entire lease or is demonstrated to further the development of oil and gas:

- (1) A separate zone or deposit under any lease.
- (2) A part of a legal subdivision.
- (3) Less than 640 acres outside Alaska or of less than 2,560 acres within Alaska.

Requests for approval of assignment or sublease shall be processed

promptly by the Secretary. Except where the assignment or sublease is not in accordance with applicable law, the approval shall be given within 60 days of the date of receipt by the Secretary of a request for such approval. Upon approval of any assignment or sublease, the assignee or sublessee shall be bound by the terms of the lease to the same extent as if such assignee or sublessee were the original lessee, any conditions in the assignment or sublease to the contrary notwithstanding. Any partial assignment of any lease shall segregate the assigned and retained portions thereof, and as above provided, release and discharge the assignor from all obligations thereafter accruing with respect to the assigned lands; and such segregated leases shall continue in full force and effect for the primary term of the original lease, but for not less than two years after the date of discovery of oil or gas in paying quantities upon any other segregated portion of the lands originally subject to such lease. Assignments under this section may also be made of parts of leases which are in their extended term because of any provision of this chapter. Upon the segregation by an assignment of a lease issued after September 2, 1960 and held beyond its primary term by production, actual or suspended, or the payment of compensatory royalty, the segregated lease of an undeveloped, assigned, or retained part shall continue for two years, and so long thereafter as oil or gas is produced in paying quantities.

(Feb. 25, 1920, ch. 85, Sec. 30A, formerly Sec. 30a, as added Aug. 8, 1946, ch. 916, Sec. 7, 60 Stat. 955; amended July 29, 1954, ch. 644, Sec. 1(6), 68 Stat. 585; Pub. L. 86-705, Sec. 6, Sept. 2, 1960, 74 Stat. 790; renumbered Sec. 30A and amended Pub. L. 100-203, title V, Sec. 5103, Dec. 22, 1987, 101 Stat. 1330-258.)

Amendments

1987--Pub. L. 100-203 substituted third to fifth sentences for former third sentence which read as follows: ``The Secretary shall disapprove the assignment or sublease only for lack of qualification of the assignee or sublessee or for lack of sufficient bond: Provided, however, That the Secretary may, in his discretion, disapprove an assignment of a separate zone or deposit under any lease, or of a part of a legal subdivision.''

1960--Pub. L. 86-705 amended last sentence to restrict automatic extensions after Sept. 2, 1960.

1954--Act July 29, 1954, authorized partial assignment of a lease in its extended term regardless of reason for extension.

Savings Provision

See note set out under section 181 of this title.

Leases Issued Prior to September 2, 1960

Section 6 of Pub. L. 86-705 provided in part that: ``The provisions of this section 6 [amending this section] shall not be applicable to any

lease issued prior to the effective date of this Act [Sept. 2, 1960].''

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TITLE 30--MINERAL LANDS AND MINING

CHAPTER 3A--LEASES AND PROSPECTING PERMITS

SUBCHAPTER I--GENERAL PROVISIONS

Sec. 187b. Oil or gas leases; written relinquishment of rights;
release of obligations

Notwithstanding any provision to the contrary in section 187 of this title, a lessee may at any time make and file in the appropriate land office a written relinquishment of all rights under any oil or gas lease issued under the authority of this chapter or of any legal subdivision of the area included within any such lease. Such relinquishment shall be effective as of the date of its filing, subject to the continued obligation of the lessee and his surety to make payment of all accrued rentals and royalties and to place all wells on the lands to be relinquished in condition for suspension or abandonment in accordance with the applicable lease terms and regulations; thereupon the lessee shall be released of all obligations thereafter accruing under said lease with respect to the lands relinquished, but no such relinquishment shall release such lessee, or his bond, from any liability for breach of any obligation of the lease, other than an obligation to drill, accrued at the date of the relinquishment.

(Feb. 25, 1920, ch. 85, Sec. 30B, formerly Sec. 30b, as added Aug. 8, 1946, ch. 916, Sec. 8, 60 Stat. 956; renumbered Sec. 30B, Pub. L. 100-203, title V, Sec. 5103, Dec. 22, 1987, 101 Stat. 1330-258.)

Savings Provision

See note set out under section 181 of this title.

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TITLE 30--MINERAL LANDS AND MINING

CHAPTER 3A--LEASES AND PROSPECTING PERMITS

SUBCHAPTER I--GENERAL PROVISIONS

Sec. 188. Failure to comply with provisions of lease

(a) Forfeiture

Except as otherwise herein provided, any lease issued under the provisions of this chapter may be forfeited and canceled by an appropriate proceeding in the United States district court for the district in which the property, or some part thereof, is located whenever the lessee fails to comply with any of the provisions of this chapter, of the lease, or of the general regulations promulgated under this chapter and in force at the date of the lease; and the lease may provide for resort to appropriate methods for the settlement of disputes or for remedies for breach of specified conditions thereof.

(b) Cancellation

Any lease issued after August 21, 1935, under the provisions of section 226 of this title shall be subject to cancellation by the Secretary of the Interior after 30 days notice upon the failure of the lessee to comply with any of the provisions of the lease, unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement under section 226(m) of this title which contains a well capable of production of unitized substances in paying quantities. Such notice in advance of cancellation shall be sent the lease owner by registered letter directed to the lease owner's record post-office address, and in case such letter shall be returned as undelivered, such notice shall also be posted for a period of thirty days in the United States land office for the district in which the land covered by such lease is situated, or in the event that there is no district land office for such district, then in the post office nearest such land. Notwithstanding the provisions of this section, however, upon failure of a lessee to pay rental on or before the anniversary date of the lease, for any lease on which there is no well capable of producing oil or gas in paying quantities, the lease shall automatically terminate by operation of law: Provided, however, That when the time for payment falls upon any day in which the proper office for payment is not open, payment may be received the next official working day and shall be considered as timely made: Provided, That if the rental payment due under a lease is paid on or before the anniversary date but either (1) the amount of the payment has been or is hereafter deficient and the deficiency is nominal, as determined by the Secretary by regulation, or (2) the payment was calculated in accordance with the acreage figure stated in the lease, or in any decision affecting the lease, or made in accordance with a bill or decision which has been rendered by him and such figure, bill, or decision is found to be in error resulting in a deficiency, such lease shall not

automatically terminate unless (1) a new lease had been issued prior to May 12, 1970, or (2) the lessee fails to pay the deficiency within the period prescribed in a notice of deficiency sent to him by the Secretary.

(c) Reinstatement

Where any lease has been or is hereafter terminated automatically by operation of law under this section for failure to pay on or before the anniversary date the full amount of rental due, but such rental was paid on or tendered within twenty days thereafter, and it is shown to the satisfaction of the Secretary of the Interior that such failure was either justifiable or not due to a lack of reasonable diligence on the part of the lessee, the Secretary may reinstate the lease if--

(1) a petition for reinstatement, together with the required rental, including back rental accruing from the date of termination of the lease, is filed with the Secretary; and

(2) no valid lease has been issued affecting any of the lands covered by the terminated lease prior to the filing of said petition. The Secretary shall not issue any new lease affecting any of the lands covered by such terminated lease for a reasonable period, as determined in accordance with regulations issued by him. In any case where a reinstatement of a terminated lease is granted under this subsection and the Secretary finds that the reinstatement of such lease will not afford the lessee a reasonable opportunity to continue operations under the lease, the Secretary may, at his discretion, extend the term of such lease for such period as he deems reasonable: Provided, That (A) such extension shall not exceed a period equivalent to the time beginning when the lessee knew or should have known of the termination and ending on the date the Secretary grants such petition; (B) such extension shall not exceed a period equal to the unexpired portion of the lease or any extension thereof remaining at the date of termination; and (C) when the reinstatement occurs after the expiration of the term or extension thereof the lease may be extended from the date the Secretary grants the petition.

(d) Additional grounds for reinstatement

(1) Where any oil and gas lease issued pursuant to section 226(b) or (c) of this title or the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351 et seq.) has been, or is hereafter, terminated automatically by operation of law under this section for failure to pay on or before the anniversary date the full amount of the rental due, and such rental is not paid or tendered within twenty days thereafter, and it is shown to the satisfaction of the Secretary of the Interior that such failure was justifiable or not due to lack of reasonable diligence on the part of the lessee, or, no matter when the rental is paid after termination, it is shown to the satisfaction of the Secretary that such failure was inadvertent, the Secretary may reinstate the lease as of the date of termination for the unexpired portion of the primary term of the original lease or any extension thereof remaining at the date of termination, and so long thereafter as oil or gas is produced in paying quantities. In any case where a lease is reinstated under this

subsection and the Secretary finds that the reinstatement of such lease (A) occurs after the expiration of the primary term or any extension thereof, or (B) will not afford the lessee a reasonable opportunity to continue operations under the lease, the Secretary may, at his discretion, extend the term of such lease for such period as he deems reasonable, but in no event for more than two years from the date the Secretary authorizes the reinstatement and so long thereafter as oil or gas is produced in paying quantities.

(2) No lease shall be reinstated under paragraph (1) of this subsection unless--

(A) with respect to any lease that terminated under subsection (b) of this section on or before August 8, 2005, a petition for reinstatement (together with the required back rental and royalty accruing after the date of termination) is filed on or before the earlier of--

(i) 60 days after the lessee receives from the Secretary notice of termination, whether by return of check or by any other form of actual notice; or

(ii) 15 months after the termination of the lease; or

(B) with respect to any lease that terminates under subsection (b) of this section after August 8, 2005, a petition for reinstatement (together with the required back rental and royalty accruing after the date of termination) is filed on or before the earlier of--

(i) 60 days after receipt of the notice of termination sent by the Secretary by certified mail to all lessees of record; or

(ii) 24 months after the termination of the lease.

(e) Conditions for reinstatement

Any reinstatement under subsection (d) of this section shall be made only if these conditions are met:

(1) no valid lease, whether still in existence or not, shall have been issued affecting any of the lands covered by the terminated lease prior to the filing of such petition: Provided, however, That after receipt of a petition for reinstatement, the Secretary shall not issue any new lease affecting any of the lands covered by such terminated lease for a reasonable period, as determined in accordance with regulations issued by him;

(2) payment of back rentals and either the inclusion in a reinstated lease issued pursuant to the provisions of section 226(b) of this title of a requirement for future rentals at a rate of not less than \$10 per acre per year, or the inclusion in a reinstated lease issued pursuant to the provisions of section 226(c) of this title of a requirement that future rentals shall be at a rate not less than \$5 per acre per year, all as determined by the Secretary;

(3)(A) payment of back royalties and the inclusion in a reinstated lease issued pursuant to the provisions of section 226(b) of this title of a requirement for future royalties at a rate of not less than $16\frac{2}{3}$ percent computed on a sliding scale based upon the average production per well per day, at a rate which shall be not less than 4 percentage points greater than the competitive royalty schedule then in force and used for royalty determination for

competitive leases issued pursuant to such section as determined by the Secretary: Provided, That royalty on such reinstated lease shall be paid on all production removed or sold from such lease subsequent to the termination of the original lease;

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\1\ So in original. Probably should be ``royalty''.

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(B) payment of back royalties and inclusion in a reinstated lease issued pursuant to the provisions of section 226(c) of this title of a requirement for future royalties at a rate not less than $16\frac{2}{3}$ percent: Provided, That royalty on such reinstated lease shall be paid on all production removed or sold from such lease subsequent to the cancellation or termination of the original lease; and

(4) notice of the proposed reinstatement of a terminated lease, including the terms and conditions of reinstatement, shall be published in the Federal Register at least thirty days in advance of the reinstatement.

A copy of said notice, together with information concerning rental, royalty, volume of production, if any, and any other matter which the Secretary deemed significant in making this determination to reinstate, shall be furnished to the Committee on Natural Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate at least thirty days in advance of the reinstatement. The lessee of a reinstated lease shall reimburse the Secretary for the administrative costs of reinstating the lease, but not to exceed \$500. In addition the lessee shall reimburse the Secretary for the cost of publication in the Federal Register of the notice of proposed reinstatement.

(f) Issuance of noncompetitive oil and gas lease; conditions

Where an unpatented oil placer mining claim validly located prior to February 24, 1920, which has been or is currently producing or is capable of producing oil or gas, has been or is hereafter deemed conclusively abandoned for failure to file timely the required instruments or copies of instruments required by section 1744 of title 43, and it is shown to the satisfaction of the Secretary that such failure was inadvertent, justifiable, or not due to lack of reasonable diligence on the part of the owner, the Secretary may issue, for the lands covered by the abandoned unpatented oil placer mining claim, a noncompetitive oil and gas lease, consistent with the provisions of section 226(e) of this title, to be effective from the statutory date the claim was deemed conclusively abandoned. Issuance of such a lease shall be conditioned upon:

(1) a petition for issuance of a noncompetitive oil and gas lease, together with the required rental and royalty, including back rental and royalty accruing from the statutory date of abandonment of the oil placer mining claim, being filed with the Secretary--

(A) with respect to any claim deemed conclusively abandoned on or before January 12, 1983, on or before the one hundred and

twentieth day after January 12, 1983, or

(B) with respect to any claim deemed conclusively abandoned after January 12, 1983, on or before the one hundred and twentieth day after final notification by the Secretary or a court of competent jurisdiction of the determination of the abandonment of the oil placer mining claim;

(2) a valid lease not having been issued affecting any of the lands covered by the abandoned oil placer mining claim prior to the filing of such petition: Provided, however, That after the filing of a petition for issuance of a lease under this subsection, the Secretary shall not issue any new lease affecting any of the lands covered by such abandoned oil placer mining claim for a reasonable period, as determined in accordance with regulations issued by him;

(3) a requirement in the lease for payment of rental, including back rentals accruing from the statutory date of abandonment of the oil placer mining claim, of not less than \$5 per acre per year;

(4) a requirement in the lease for payment of royalty on production removed or sold from the oil placer mining claim, including all royalty on production made subsequent to the statutory date the claim was deemed conclusively abandoned, of not less than $12\frac{1}{2}$ percent; and

(5) compliance with the notice and reimbursement of costs provisions of paragraph (4) of subsection (e) of this section but addressed to the petition covering the conversion of an abandoned unpatented oil placer mining claim to a noncompetitive oil and gas lease.

(g) Treatment of leases

(1) Except as otherwise provided in this section, a reinstated lease shall be treated as a competitive or a noncompetitive oil and gas lease in the same manner as the original lease issued pursuant to section 226(b) or (c) of this title.

(2) Except as otherwise provided in this section, the issuance of a lease in lieu of an abandoned patented oil placer mining claim shall be treated as a noncompetitive oil and gas lease issued pursuant to section 226(c) of this title.

(3) Notwithstanding any other provision of law, any lease issued pursuant to section 223 of this title shall be eligible for reinstatement under the terms and conditions set forth in subsections (c), (d), and (e) of this section, applicable to leases issued under section 226(c) of this title except, that, upon reinstatement, such lease shall continue for twenty years and so long thereafter as oil or gas is produced in paying quantities.

(4) Notwithstanding any other provision of law, any lease issued pursuant to section 223 of this title shall, upon renewal on or after November 15, 1990, continue for twenty years and so long thereafter as oil or gas is produced in paying quantities.

(h) Statutory provisions applicable to leases

The minimum royalty provisions of section 226(m) of this title and the provisions of section 209 of this title shall be applicable to

leases issued pursuant to subsections (d) and (f) of this section.

(i) Royalty reductions

(1) In acting on a petition to issue a noncompetitive oil and gas lease, under subsection (f) of this section or in response to a request filed after issuance of such a lease, or both, the Secretary is authorized to reduce the royalty on such lease if in his judgment it is equitable to do so or the circumstances warrant such relief due to uneconomic or other circumstances which could cause undue hardship or premature termination of production.

(2) In acting on a petition for reinstatement pursuant to subsection (d) of this section or in response to a request filed after reinstatement, or both, the Secretary is authorized to reduce the royalty in that reinstated lease on the entire leasehold or any tract or portion thereof segregated for royalty purposes if, in his judgment, there are uneconomic or other circumstances which could cause undue hardship or premature termination of production; or because of any written action of the United States, its agents or employees, which preceded, and was a major consideration in, the lessee's expenditure of funds to develop the property under the lease after the rent had become due and had not been paid; or if in the judgment of the Secretary it is equitable to do so for any reason.

(j) Discretion of Secretary

Where, in the judgment of the Secretary of the Interior, drilling operations were being diligently conducted on the last day of the primary term of the lease, and, except for nonpayment of rental, the lessee would have been entitled to extension of his lease, pursuant to section 226-1(d) of this title, the Secretary of the Interior may reinstate such lease notwithstanding the failure of the lessee to have made payment of the next year's rental, provided the conditions of subparagraphs (1) and (2) of subsection (c) of this section are satisfied.

(Feb. 25, 1920, ch. 85, Sec. 31, 41 Stat. 450; Aug. 8, 1946, ch. 916, Sec. 9, 60 Stat. 956; July 29, 1954, ch. 644, Sec. 1(7), 68 Stat. 585; Pub. L. 87-822, Sec. 1, Oct. 15, 1962, 76 Stat. 943; Pub. L. 91-245, Secs. 1, 2, May 12, 1970, 84 Stat. 206; Pub. L. 97-451, title IV, Sec. 401, Jan. 12, 1983, 96 Stat. 2462; Pub. L. 100-203, title V, Secs. 5102(d)(2), 5104, Dec. 22, 1987, 101 Stat. 1330-258, 1330-259; Pub. L. 101-567, Sec. 1, Nov. 15, 1990, 104 Stat. 2802; Pub. L. 103-437, Sec. 11(a)(1), Nov. 2, 1994, 108 Stat. 4589; Pub. L. 109-58, title III, Sec. 371(b), Aug. 8, 2005, 119 Stat. 734.)

References in Text

The Mineral Leasing Act for Acquired Lands, referred to in subsec. (d)(1), is act Aug. 7, 1947, ch. 513, 61 Stat. 913, as amended, which is classified generally to chapter 7 (Sec. 351 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 351 of this title and Tables.

Amendments

2005--Subsec. (d)(2)(A), (B). Pub. L. 109-58 added subpars. (A) and (B) and struck out former subpars. (A) and (B), which related to reinstatement with respect to any lease that terminated under subsec. (b) of this section prior to Jan. 12, 1983, and reinstatement with respect to any lease that terminated under subsec. (b) of this section on or after Jan. 12, 1983.

1994--Subsec. (e). Pub. L. 103-437 substituted ``Natural Resources'' for ``Interior and Insular Affairs'' before ``of the House'' in concluding provisions.

1990--Subsec. (g)(3), (4). Pub. L. 101-567 added pars. (3) and (4).

1987--Subsec. (b). Pub. L. 100-203, Sec. 5104, amended first sentence generally. Prior to amendment, first sentence read as follows: ``Any lease issued after August 21, 1935, under the provisions of section 226 of this title shall be subject to cancellation by the Secretary of the Interior after thirty days' notice upon the failure of the lessee to comply with any of the provisions of the lease, unless or until the land covered by any such lease is known to contain valuable deposits of oil or gas.''

Subsec. (h). Pub. L. 100-203, Sec. 5102(d)(2), substituted ``section 226(m)'' for ``section 226(j)''.

1983--Subsecs. (d) to (j). Pub. L. 97-451 added subsecs. (d) to (i) and redesignated former subsec. (d) as (j).

1970--Subsec. (b). Pub. L. 91-245, Sec. 1, inserted proviso authorizing continuance of a lease where timely paid rent is nominally deficient or miscalculated due to an error either in acreage figure stated in the lease, in any decision affecting the lease, or in a bill or decision rendered by the Secretary, except where a new lease was issued prior to May 12, 1970 or the lessee failed to pay the deficiency within the period allowed by the Secretary.

Subsec. (c). Pub. L. 91-245, Sec. 2, inserted provisions allowing reinstatement of a lease despite a twenty-day delay in payment of rent, made the payment of back rental accruing from the date of termination of the lease a prerequisite to such reinstatement, restricted the Secretary's power to issue a new lease on the lands covered by the terminated lease, gave the Secretary discretion to extend the term of a reinstated lease so as to afford the lessee a reasonable opportunity to continue operations under the lease, and struck out requirement that the petition for reinstatement of any lease terminated prior to Oct. 15, 1962 be filed within 180 days after Oct. 15, 1962.

1962--Pub. L. 87-822 designated existing pars. as subsecs. (a) and (b) and added subsecs. (c) and (d).

1954--Act July 29, 1954, provided for automatic termination of a lease on failure to pay rental on or before anniversary date of lease, for any lease on which there is no well capable of producing oil or gas in paying quantities.

1946--Act Aug. 8, 1946, principally added second par. relating to cancellation of leases by Secretary of the Interior.

Change of Name

Committee on Natural Resources of House of Representatives treated

as referring to Committee on Resources of House of Representatives by section 1(a) of Pub. L. 104-14, set out as a note preceding section 21 of Title 2, The Congress.

Savings Provision

See note set out under section 181 of this title.

Reinstatement of Leases

Pub. L. 109-58, title III, Sec. 371(a), Aug. 8, 2005, 119 Stat. 734, provided that:

``Notwithstanding section 31(d)(2)(B) of the Mineral Leasing Act (30 U.S.C. 188(d)(2)(B)) as in effect before the effective date of this section [probably means the date of enactment of Pub. L. 109-58, Aug. 8, 2005], and notwithstanding the amendment made by subsection (b) of this section [amending this section], the Secretary of the Interior may reinstate any oil and gas lease issued under that Act [30 U.S.C. 181 et seq.] that was terminated for failure of a lessee to pay the full amount of rental on or before the anniversary date of the lease, during the period beginning on September 1, 2001, and ending on June 30, 2004, if--

``(1) not later than 120 days after the date of enactment of this Act [Aug. 8, 2005], the lessee--

``(A) files a petition for reinstatement of the lease;

``(B) complies with the conditions of section 31(e) of the Mineral Leasing Act (30 U.S.C. 188(e)); and

``(C) certifies that the lessee did not receive a notice of termination by the date that was 13 months before the date of termination; and

``(2) the land is available for leasing.''

Authority for Issuance of Leases Unaffected by Reinstatement of Leases

Section 2 of Pub. L. 87-822 provided that: ``Nothing in this Act [amending this section] shall be construed as limiting the authority of the Secretary of the Interior to issue, during the periods in which petitions for reinstatement may be filed, oil and gas leases for any of the lands affected.''

Outer Continental Shelf; Cancellation of Leases

Cancellation of mineral leases on submerged lands of outer Continental Shelf, see sections 1334 and 1337 of Title 43, Public Lands.

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[Laws in effect as of January 3, 2007]

[CITE: 30USC188a]

TITLE 30--MINERAL LANDS AND MINING
CHAPTER 3A--LEASES AND PROSPECTING PERMITS
SUBCHAPTER I--GENERAL PROVISIONS

Sec. 188a. Surrender of leases

The Secretary of the Interior is authorized to accept the surrender of any lease issued pursuant to any of the provisions of this chapter, or any amendment thereof, where the surrender is filed in the Bureau of Land Management subsequent to the accrual but prior to the payment of the yearly rental due under the lease, upon payment of the accrued rental on a pro rata monthly basis for the portion of the lease year prior to the filing of the surrender. The authority granted to the Secretary of the Interior by this section shall extend only to cases in which he finds that the failure of the lessee to file a timely surrender of the lease prior to the accrual of the rental was not due to a lack of reasonable diligence, but it shall not extend to claims or cases which have been referred to the Department of Justice for purposes of suit.

(Nov. 28, 1943, ch. 329, 57 Stat. 593; 1946 Reorg. Plan No. 3, Sec. 403, eff. July 16, 1946, 11 F.R. 7876, 60 Stat. 1100.)

Codification

Section was not enacted as part of act Feb. 25, 1920, ch. 85, 41 Stat. 437, known as the Mineral Leasing Act, which comprises this chapter.

Transfer of Functions

``Bureau of Land Management'' substituted in text for ``General Land Office'' on authority of Reorg. Plan No. 3 of 1946, Sec. 403, set out in the Appendix to Title 5, Government Organization and Employees.

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[CITE: 30USC189]

TITLE 30--MINERAL LANDS AND MINING
CHAPTER 3A--LEASES AND PROSPECTING PERMITS
SUBCHAPTER I--GENERAL PROVISIONS

Sec. 189. Rules and regulations; boundary lines; State rights unaffected; taxation

The Secretary of the Interior is authorized to prescribe necessary and proper rules and regulations and to do any and all things necessary to carry out and accomplish the purposes of this chapter, also to fix and determine the boundary lines of any structure, or oil or gas field, for the purposes of this chapter. Nothing in this chapter shall be construed or held to affect the rights of the States or other local authority to exercise any rights which they may have, including the right to levy and collect taxes upon improvements, output of mines, or other rights, property, or assets of any lessee of the United States.

(Feb. 25, 1920, ch. 85, Sec. 32, 41 Stat. 450.)

Transfer of Functions

Functions of Secretary of the Interior to promulgate regulations under this chapter relating to fostering of competition for Federal leases, implementation of alternative bidding systems authorized for award of Federal leases, establishment of diligence requirements for operations conducted on Federal leases, setting of rates for production of Federal leases, and specifying of procedures, terms, and conditions for acquisition and disposition of Federal royalty interests taken in kind, transferred to Secretary of Energy by section 7152(b) of Title 42, The Public Health and Welfare. Section 7152(b) of Title 42 was repealed by Pub. L. 97-100, title II, Sec. 201, Dec. 23, 1981, 95 Stat. 1407, and functions of Secretary of Energy returned to Secretary of the Interior. See House Report No. 97-315, pp. 25, 26, Nov. 5, 1981.

Outer Continental Shelf; Rules and Regulations With Respect to Leases

Rules and regulations with respect to mineral leases on submerged lands of outer Continental Shelf to be prescribed by Secretary of the Interior, see section 1334 of Title 43, Public Lands.

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TITLE 30--MINERAL LANDS AND MINING

CHAPTER 3A--LEASES AND PROSPECTING PERMITS

SUBCHAPTER I--GENERAL PROVISIONS

Sec. 190. Oath; requirement; form; blanks

All statements, representations, or reports required by the Secretary of the Interior under this chapter shall be upon oath, unless

otherwise specified by him, and in such form and upon such blanks as the Secretary of the Interior may require.

(Feb. 25, 1920, ch. 85, Sec. 33, 41 Stat. 450.)

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[Laws in effect as of January 3, 2007]
[CITE: 30USC223]

TITLE 30--MINERAL LANDS AND MINING

CHAPTER 3A--LEASES AND PROSPECTING PERMITS

SUBCHAPTER IV--OIL AND GAS

Sec. 223. Leases; amount and survey of land; term of lease;
royalties and annual rental

Upon establishing to the satisfaction of the Secretary of the Interior that valuable deposits of oil or gas have been discovered within the limits of the land embraced in any permit, the permittee shall be entitled to a lease for one-fourth of the land embraced in the prospecting permit: Provided, That the permittee shall be granted a lease for as much as one hundred and sixty acres of said lands, if there be that number of acres within the permit. The area to be selected by the permittee, shall be in reasonably compact form and, if surveyed, to be described by the legal subdivisions of the public-land surveys; if unsurveyed, to be surveyed by the Government at the expense of the applicant for lease in accordance with rules and regulations to be prescribed by the Secretary of the Interior, and the lands leased shall be conformed to and taken in accordance with the legal subdivisions of such surveys; deposits made to cover expense of surveys shall be deemed appropriated for that purpose, and any excess deposits may be repaid to the person or persons making such deposit or their legal representatives. Such leases shall be for a term of twenty years upon a royalty of 5 per centum in amount or value of the production and the annual payment in advance of a rental of \$1 per acre, the rental paid for any one year to be credited against the royalties as they accrue for that year, and shall continue in force otherwise as prescribed in section 226 of this title for leases issued prior to August 21, 1935. The permittee shall also be entitled to a preference right to a lease for the remainder of the land in his prospecting permit at a royalty of not less than 12½ per centum in amount or value of the production nor more than the royalty rate prescribed by regulation in force on January 1, 1935, for secondary leases issued under this section, and under such other conditions as are fixed for oil or gas leases issued under section 226 of this title the royalty to be determined by competitive bidding or fixed by such other method as the Secretary may by regulations prescribe: Provided further, That the Secretary shall

have the right to reject any or all bids.

(Feb. 25, 1920, ch. 85, Sec. 14, 41 Stat. 442; Aug. 21, 1935, ch. 599, Sec. 1, 49 Stat. 676.)

Amendments

1935--Act Aug. 21, 1935, inserted ``reasonably'' before ``compact form'' and substituted ``and shall continue in force otherwise as prescribed in section 226 of this title for leases issued prior to August 21, 1935'' and ``oil or gas leases issued under section 226 of this title'' for ``with the right of renewal as prescribed in section 226 of this title'' and ``oil or gas leases in this chapter'', respectively.

Limitation of Royalty on Discoveries During War Period

Act Dec. 24, 1942, ch. 812, 56 Stat. 1080, limiting royalty obligation of oil or gas lessee who drills well resulting in discovery of new deposit on public domain during the national emergency was repealed by Joint Res. July 25, 1947, ch. 327, Sec. 1, 61 Stat. 449.

Outer Continental Shelf; Leases

Grant by Secretary of the Interior of oil, gas, and other mineral leases on submerged lands of outer Continental Shelf, see section 1331 et seq. of Title 43, Public Lands.

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[CITE: 30USC224]

TITLE 30--MINERAL LANDS AND MINING

CHAPTER 3A--LEASES AND PROSPECTING PERMITS

SUBCHAPTER IV--OIL AND GAS

Sec. 224. Payments for oil or gas taken prior to application for lease

Until the permittee shall apply for lease to the one quarter of the permit area heretofore provided for he shall pay to the United States 20 per centum of the gross value of all oil or gas secured by him from the lands embraced within his permit and sold or otherwise disposed of or held by him for sale or other disposition.

(Feb. 25, 1920, ch. 85, Sec. 15, 41 Stat. 442.)

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[CITE: 30USC225]

TITLE 30--MINERAL LANDS AND MINING
CHAPTER 3A--LEASES AND PROSPECTING PERMITS
SUBCHAPTER IV--OIL AND GAS

Sec. 225. Condition of lease, forfeiture for violation

All leases of lands containing oil or gas, made or issued under the provisions of this chapter, shall be subject to the condition that the lessee will, in conducting his explorations and mining operations, use all reasonable precautions to prevent waste of oil or gas developed in the land, or the entrance of water through wells drilled by him to the oil sands or oil-bearing strata, to the destruction or injury of the oil deposits. Violations of the provisions of this section shall constitute grounds for the forfeiture of the lease, to be enforced as provided in this chapter.

(Feb. 25, 1920, ch. 85, Sec. 16, 41 Stat. 443; Aug. 8, 1946, ch. 916, Sec. 2, 60 Stat. 951.)

Amendments

1946--Act Aug. 8, 1946, omitted condition that no wells should be drilled within two hundred feet of boundaries of leased lands.

Savings Provision

See note set out under section 181 of this title.

Outer Continental Shelf; Terms and Conditions of Leases

Terms and conditions of mineral leases on submerged lands of outer Continental Shelf, see section 1337 of Title 43, Public Lands.

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[CITE: 30USC226]

TITLE 30--MINERAL LANDS AND MINING
CHAPTER 3A--LEASES AND PROSPECTING PERMITS
SUBCHAPTER IV--OIL AND GAS

Sec. 226. Lease of oil and gas lands

(a) Authority of Secretary

All lands subject to disposition under this chapter which are known or believed to contain oil or gas deposits may be leased by the Secretary.

(b) Lands within known geologic structure of a producing oil or gas field; lands within special tar sand areas; competitive bidding; royalties

(1)(A) All lands to be leased which are not subject to leasing under paragraphs (2) and (3) of this subsection shall be leased as provided in this paragraph to the highest responsible qualified bidder by competitive bidding under general regulations in units of not more than 2,560 acres, except in Alaska, where units shall be not more than 5,760 acres. Such units shall be as nearly compact as possible. Lease sales shall be conducted by oral bidding. Lease sales shall be held for each State where eligible lands are available at least quarterly and more frequently if the Secretary of the Interior determines such sales are necessary. A lease shall be conditioned upon the payment of a royalty at a rate of not less than 12.5 percent in amount or value of the production removed or sold from the lease. The Secretary shall accept the highest bid from a responsible qualified bidder which is equal to or greater than the national minimum acceptable bid, without evaluation of the value of the lands proposed for lease. Leases shall be issued within 60 days following payment by the successful bidder of the remainder of the bonus bid, if any, and the annual rental for the first lease year. All bids for less than the national minimum acceptable bid shall be rejected. Lands for which no bids are received or for which the highest bid is less than the national minimum acceptable bid shall be offered promptly within 30 days for leasing under subsection (c) of this section and shall remain available for leasing for a period of 2 years after the competitive lease sale.

(B) The national minimum acceptable bid shall be \$2 per acre for a period of 2 years from December 22, 1987. Thereafter, the Secretary, subject to paragraph (2)(B), may establish by regulation a higher national minimum acceptable bid for all leases based upon a finding that such action is necessary: (i) to enhance financial returns to the United States; and (ii) to promote more efficient management of oil and gas resources on Federal lands. Ninety days before the Secretary makes any change in the national minimum acceptable bid, the Secretary shall

notify the Committee on Natural Resources of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate. The proposal or promulgation of any regulation to establish a national minimum acceptable bid shall not be considered a major Federal action subject to the requirements of section 4332(2)(C) of title 42.

(2)(A)(i) If the lands to be leased are within a special tar sand area, they shall be leased to the highest responsible qualified bidder by competitive bidding under general regulations in units of not more than 5,760 acres, which shall be as nearly compact as possible, upon the payment by the lessee of such bonus as may be accepted by the Secretary.

(ii) Royalty shall be 12 1/2 per centum in amount or value of production removed or sold from the lease, subject to subsection (k)(1)(c) of this section.

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\1\ So in original. Probably should be subsection `(k)(1)(C)'.

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(iii) The Secretary may lease such additional lands in special tar sand areas as may be required in support of any operations necessary for the recovery of tar sands.

(iv) No lease issued under this paragraph shall be included in any chargeability limitation associated with oil and gas leases.

(B) For any area that contains any combination of tar sand and oil or gas (or both), the Secretary may issue under this chapter, separately--

- (i) a lease for exploration for and extraction of tar sand; and
- (ii) a lease for exploration for and development of oil and gas.

(C) A lease issued for tar sand shall be issued using the same bidding process, annual rental, and posting period as a lease issued for oil and gas, except that the minimum acceptable bid required for a lease issued for tar sand shall be \$2 per acre.

(D) The Secretary may waive, suspend, or alter any requirement under section 183 of this title that a permittee under a permit authorizing prospecting for tar sand must exercise due diligence, to promote any resource covered by a combined hydrocarbon lease.

(3)(A) If the United States held a vested future interest in a mineral estate that, immediately prior to becoming a vested present interest, was subject to a lease under which oil or gas was being produced, or had a well capable of producing, in paying quantities at an annual average production volume per well per day of either not more than 15 barrels per day of oil or condensate, or not more than 60,000 cubic feet of gas, the holder of the lease may elect to continue the lease as a noncompetitive lease under subsection (c)(1) of this section.

(B) An election under this paragraph is effective--

(i) in the case of an interest which vested after January 1, 1990, and on or before October 24, 1992, if the election is made before the date that is 1 year after October 24, 1992;

(ii) in the case of an interest which vests within 1 year after October 24, 1992, if the election is made before the date that is 2 years after October 24, 1992; and

(iii) in any case other than those described in clause (i) or

(ii), if the election is made prior to the interest becoming a vested present interest.

(C) Notwithstanding the consent requirement referenced in section 352 of this title, the Secretary shall issue a noncompetitive lease under subsection (c)(1) of this section to a holder who makes an election under subparagraph (A) and who is qualified to hold a lease under this chapter. Such lease shall be subject to all terms and conditions under this chapter that are applicable to leases issued under subsection (c)(1) of this section.

(D) A lease issued pursuant to this paragraph shall continue so long as oil or gas continues to be produced in paying quantities.

(E) This paragraph shall apply only to those lands under the administration of the Secretary of Agriculture where the United States acquired an interest in such lands pursuant to the Act of March 1, 1911 (36 Stat. 961 and following).

(c) Lands subject to leasing under subsection (b); first qualified applicant

(1) If the lands to be leased are not leased under subsection (b)(1) of this section or are not subject to competitive leasing under subsection (b)(2) of this section, the person first making application for the lease who is qualified to hold a lease under this chapter shall be entitled to a lease of such lands without competitive bidding, upon payment of a non-refundable application fee of at least \$75. A lease under this subsection shall be conditioned upon the payment of a royalty at a rate of 12.5 percent in amount or value of the production removed or sold from the lease. Leases shall be issued within 60 days of the date on which the Secretary identifies the first responsible qualified applicant.

(2)(A) Lands (i) which were posted for sale under subsection (b)(1) of this section but for which no bids were received or for which the highest bid was less than the national minimum acceptable bid and (ii) for which, at the end of the period referred to in subsection (b)(1) of this section no lease has been issued and no lease application is pending under paragraph (1) of this subsection, shall again be available for leasing only in accordance with subsection (b)(1) of this section.

(B) The land in any lease which is issued under paragraph (1) of this subsection or under subsection (b)(1) of this section which lease terminates, expires, is cancelled or is relinquished shall again be available for leasing only in accordance with subsection (b)(1) of this section.

(d) Annual rentals

All leases issued under this section, as amended by the Federal Onshore Oil and Gas Leasing Reform Act of 1987, shall be conditioned upon payment by the lessee of a rental of not less than \$1.50 per acre per year for the first through fifth years of the lease and not less than \$2 per acre per year for each year thereafter. A minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the expiration of each lease year beginning on or after a discovery of oil or gas in paying

quantities on the lands leased.

(e) Primary terms

Competitive and noncompetitive leases issued under this section shall be for a primary term of 10 years: Provided, however, That competitive leases issued in special tar sand areas shall also be for a primary term of ten years. Each such lease shall continue so long after its primary term as oil or gas is produced in paying quantities. Any lease issued under this section for land on which, or for which under an approved cooperative or unit plan of development or operation, actual drilling operations were commenced prior to the end of its primary term and are being diligently prosecuted at that time shall be extended for two years and so long thereafter as oil or gas is produced in paying quantities.

(f) Notice of proposed action; posting of notice; terms and maps

At least 45 days before offering lands for lease under this section, and at least 30 days before approving applications for permits to drill under the provisions of a lease or substantially modifying the terms of any lease issued under this section, the Secretary shall provide notice of the proposed action. Such notice shall be posted in the appropriate local office of the leasing and land management agencies. Such notice shall include the terms or modified lease terms and maps or a narrative description of the affected lands. Where the inclusion of maps in such notice is not practicable, maps of the affected lands shall be made available to the public for review. Such maps shall show the location of all tracts to be leased, and of all leases already issued in the general area. The requirements of this subsection are in addition to any public notice required by other law.

(g) Regulation of surface-disturbing activities; approval of plan of operations; bond or surety; failure to comply with reclamation requirements as barring lease; opportunity to comply with requirements

The Secretary of the Interior, or for National Forest lands, the Secretary of Agriculture, shall regulate all surface-disturbing activities conducted pursuant to any lease issued under this chapter, and shall determine reclamation and other actions as required in the interest of conservation of surface resources. No permit to drill on an oil and gas lease issued under this chapter may be granted without the analysis and approval by the Secretary concerned of a plan of operations covering proposed surface-disturbing activities within the lease area. The Secretary concerned shall, by rule or regulation, establish such standards as may be necessary to ensure that an adequate bond, surety, or other financial arrangement will be established prior to the commencement of surface-disturbing activities on any lease, to ensure the complete and timely reclamation of the lease tract, and the restoration of any lands or surface waters adversely affected by lease operations after the abandonment or cessation of oil and gas operations on the lease. The Secretary shall not issue a lease or leases or approve the assignment of any lease or leases under the terms of this section to

any person, association, corporation, or any subsidiary, affiliate, or person controlled by or under common control with such person, association, or corporation, during any period in which, as determined by the Secretary of the Interior or Secretary of Agriculture, such entity has failed or refused to comply in any material respect with the reclamation requirements and other standards established under this section for any prior lease to which such requirements and standards applied. Prior to making such determination with respect to any such entity the concerned Secretary shall provide such entity with adequate notification and an opportunity to comply with such reclamation requirements and other standards and shall consider whether any administrative or judicial appeal is pending. Once the entity has complied with the reclamation requirement or other standard concerned an oil or gas lease may be issued to such entity under this chapter.

(h) National Forest System Lands

The Secretary of the Interior may not issue any lease on National Forest System Lands reserved from the public domain over the objection of the Secretary of Agriculture.

(i) Termination

No lease issued under this section which is subject to termination because of cessation of production shall be terminated for this cause so long as reworking or drilling operations which were commenced on the land prior to or within sixty days after cessation of production are conducted thereon with reasonable diligence, or so long as oil or gas is produced in paying quantities as a result of such operations. No lease issued under this section shall expire because operations or production is suspended under any order, or with the consent, of the Secretary. No lease issued under this section covering lands on which there is a well capable of producing oil or gas in paying quantities shall expire because the lessee fails to produce the same unless the lessee is allowed a reasonable time, which shall be not less than sixty days after notice by registered or certified mail, within which to place such well in producing status or unless, after such status is established, production is discontinued on the leased premises without permission granted by the Secretary under the provisions of this chapter.

(j) Drainage agreements; primary term of lease, extension

Whenever it appears to the Secretary that lands owned by the United States are being drained of oil or gas by wells drilled on adjacent lands, he may negotiate agreements whereby the United States, or the United States and its lessees, shall be compensated for such drainage. Such agreements shall be made with the consent of the lessees, if any, affected thereby. If such agreement is entered into, the primary term of any lease for which compensatory royalty is being paid, or any extension of such primary term, shall be extended for the period during which such compensatory royalty is paid and for a period of one year from discontinuance of such payment and so long thereafter as oil or gas is produced in paying quantities.

(k) Mining claims; suspension of running time of lease

If, during the primary term or any extended term of any lease issued under this section, a verified statement is filed by any mining claimant pursuant to subsection (c) of section 527 of this title, whether such filing occur prior to September 2, 1960 or thereafter, asserting the existence of a conflicting unpatented mining claim or claims upon which diligent work is being prosecuted as to any lands covered by the lease, the running of time under such lease shall be suspended as to the lands involved from the first day of the month following the filing of such verified statement until a final decision is rendered in the matter.

(l) Exchange of leases; conditions

The Secretary of the Interior shall, upon timely application therefor, issue a new lease in exchange for any lease issued for a term of twenty years, or any renewal thereof, or any lease issued prior to August 8, 1946, in exchange for a twenty-year lease, such new lease to be for a primary term of five years and so long thereafter as oil or gas is produced in paying quantities and at a royalty rate of not less than $12\frac{1}{2}\%$ per centum in amount or value of the production removed or sold from such leases, except that the royalty rate shall be $12\frac{1}{2}\%$ per centum in amount or value of the production removed or sold from said leases as to (1) such leases, or such parts of the lands subject thereto and the deposits underlying the same, as are not believed to be within the productive limits of any producing oil or gas deposit, as such productive limits are found by the Secretary to have existed on August 8, 1946; and (2) any production on a lease from an oil or gas deposit which was discovered after May 27, 1941, by a well or wells drilled within the boundaries of the lease, and which is determined by the Secretary to be a new deposit; and (3) any production on or allocated to a lease pursuant to an approved cooperative or unit plan of development or operation from an oil or gas deposit which was discovered after May 27, 1941, on land committed to such plan, and which is determined by the Secretary to be a new deposit, where such lease, or a lease for which it is exchanged, was included in such plan at the time of discovery or was included in a duly executed and filed application for the approval of such plan at the time of discovery.

(m) Cooperative or unit plan; authority of Secretary of the Interior to alter or modify; communitization or drilling agreements; term of lease, conditions; Secretary to approve operating, drilling or development contracts, and subsurface storage

For the purpose of more properly conserving the natural resources of any oil or gas pool, field, or like area, or any part thereof (whether or not any part of said oil or gas pool, field, or like area, is then subject to any cooperative or unit plan of development or operation), lessees thereof and their representatives may unite with each other, or jointly or separately with others, in collectively adopting and operating under a cooperative or unit plan of development or operation of such pool, field, or like area, or any part thereof, whenever determined and certified by the Secretary of the Interior to be necessary or advisable in the public interest. The Secretary is

thereunto authorized, in his discretion, with the consent of the holders of leases involved, to establish, alter, change, or revoke drilling, producing, rental, minimum royalty, and royalty requirements of such leases and to make such regulations with reference to such leases, with like consent on the part of the lessees, in connection with the institution and operation of any such cooperative or unit plan as he may deem necessary or proper to secure the proper protection of the public interest. The Secretary may provide that oil and gas leases hereafter issued under this chapter shall contain a provision requiring the lessee to operate under such a reasonable cooperative or unit plan, and he may prescribe such a plan under which such lessee shall operate, which shall adequately protect the rights of all parties in interest, including the United States.

Any plan authorized by the preceding paragraph which includes lands owned by the United States may, in the discretion of the Secretary, contain a provision whereby authority is vested in the Secretary of the Interior, or any such person, committee, or State or Federal officer or agency as may be designated in the plan, to alter or modify from time to time the rate of prospecting and development and the quantity and rate of production under such plan. All leases operated under any such plan approved or prescribed by the Secretary shall be excepted in determining holdings or control under the provisions of any section of this chapter.

When separate tracts cannot be independently developed and operated in conformity with an established well-spacing or development program, any lease, or a portion thereof, may be pooled with other lands, whether or not owned by the United States, under a communitization or drilling agreement providing for an apportionment of production or royalties among the separate tracts of land comprising the drilling or spacing unit when determined by the Secretary of the Interior to be in the public interest, and operations or production pursuant to such an agreement shall be deemed to be operations or production as to each such lease committed thereto.

Any lease issued for a term of twenty years, or any renewal thereof, or any portion of such lease that has become the subject of a cooperative or unit plan of development or operation of a pool, field, or like area, which plan has the approval of the Secretary of the Interior, shall continue in force until the termination of such plan. Any other lease issued under any section of this chapter which has heretofore or may hereafter be committed to any such plan that contains a general provision for allocation of oil or gas shall continue in force and effect as to the land committed so long as the lease remains subject to the plan: Provided, That production is had in paying quantities under the plan prior to the expiration date of the term of such lease. Any lease heretofore or hereafter committed to any such plan embracing lands that are in part within and in part outside of the area covered by any such plan shall be segregated into separate leases as to the lands committed and the lands not committed as of the effective date of unitization: Provided, however, That any such lease as to the nonunitized portion shall continue in force and effect for the term thereof but for not less than two years from the date of such segregation and so long thereafter as oil or gas is produced in paying quantities. The minimum royalty or discovery rental under any lease that has become subject to any cooperative or unit plan of development or operation, or other plan that contains a general provision for

allocation of oil or gas, shall be payable only with respect to the lands subject to such lease to which oil or gas shall be allocated under such plan. Any lease which shall be eliminated from any such approved or prescribed plan, or from any communitization or drilling agreement authorized by this section, and any lease which shall be in effect at the termination of any such approved or prescribed plan, or at the termination of any such communitization or drilling agreement, unless relinquished, shall continue in effect for the original term thereof, but for not less than two years, and so long thereafter as oil or gas is produced in paying quantities.

The Secretary of the Interior is hereby authorized, on such conditions as he may prescribe, to approve operating, drilling, or development contracts made by one or more lessees of oil or gas leases, with one or more persons, associations, or corporations whenever, in his discretion, the conservation of natural products or the public convenience or necessity may require it or the interests of the United States may be best subserved thereby. All leases operated under such approved operating, drilling, or development contracts, and interests thereunder, shall be excepted in determining holdings or control under the provisions of this chapter.

The Secretary of the Interior, to avoid waste or to promote conservation of natural resources, may authorize the subsurface storage of oil or gas, whether or not produced from federally owned lands, in lands leased or subject to lease under this chapter. Such authorization may provide for the payment of a storage fee or rental on such stored oil or gas or, in lieu of such fee or rental, for a royalty other than that prescribed in the lease when such stored oil or gas is produced in conjunction with oil or gas not previously produced. Any lease on which storage is so authorized shall be extended at least for the period of storage and so long thereafter as oil or gas not previously produced is produced in paying quantities.

(n) Conversion of oil and gas leases and claims on hydrocarbon resources to combined hydrocarbon leases for primary term of 10 years; application

(1)(A) The owner of (1) an oil and gas lease issued prior to November 16, 1981, or (2) a valid claim to any hydrocarbon resources leasable under this section based on a mineral location made prior to January 21, 1926, and located within a special tar sand area shall be entitled to convert such lease or claim to a combined hydrocarbon lease for a primary term of ten years upon the filing of an application within two years from November 16, 1981, containing an acceptable plan of operations which assures reasonable protection of the environment and diligent development of those resources requiring enhanced recovery methods of development or mining. For purposes of conversion, no claim shall be deemed invalid solely because it was located as a placer location rather than a lode location or vice versa, notwithstanding any previous adjudication on that issue.

(B) The Secretary shall issue final regulations to implement this section within six months of November 16, 1981. If any oil and gas lease eligible for conversion under this section would otherwise expire after November 16, 1981, and before six months following the issuance of implementing regulations, the lessee may preserve his conversion right

under such lease for a period ending six months after the issuance of implementing regulations by filing with the Secretary, before the expiration of the lease, a notice of intent to file an application for conversion. Upon submission of a complete plan of operations in substantial compliance with the regulations promulgated by the Secretary for the filing of such plans, the Secretary shall suspend the running of the term of any oil and gas lease proposed for conversion until the plan is finally approved or disapproved. The Secretary shall act upon a proposed plan of operations within fifteen months of its submittal.

(C) When an existing oil and gas lease is converted to a combined hydrocarbon lease, the royalty shall be that provided for in the original oil and gas lease and for a converted mining claim, 12½ per centum in amount or value of production removed or sold from the lease.

(2) Except as provided in this section, nothing in the Combined Hydrocarbon Leasing Act of 1981 shall be construed to diminish or increase the rights of any lessee under any oil and gas lease issued prior to November 16, 1981.

(o) Certain outstanding oil and gas deposits

(1) Prior to the commencement of surface-disturbing activities relating to the development of oil and gas deposits on lands described under paragraph (5), the Secretary of Agriculture shall require, pursuant to regulations promulgated by the Secretary, that such activities be subject to terms and conditions as provided under paragraph (2).

(2) The terms and conditions referred to in paragraph (1) shall require that reasonable advance notice be furnished to the Secretary of Agriculture at least 60 days prior to the commencement of surface disturbing activities.

(3) Advance notice under paragraph (2) shall include each of the following items of information:

(A) A designated field representative.

(B) A map showing the location and dimensions of all improvements, including but not limited to, well sites and road and pipeline accesses.

(C) A plan of operations, of an interim character if necessary, setting forth a schedule for construction and drilling.

(D) A plan of erosion and sedimentation control.

(E) Proof of ownership of mineral title.

Nothing in this subsection shall be construed to affect any authority of the State in which the lands concerned are located to impose any requirements with respect to such oil and gas operations.

(4) The person proposing to develop oil and gas deposits on lands described under paragraph (5) shall either--

(A) permit the Secretary to market merchantable timber owned by the United States on lands subject to such activities; or

(B) arrange to purchase merchantable timber on lands subject to such surface disturbing activities from the Secretary of Agriculture, or otherwise arrange for the disposition of such merchantable timber, upon such terms and upon such advance notice of the items referred to in subparagraphs (A) through (E) of paragraph (3) as the Secretary may accept.

(5)(A) The lands referred to in this subsection are those lands referenced in subparagraph (B) which are under the administration of the Secretary of Agriculture where the United States acquired an interest in such lands pursuant to the Act of March 1, 1911 (36 Stat. 961 and following), but does not have an interest in oil and gas deposits that may be present under such lands. This subsection does not apply to any such lands where, under the provisions of its acquisition of an interest in the lands, the United States is to acquire any oil and gas deposits that may be present under such lands in the future but such interest has not yet vested with the United States.

(B) This subsection shall only apply in the Allegheny National Forest.

(p) Deadlines for consideration of applications for permits

(1) In general

Not later than 10 days after the date on which the Secretary receives an application for any permit to drill, the Secretary shall--

(A) notify the applicant that the application is complete;

or

(B) notify the applicant that information is missing and specify any information that is required to be submitted for the application to be complete.

(2) Issuance or deferral

Not later than 30 days after the applicant for a permit has submitted a complete application, the Secretary shall--

(A) issue the permit, if the requirements under the National Environmental Policy Act of 1969 [42 U.S.C. 4321 et seq.] and other applicable law have been completed within such timeframe;

or

(B) defer the decision on the permit and provide to the applicant a notice--

(i) that specifies any steps that the applicant could take for the permit to be issued; and

(ii) a list of actions that need to be taken by the agency to complete compliance with applicable law together with timelines and deadlines for completing such actions.

(3) Requirements for deferred applications

(A) In general

If the Secretary provides notice under paragraph (2)(B), the applicant shall have a period of 2 years from the date of receipt of the notice in which to complete all requirements specified by the Secretary, including providing information needed for compliance with the National Environmental Policy Act of 1969.

(B) Issuance of decision on permit

If the applicant completes the requirements within the period specified in subparagraph (A), the Secretary shall issue a decision on the permit not later than 10 days after the date of completion of the requirements described in subparagraph (A), unless compliance with the National Environmental Policy Act of 1969 and other applicable law has not been completed within such timeframe.

(C) Denial of permit

If the applicant does not complete the requirements within the period specified in subparagraph (A) or if the applicant does not comply with applicable law, the Secretary shall deny the permit.

(Feb. 25, 1920, ch. 85, Sec. 17, 41 Stat. 443; July 3, 1930, ch. 854, Sec. 1, 46 Stat. 1007; Mar. 4, 1931, ch. 506, 46 Stat. 1523; Aug. 21, 1935, ch. 599, Sec. 1, 49 Stat. 676; Aug. 8, 1946, ch. 916, Sec. 3, 60 Stat. 951; July 29, 1954, ch. 644, Sec. 1(1)-(3), 68 Stat. 583; Pub. L. 86-507, Sec. 1(21), June 11, 1960, 74 Stat. 201; Pub. L. 86-705, Sec. 2, Sept. 2, 1960, 74 Stat. 781; Pub. L. 97-78, Sec. 1(6), (8), Nov. 16, 1981, 95 Stat. 1070, 1071; Pub. L. 100-203, title V, Sec. 5102(a)-(d)(1), Dec. 22, 1987, 101 Stat. 1330-256, 1330-257; Pub. L. 102-486, title XXV, Secs. 2507(a), 2508(a), 2509, Oct. 24, 1992, 106 Stat. 3107-3109; Pub. L. 103-437, Sec. 11(a)(1), Nov. 2, 1994, 108 Stat. 4589; Pub. L. 104-66, title I, Sec. 1081(a), Dec. 21, 1995, 109 Stat. 721; Pub. L. 109-58, title III, Secs. 350(a), (b), 366, 369(j)(1), Aug. 8, 2005, 119 Stat. 711, 726, 730.)

References in Text

Act of March 1, 1911, referred to in subsecs. (b)(3)(E) and (o)(5)(A), is act Mar. 1, 1911, ch. 186, 36 Stat. 961, as amended, known as the Weeks Law, which is classified to sections 480, 500, 513 to 519, 521, 552, and 563 of Title 16, Conservation. For complete classification of this Act to the Code, see Short Title note set out under section 552 of Title 16 and Tables.

The Federal Onshore Oil and Gas Leasing Reform Act of 1987, referred to in subsec. (d), is subtitle B (Secs. 5101 to 5113) of title V of Pub. L. 100-203, Dec. 22, 1987, 101 Stat. 1330-256. For complete classification of this Act to the Code, see Short Title of 1987 Amendment note set out under section 181 of this title and Tables.

The Combined Hydrocarbon Leasing Act of 1981, referred to in subsec. (n)(2), is Pub. L. 97-78, Nov. 16, 1981, 95 Stat. 1070, which amended sections 181, 182, 184, 209, 226, 241, 351, and 352 of this title and enacted a provision set out as a note under section 181 of this title. For complete classification of this Act to the Code, see Short Title of 1981 Amendment note set out under section 181 of this title and Tables.

The National Environmental Policy Act of 1969, referred to in subsec. (p)(2)(A), (3)(A), (B), is Pub. L. 91-190, Jan. 1, 1970, 83 Stat. 852, as amended, which is classified generally to chapter 55 (Sec. 4321 et seq.) of Title 42, The Public Health and Welfare. For

complete classification of this Act to the Code, see Short Title note set out under section 4321 of Title 42 and Tables.

Amendments

2005--Subsec. (b)(1)(B). Pub. L. 109-58, Sec. 350(b), inserted ``', subject to paragraph (2)(B),' after ``Thereafter, the Secretary''.

Subsec. (b)(2). Pub. L. 109-58, Sec. 350(a), designated existing provisions as subpar. (A) and added subpars. (B) to (D).

Subsec. (b)(2)(A). Pub. L. 109-58, Sec. 369(j)(1), designated first sentence as cl. (i), substituted ``5,760'' for ``five thousand one hundred and twenty'', designated second and third sentences as cls. (ii) and (iii), respectively, and added cl. (iv).

Subsec. (p). Pub. L. 109-58, Sec. 366, added subsec. (p).

1995--Subsec. (j). Pub. L. 104-66 struck out at end ``The Secretary shall report to Congress at the beginning of each regular session all such agreements entered into during the previous year which involve unleased Government lands.''

1994--Subsec. (b)(1)(B). Pub. L. 103-437 substituted ``Natural Resources'' for ``Interior and Insular Affairs'' before ``of the United States House''.

1992--Subsec. (b)(1)(A). Pub. L. 102-486, Sec. 2507(a)(1), substituted ``under paragraphs (2) and (3)'' for ``under paragraph (2)''.

Subsec. (b)(3). Pub. L. 102-486, Sec. 2507(a)(2), added par. (3).

Subsec. (e). Pub. L. 102-486, Sec. 2509, substituted ``Competitive and noncompetitive leases issued under this section shall be for a primary term of 10 years: Provided, however,' for ``Competitive leases issued under this section shall be for a primary term of five years and noncompetitive leases for a primary term of ten years: Provided, however,'.

Subsec. (o). Pub. L. 102-486, Sec. 2508(a), added subsec. (o).

1987--Subsec. (b)(1). Pub. L. 100-203, Sec. 5102(a), amended par. (1) generally. Prior to amendment, par. (1) read as follows: ``If the lands to be leased are within any known geological structure of a producing oil or gas field, they shall be leased to the highest responsible qualified bidder by competitive bidding under general regulations in units of not more than six hundred and forty acres, which shall be as nearly compact in form as possible, upon the payment by the lessee of such bonus as may be accepted by the Secretary and of such royalty as may be fixed in the lease, which shall be not less than 12\1/2\ per centum in amount or value of the production removed or sold from the lease.''

Subsec. (c). Pub. L. 100-203, Sec. 5102(b), amended subsec. (c) generally. Prior to amendment, subsec. (c) read as follows: ``If the lands to be leased are not subject to leasing under subsection (b) of this section, the person first making application for the lease who is qualified to hold a lease under this chapter shall be entitled to a lease of such lands without competitive bidding. Such leases shall be conditioned upon the payment by the lessee of a royalty of 12\1/2\ per centum in amount or value of the production removed or sold from the lease.''

Subsec. (d). Pub. L. 100-203, Sec. 5102(c), amended subsec. (d)

generally. Prior to amendment, subsec. (d) read as follows: ``All leases issued under this section shall be conditioned upon payment by the lessee of a rental of not less than 50 cents per acre for each year of the lease. Each year's lease rental shall be paid in advance. A minimum royalty of \$1 per acre in lieu of rental shall be payable at the expiration of each lease year beginning on or after a discovery of oil or gas in paying quantities on the lands leased.''

Subsecs. (f) to (n). Pub. L. 100-203, Sec. 5102(d)(1), added subsecs. (f) to (h) and redesignated former subsecs. (f) to (k) as (i) to (n), respectively.

1981--Subsec. (b). Pub. L. 97-78, Sec. 1(6)(a), designated existing provisions as par. (1) and added par. (2).

Subsec. (c). Pub. L. 97-78, Sec. 1(6)(b), substituted ``subject to leasing under subsection (b) of this section'' for ``within any known geological structure of a producing oil or gas field''.

Subsec. (e). Pub. L. 97-78, Sec. 1(6)(c), inserted proviso that competitive leases in special tar sand areas be for a primary term of ten years.

Subsec. (k). Pub. L. 97-78, Sec. 1(8), added subsec. (k).

1960--Pub. L. 86-705 generally amended this section and sections 226d and 226e of this title, combining all three sections and subdividing provisions into subsections (a) to (j) of this section. Among other changes were: substitution of a fixed 10-year term for a renewable 5-year term for noncompetitive leases, the addition of subsec. (h) provisions with respect to the running of time against a lease during a contest of the claim, an increase in the minimum yearly rentals from 25 to 50 cents an acre, and striking out provisions that permitted a waiver of second-year and third-year rentals in certain situations.

Pub. L. 86-507 authorized notice of withdrawal to be given by certified mail.

1954--Act July 29, 1954, in second par., provided, that no lease shall terminate for nonproduction (1) if reworking or drilling operations are begun within 60 days after cessation of production, (2) if cessation of production is by order or with consent of the Secretary of the Interior, or (3) unless the lessee is given a reasonable time of at least 60 days to place a well, capable of producing paying quantities of oil or gas, on a producing status.

Act July 29, 1954, in third par., made sure that if a lessee seasonably applies for an extension of the initial five-year term of the lease he will be given such extension for either 5 years or 2 years, depending on whether or not the land is in a producing structure.

Act July 29, 1954, in fifth par., provided that the primary term of a lease which is effected by an agreement under which the United States received compensatory royalty remains in full force and effect for 1 year following discontinuance of compensatory royalty payments.

1946--Act Aug. 8, 1946, principally substituted, with respect to the leasing of lands not within a known geological structure of a producing oil or gas field, a royalty rate of 12½ per cent without further provision as to lease terms or quality of production; substituted a minimum royalty of \$1 per acre per annum after discovery for the advance rental of not less than 25 cents per acre per annum required prior to discovery; provided that all leases shall be for a primary term of 5 years which shall continue thereafter for so long as oil or gas is produced in paying quantities, and that leases, with certain exceptions,

shall be subject to one renewal for 5 years, and, if not subject to renewal, shall extend for an additional 2 years if diligent operations are in progress at the lease expiration date.

1935--Act Aug. 21, 1935, amended section generally.

1931--Act Mar. 4, 1931, amended section generally.

1930--Act July 3, 1930, amended section generally.

Change of Name

Committee on Natural Resources of House of Representatives treated as referring to Committee on Resources of House of Representatives by section 1(a) of Pub. L. 104-14, set out as a note preceding section 21 of Title 2, The Congress.

Effective Date of 1992 Amendment

Section 2507(b) of Pub. L. 102-486 provided that: ``The amendments made by subsection (a) [amending this section] apply with respect to those mineral estates in which the interest of the United States becomes a vested present interest after January 1, 1990.''

Regulations

Pub. L. 109-58, title III, Sec. 350(c), Aug. 8, 2005, 119 Stat. 711, provided that: ``Not later than 45 days after the date of enactment of this Act [Aug. 8, 2005], the Secretary [of the Interior] shall issue final regulations to implement this section [amending this section].''

Section 2508(b) of Pub. L. 102-486 provided that: ``Within 90 days after the enactment of this Act [Oct. 24, 1992] the Secretary of Agriculture shall promulgate regulations to implement the amendment made by subsection (a) [amending this section].''

Section 5107 of Pub. L. 100-203 provided that:

``(a) Regulations.--The Secretary shall issue final regulations to implement this subtitle [subtitle B (Secs. 5101-5113) of title V of Pub. L. 100-203, see Short Title of 1987 Amendment note set out under section 181 of this title] within 180 days after the enactment of this subtitle [Dec. 22, 1987]. The regulations shall be effective when published in the Federal Register.

``(b) Treatment Under Other Law.--The proposal or promulgation of such regulations shall not be considered a major Federal action subject to the requirements of section 102(2)(C) of the National Environmental Policy Act of 1969 [42 U.S.C. 4332(2)(C)].

``(c) Test Sale.--The Secretary may hold one or more lease sales conducted in accordance with the amendments made by this subtitle before promulgation of regulations referred to in subsection (a). Sale procedures for such sale shall be established in the notice of sale.''

Savings Provision

Section 8 of Pub. L. 86-705 provided that: ``No amendment made by this Act [see Short Title of 1960 Amendment note set out under section

181 of this title] shall affect any valid right in existence on the effective date [Sept. 2, 1960] of the Mineral Leasing Act Revision of 1960.'

See note set out under section 181 of this title.

Transfer of Functions

Functions of Secretary of the Interior, referred to in subsec. (j), to promulgate regulations under this chapter relating to establishment of diligence requirements for operations conducted on Federal leases, setting of rates for production of Federal leases, and specifying of procedures, terms, and conditions for acquisition and disposition of Federal royalty interests taken in kind, transferred to Secretary of Energy by section 7152(b) of Title 42, The Public Health and Welfare. Section 7152(b) of Title 42 was repealed by Pub. L. 97-100, title II, Sec. 201, Dec. 23, 1981, 95 Stat. 1407, and functions of Secretary of Energy returned to Secretary of the Interior. See House Report No. 97-315, pp. 25, 26, Nov. 5, 1981.

Pending Applications, Offers, and Bids

Section 5106 of Pub. L. 100-203 provided that:

``(a) Notwithstanding any other provision of this subtitle [subtitle B (Secs. 5101-5113) of title V of Pub. L. 100-203, see Short Title of 1987 Amendment note set out under section 181 of this title] and except as provided in subsection (b) of this section, all noncompetitive oil and gas lease applications and offers and competitive oil and gas bids pending on the date of enactment of this subtitle [Dec. 22, 1987] shall be processed, and leases shall be issued under the provisions of the Act of February 25, 1920 [this chapter], as in effect before its amendment by this subtitle, except where the issuance of any such lease would not be lawful under such provisions or other applicable law.

``(b) No noncompetitive lease applications or offers pending on the date of enactment of this subtitle for lands within the Shawnee National Forest, Illinois; the Ouachita National Forest, Arkansas; Fort Chaffee, Arkansas; or Eglin Air Force Base, Florida; shall be processed until these lands are posted for competitive bidding in accordance with section 5102 of this subtitle [amending this section and section 188 of this title]. If any such tract does not receive a bid equal to or greater than the national minimum acceptable bid from a responsible qualified bidder then the noncompetitive applications or offers pending for such a tract shall be reinstated and noncompetitive leases issued under the Act of February 25, 1920, as in effect before its amendment by this subtitle, except where the issuance of any such lease would not be lawful under such provisions or other applicable law. If competitive leases are issued for any such tract, then the pending noncompetitive application or offer shall be rejected.

``(c) Except as provided in subsections (a) and (b) of this section, all oil and gas leasing pursuant to the Act of February 25, 1920, after the date of enactment of this subtitle shall be conducted in accordance with the provisions of this subtitle.'

Report to Congress

Section 5110 of Pub. L. 100-203 provided that: ``The Secretary shall submit annually for 5 years after enactment of this subtitle [Dec. 22, 1987] to the Congress a report containing appropriate information to facilitate congressional monitoring of this subtitle [subtitle B (Secs. 5101-5113) of title V of Pub. L. 100-203, see Short Title of 1987 Amendment note set out under section 181 of this title]. Such report shall include, but not be limited to--

- ``(1) the number of acres leased, and the number of leases issued, competitively and noncompetitively;
- ``(2) the amount of revenue received from bonus bids, filing fees, rentals, and royalties;
- ``(3) the amount of production from competitive and noncompetitive leases; and
- ``(4) such other data and information as will facilitate--
 - ``(A) an assessment of the onshore oil and gas leasing system, and
 - ``(B) a comparison of the system as revised by this subtitle with the system in operation prior to the enactment of this subtitle.''

Land Use Study

Section 5111 of Pub. L. 100-203 provided that: ``The National Academy of Sciences and the Comptroller General of the United States shall conduct a study of the manner in which oil and gas resources are considered in the land use plans developed by the Secretary of the Interior in accordance with provisions of the Federal Land Policy and Management Act of 1976 (90 Stat. 2743) [Pub. L. 94-579, see Short Title note under 43 U.S.C. 1701] and the Secretary of Agriculture in accordance with the Forest and Rangeland Renewable Resources Planning Act of 1974 (88 Stat. 476) [Pub. L. 93-378, 16 U.S.C. 1600 et seq.], as amended by the National Forest Management Act of 1976 (90 Stat. 2949) [Pub. L. 94-588, see Short Title of 1976 Amendment note under 16 U.S.C. 1600], and recommend any improvements that may be necessary to ensure that--

- ``(1) potential oil and gas resources are adequately addressed in planning documents;
- ``(2) the social, economic, and environmental consequences of exploration and development of oil and gas resources are determined; and
- ``(3) any stipulations to be applied to oil and gas leases are clearly identified.''

Reinstatement and Extension of Certain Ten-Year Oil and Gas Leases

Act July 14, 1952, ch. 742, 66 Stat. 630, provided: ``That any lease issued for a ten-year term in exchange for an oil and gas prospecting permit pursuant to sections 13 and 17 of the Act entitled 'An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain', approved February 25, 1920, as amended by the Act

of August 21, 1935 (49 Stat. 674) [sections 221 and 226, respectively, of this title], and prior to amendment by the Act of August 8, 1946 [act Aug. 8, 1946, ch. 916, Sec. 3, 60 Stat. 951], and upon which drilling operations were being diligently prosecuted on the expiration date of such lease, prior to the effective date of this Act [July 14, 1952], is hereby reinstated effective from the expiration date of the lease and shall continue in effect for a period of two years after the effective date of this Act and so long thereafter as oil or gas is produced in paying quantities, if, within ninety days after the enactment of this Act, payment is made, under the terms of such lease as reinstated and extended, of any sums due the United States for prior years. This Act shall not be applicable to any lands which, subsequent to such expiration and prior to the enactment of this Act, have been withdrawn from leasing, leased, or otherwise disposed of.'

Outer Continental Shelf; Leases

Grant by Secretary of the Interior of oil, gas, and other mineral leases on submerged lands of outer Continental Shelf, see section 1331 et seq. of Title 43, Public Lands.

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[CITE: 30USC226-1]

TITLE 30--MINERAL LANDS AND MINING

CHAPTER 3A--LEASES AND PROSPECTING PERMITS

SUBCHAPTER IV--OIL AND GAS

Sec. 226-1. Extension of noncompetitive oil or gas lease issued before September 2, 1960

(a) Lands not withdrawn from leasing

Upon the expiration of the initial five-year term of any noncompetitive oil or gas lease which was issued prior to September 2, 1960, and which has been maintained in accordance with applicable statutory requirements and regulations, the record titleholder thereof shall be entitled to a single extension of the lease, unless then otherwise provided by law, for such lands covered by it as are not, on the expiration date of the lease, withdrawn from leasing. A withdrawal, however, shall not affect the right to an extension if actual drilling operations on such lands were commenced prior to the effective date of

the withdrawal and were being diligently prosecuted on the expiration date of the lease. No withdrawal shall be effective within the meaning of this section until ninety days after notice thereof has been sent by registered or certified mail to each lessee to be affected by such withdrawal.

(b) Known and unknown geologic structures of producing fields

As to lands not within the known geologic structure of a producing oil or gas field, a noncompetitive oil or gas lease to which this section is applicable shall be extended for a period of five years and so long thereafter as oil or gas is produced in paying quantities. As to lands within the known geologic structure of a producing oil or gas field, a noncompetitive lease to which this section is applicable shall be extended for a period of two years and so long thereafter as oil or gas is produced in paying quantities.

(c) Application requirement

Any noncompetitive oil or gas lease extended under this section shall be subject to the rules and regulations in force at the expiration of the initial five-year term of the lease. No extension shall be granted, however, unless within a period of ninety days prior to the expiration date of the lease an application therefor is filed by the record titleholder or an assignee whose assignment has been filed for approval or an operator whose operating agreement has been filed for approval.

(d) Commencement of actual drilling operations

Any lease issued prior to September 2, 1960, which has been maintained in accordance with applicable statutory requirements and regulations and which pertains to land on which, or for which under an approved cooperative or unit plan of development or operation, actual drilling operations were commenced prior to the end of its primary term and are being diligently prosecuted at that time shall be extended for two years and so long thereafter as oil or gas is produced in paying quantities.

(Pub. L. 86-705, Sec. 4, Sept. 2, 1960, 74 Stat. 789.)

Codification

Section was enacted as part of Mineral Leasing Act Revision of 1960, and not as part of act Feb. 25, 1920, ch. 85, 41 Stat. 437, known as the Mineral Leasing Act, which comprises this chapter.

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TITLE 30--MINERAL LANDS AND MINING
CHAPTER 3A--LEASES AND PROSPECTING PERMITS
SUBCHAPTER IV--OIL AND GAS

Sec. 226-2. Limitations for filing oil and gas contests

No action contesting a decision of the Secretary involving any oil and gas lease shall be maintained unless such action is commenced or taken within ninety days after the final decision of the Secretary relating to such matter. No such action contesting such a decision of the Secretary rendered prior to September 2, 1960 shall be maintained unless the same be commenced or taken within ninety days after September 2, 1960.

(Feb. 25, 1920, ch. 85, Sec. 42, as added Pub. L. 86-705, Sec. 5, Sept. 2, 1960, 74 Stat. 790.)

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TITLE 30--MINERAL LANDS AND MINING
CHAPTER 3A--LEASES AND PROSPECTING PERMITS
SUBCHAPTER IV--OIL AND GAS

Sec. 226-3. Lands not subject to oil and gas leasing

(a) Prohibition

The Secretary shall not issue any lease under this chapter or under the Geothermal Steam Act of 1970 [30 U.S.C. 1001 et seq.] on any of the following Federal lands:

(1) Lands recommended for wilderness allocation by the surface managing agency.

(2) Lands within Bureau of Land Management wilderness study areas.

(3) Lands designated by Congress as wilderness study areas, except where oil and gas leasing is specifically allowed to continue by the statute designating the study area.

(4) Lands within areas allocated for wilderness or further planning in Executive Communication 1504, Ninety-Sixth Congress

(House Document numbered 96-119), unless such lands are allocated to uses other than wilderness by a land and resource management plan or have been released to uses other than wilderness by an act of Congress.

(b) Exploration

In the case of any area of National Forest or public lands subject to this section, nothing in this section shall affect any authority of the Secretary of the Interior (or for National Forest Lands reserved from the public domain, the Secretary of Agriculture) to issue permits for exploration for oil and gas, coal, oil shale, phosphate, potassium, sulphur, gilsonite or geothermal resources by means not requiring construction of roads or improvement of existing roads if such activity is conducted in a manner compatible with the preservation of the wilderness environment.

(Feb. 25, 1920, ch. 85, Sec. 43, as added Pub. L. 100-203, title V, Sec. 5112, Dec. 22, 1987, 101 Stat. 1330-262; amended Pub. L. 100-443, Sec. 5(c), Sept. 22, 1988, 102 Stat. 1768.)

References in Text

The Geothermal Steam Act of 1970, referred to in subsec. (a), is Pub. L. 91-581, Dec. 24, 1970, 84 Stat. 1566, which is classified principally to chapter 23 (Sec. 1001 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 1001 of this title and Tables.

Amendments

1988--Subsec. (a). Pub. L. 100-443, Sec. 5(c)(1), inserted ``or under the Geothermal Steam Act of 1970'' after ``under this chapter'' and directed that ``oil and gas'' be stricken which was executed by striking those words where they appeared after ``not issue any'' in introductory provisions, but not where they appeared in par. (3) as the probable intent of Congress.

Subsec. (b). Pub. L. 100-443, Sec. 5(c)(2), inserted `` , coal, oil shale, phosphate, potassium, sulphur, gilsonite or geothermal resources'' after ``oil and gas''.

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[CITE: 30USC226c]

TITLE 30--MINERAL LANDS AND MINING

CHAPTER 3A--LEASES AND PROSPECTING PERMITS

SUBCHAPTER IV--OIL AND GAS

Sec. 226c. Reduction of royalties under existing leases

From and after August 8, 1946, the royalty obligation to the United States under all leases requiring payment of royalty in excess of 12½ per centum, except leases issued or to be issued upon competitive bidding, is reduced to 12½ per centum in amount or value of production removed or sold from said leases as to (1) such leases, or such part of the lands subject thereto, and the deposits underlying the same, as are not believed to be within the productive limits of any oil or gas deposit, as such productive limits are found by the Secretary to exist on August 8, 1946, and (2) any production on a lease from an oil or gas deposit which was discovered after May 27, 1941, by a well or wells drilled within the boundaries of the lease, and which is determined by the Secretary to be a new deposit; and (3) any production on or allocated to a lease pursuant to an approved unit or cooperative agreement from an oil or gas deposit which was discovered after May 27, 1941, on land committed to such agreement, and which is determined by the Secretary to be a new deposit, where such lease was included in such agreement at the time of discovery, or was included in a duly executed and filed application for the approval of such agreement at the time of discovery.

(Aug. 8, 1946, ch. 916, Sec. 12, 60 Stat. 957.)

Codification

Section was not enacted as part of act Feb. 25, 1920, ch. 85, 41 Stat. 437, known as the Mineral Leasing Act, which comprises this chapter.

Savings Provision

See note set out under section 181 of this title.

Outer Continental Shelf; Refunds on Mineral-Lease Payments

Refunds of excess payments with respect to oil, gas, and other leases on submerged lands of outer Continental Shelf, see section 1339 of Title 43, Public Lands.

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CHAPTER 3A--LEASES AND PROSPECTING PERMITS

SUBCHAPTER IV--OIL AND GAS

Sec. 228. Prospecting permits and leases to persons of lands not withdrawn; terms and conditions of; fraud of claimants

Any person who on October 1, 1919, was a bona fide occupant or claimant of oil or gas lands under a claim initiated while such lands were not withdrawn from oil or gas location and entry, and who had previously performed all acts under then existing laws necessary to valid locations thereof except to make discovery, and upon which discovery had not been made prior to February 25, 1920, and who has performed work or expended on or for the benefit of such locations an amount equal in the aggregate of \$250 for each location if application therefor shall be made within six months from February 25, 1920, shall be entitled to prospecting permits thereon upon the same terms and conditions, and limitations as to acreage, as other permits provided for in this chapter, or where any such person has made such discovery, prior to said February 25, 1920, he shall be entitled to a lease thereon under such terms as the Secretary of the Interior may prescribe unless otherwise provided for in section 227 \1\ of this title: Provided, That where such prospecting permit is granted upon land within any known geologic structure of a producing oil or gas field, the royalty to be fixed in any lease thereafter granted thereon or any portion thereof shall be not less than 12\1/2\ per-centum of all the oil or gas produced except oil or gas used for production purposes on the claim, or unavoidably lost: Provided, however, That the provisions of this section shall not apply to lands reserved for the use of the Navy. No claimant for a permit or lease who has been guilty of any fraud or who had knowledge or reasonable grounds to know of any fraud, or who has not acted honestly and in good faith shall be entitled to any of the benefits of this section.

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\1\ See References in Text note below.

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All permits or leases hereunder shall inure to the benefit of the claimant and all persons claiming through or under him by lease, contract, or otherwise, as their interests may appear.

(Feb. 25, 1920, ch. 85, Sec. 19, 41 Stat. 445.)

References in Text

Section 227 of this title, referred to in text, was omitted from the Code.

[www.gpoaccess.gov]
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[CITE: 30USC229]

TITLE 30--MINERAL LANDS AND MINING
CHAPTER 3A--LEASES AND PROSPECTING PERMITS
SUBCHAPTER IV--OIL AND GAS

Sec. 229. Preference right to permits or leases of claimants of lands bona fide entered as agricultural land; terms and conditions

In the case of lands bona fide entered as agricultural, and not withdrawn or classified as mineral at the time of entry, but not including lands claimed under any railroad grant, the entryman or patentee, or assigns, where assignment was made prior to January 1, 1918, if the entry has been patented with the mineral right reserved, shall be entitled to a preference right to a permit and to a lease, as herein provided, in case of discovery; and within an area not greater than a township such entryman and patentees, or assigns holding restricted patents may combine their holdings, not to exceed two thousand five hundred and sixty acres for the purpose of making joint application. Leases executed under this section and embracing only lands so entered shall provide for the payment of a royalty of not less than 12 $\frac{1}{2}$ per centum as to such areas within the permit as may not be included within the discovery lease to which the permittee is entitled under section 223 of this title.

(Feb. 25, 1920, ch. 85, Sec. 20, 41 Stat. 445.)

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TITLE 30--MINERAL LANDS AND MINING
CHAPTER 3A--LEASES AND PROSPECTING PERMITS
SUBCHAPTER IV--OIL AND GAS

Sec. 229a. Water struck while drilling for oil and gas

(a) Acquisition; condition in lease

All prospecting permits and leases for oil or gas made or issued under the provisions of this chapter shall be subject to the condition that in case the permittee or lessee strikes water while drilling instead of oil or gas, the Secretary of the Interior may, when such water is of such quality and quantity as to be valuable and usable at a reasonable cost for agricultural, domestic, or other purposes, purchase the casing in the well at the reasonable value thereof to be fixed under rules and regulations to be prescribed by the Secretary.

(b) Prior leases

In cases where water wells producing such water have heretofore been or may hereafter be drilled upon lands embraced in any prospecting permit or lease heretofore issued under this chapter, the Secretary may in like manner purchase the casing in such wells.

(c) Disposition

The Secretary may make such purchase and may lease or operate such wells for the purpose of producing water and of using the same on the public lands or of disposing of such water for beneficial use on other lands, and where such wells have heretofore been plugged or abandoned or where such wells have been drilled prior to the issuance of any permit or lease by persons not in privity with the permittee or lessee, the Secretary may develop the same for the purposes of this section: Provided, That owners or occupants of lands adjacent to those upon which such water wells may be developed shall have a preference right to make beneficial use of such water.

(d) Revolving fund

The Secretary may use so much of any funds available for the plugging of wells as he may find necessary to start the program provided for by this section, and thereafter he may use the proceeds from the sale or other disposition of such water as a revolving fund for the continuation of such program, and such proceeds are hereby appropriated for such purpose.

(e) Operations under lease not restricted

Nothing in this section shall be construed to restrict operations under any oil or gas lease or permit under any other provision of this chapter.

(Feb. 25, 1920, ch. 85, Sec. 40, as added June 16, 1934, ch. 557, 48 Stat. 977; amended Pub. L. 94-579, title VII, Sec. 704(a), Oct. 21, 1976, 90 Stat. 2792.)

Amendments

1976--Subsec. (a). Pub. L. 94-579 struck out proviso relating to reservation of land as a water hole under section 300 of title 43.

Effective Date of 1976 Amendment

Section 704(a) of Pub. L. 94-579 provided that the amendment made by that section is effective on and after Oct. 21, 1976.

Savings Provision

Amendment by Pub. L. 94-579 not to be construed as terminating any valid lease, permit, patent, etc., existing on Oct. 21, 1976, see section 701 of Pub. L. 94-579, set out as a note under section 1701 of Title 43, Public Lands.

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TITLE 30--MINERAL LANDS AND MINING

CHAPTER 3A--LEASES AND PROSPECTING PERMITS

SUBCHAPTER IV--OIL AND GAS

Sec. 233a. Permits or leases of certain lands in Oklahoma;
retention of royalties

The Secretary of the Interior is directed to retain in his custody until otherwise directed by law the 12½ per centum and other royalties heretofore or hereafter received by him in pursuance of section 233 \1\ of this title.

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\1\ See References in Text note below.

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(Mar. 4, 1925, ch. 550, Sec. 2, 43 Stat. 1302.)

References in Text

Section 233 of this title, referred to in text, was repealed by act June 22, 1948, ch. 605, Sec. 3, 62 Stat. 576.

Codification

Section was not enacted as part of act Feb. 25, 1920, ch. 85, 41 Stat. 437, known as the Mineral Leasing Act, which comprises this chapter.

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TITLE 30--MINERAL LANDS AND MINING
CHAPTER 3A--LEASES AND PROSPECTING PERMITS
SUBCHAPTER IV--OIL AND GAS

Sec. 236a. Lands in naval petroleum reserves and naval oil-shale reserves; effect of other laws

Nothing in sections 185, 221, \1\ 223, 223a, \1\ and 226 of this title and this section shall be construed as affecting any lands within the borders of the naval petroleum reserves and naval oil-shale reserves or agreements concerning operations thereunder or in relation to the same, but the Secretary of the Navy is hereby authorized, with the consent of the President, to enter into agreements such as those provided for under sections 184 and 226 of this title, which agreement shall not, unless expressed therein, operate to extend the terms of any lease affected thereby.

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 \1\ See References in Text note below.

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(Aug. 21, 1935, ch. 599, Sec. 3, 49 Stat. 679.)

References in Text

Section 221 of this title, referred to in text, was omitted from the Code.

Section 223a of this title, referred to in text, was repealed by act Aug. 8, 1946, ch. 916, Sec. 14, 60 Stat. 958.

Codification

Section was not enacted as part of act Feb. 25, 1920, ch. 85, 41 Stat. 437, known as the Mineral Leasing Act, which comprises this chapter.

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TITLE 30--MINERAL LANDS AND MINING
CHAPTER 3A--LEASES AND PROSPECTING PERMITS
SUBCHAPTER IV--OIL AND GAS

Sec. 236b. Existing leases within naval petroleum reserves not affected

Nothing in this act shall be construed as affecting existing leases within the borders of the naval petroleum reserves, or agreements concerning operations thereunder or in relation thereto.

(Aug. 8, 1946, ch. 916, Sec. 13, 60 Stat. 958; Aug. 10, 1956, ch. 1041, Sec. 53, 70A Stat. 675.)

References in Text

This act, referred to in text, is act Aug. 8, 1946, ch. 916, 60 Stat. 950, as amended, which is classified generally to sections 181, 184, 187a, 187b, 188, 193, 209, 225, 226, 226c to 226e, 236b, and 285 of this title. For complete classification of this Act to the Code, see Tables.

Codification

Section was not enacted as part of act Feb. 25, 1920, ch. 85, 41 Stat. 437, known as the Mineral Leasing Act, which comprises this chapter.

Amendments

1956--Act Aug. 10, 1956, repealed the portion of this section after ``thereto'' which authorized the Secretary of the Navy, with the consent of the President, to enter into agreements such as those provided for in section 236e of this title, which agreements, should not, unless expressed therein, operate to extend the term of any lease affected thereby.