

[Laws: Cases and Codes : U.S. Code : Title 43 : Section 1353](#)

<input type="text"/>	Search	Title 43 
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- [United States Code](#)
 - [TITLE 43 - PUBLIC LANDS](#)
 - [CHAPTER 29 - SUBMERGED LANDS](#)
 - [SUBCHAPTER III - OUTER CONTINENTAL SHELF LANDS](#)

U.S. Code as of: 01/22/02

Section 1353. Federal purchase and disposition of oil and gas**Related Resources**

(a) Payment of royalties or net profit shares in oil and gas; purchase of oil and gas by United States; transfer of title to Federal agencies

[Property Law Guide](#)

(1) Except as may be necessary to comply with the provisions of sections 1335 and 1336 of this title, all royalties or net profit shares, or both, accruing to the United States under any oil and gas lease issued or maintained in accordance with this subchapter, shall, on demand of the Secretary, be paid in oil or gas.

[Property Law Articles and Documents](#)

(2) The United States shall have the right to purchase not to exceed 16 2/3 per centum by volume of the oil and gas produced pursuant to a lease issued or maintained in accordance with this subchapter, at the regulated price, or, if no regulated price applies, at the fair market value at the well head of the oil and gas saved, removed, or sold, except that any oil or gas obtained by the United States as royalty or net profit share shall be credited against the amount that may be purchased under this subsection.

[Property Law Discussion](#)

(3) Title to any royalty, net profit share, or purchased oil or gas may be transferred, upon request, by the Secretary to the Secretary of Defense, to the Administrator of the General Services Administration, or to the Secretary of Energy, for disposal within the Federal Government.

(b) Sale of oil by United States to public; disposition of oil to small refiners; application of other laws

(1) The Secretary, except as provided in this subsection, may offer to the public and sell by competitive bidding for not more than its regulated price, or, if no regulated price applies, not less than its fair market value, any part of the oil (A) obtained by the United States pursuant to any lease as royalty or net profit share, or (B) purchased by the United States pursuant to subsection (a)(2) of this section.

(2) Whenever, after consultation with the Secretary of Energy, the Secretary determines that small refiners do not have access to adequate supplies of oil at equitable prices, the Secretary may dispose of any oil which is taken as a royalty or net profit share accruing or reserved to the United States pursuant to any lease issued or maintained under this subchapter, or purchased by the United States pursuant to subsection (a)(2) of this section, by conducting a lottery for the sale of such oil, or may equitably allocate such oil among the competitors for the purchase of such oil, at the regulated price, or if no regulated price applies, at its fair market value. The Secretary shall limit participation in any allocation or lottery sale to assure such access and shall publish notice of such allocation or sale, and the terms thereof, at least thirty days in advance. Such notice shall include qualifications for participation, the amount of oil to be sold, and any limitation in the amount of oil which any participant may be entitled to purchase.

(3) The Secretary may only sell or otherwise dispose of oil

described in paragraph (1) of this subsection in accordance with any provision of law, or regulations issued in accordance with such provisions, which provide for the Secretary of Energy to allocate, transfer, exchange, or sell oil in amounts or at prices determined by such provision of law or regulations.

(c) Sale of gas by United States to public

(1) Except as provided in paragraph (2) of this subsection, the Secretary, pursuant to such terms as he determines, may (FOOTNOTE 1) offer to the public and sell by competitive bidding for not more than its regulated price, or, if no regulated price applies, not less than its fair market value any part of the gas (A) obtained by the United States pursuant to a lease as royalty or net profit share, or (B) purchased by the United States pursuant to subsection (a)(2) of this section.

(FOOTNOTE 1) So in original. Probably should be 'may'.

(2) Whenever, after consultation with and advice from the Secretary of Energy, the Federal Energy Regulatory Commission determines that an emergency shortage of natural gas is threatening to cause severe economic or social dislocation in any region of the United States and that such region can be serviced in a practical, feasible, and efficient manner by royalty, net profit share, or purchased gas obtained pursuant to the provisions of this section, the Secretary of the Interior may allocate or conduct a lottery for the sale of such gas, and shall limit participation in any allocation or lottery sale of such gas to any person servicing such region, but he shall not sell any such gas for more than its regulated price, or, if no regulated price applies, less than its fair market value. Prior to selling or allocating any gas pursuant to this subsection, the Secretary shall consult with the Federal Energy Regulatory Commission.

(d) Purchase by lessee of Federal oil or gas for which no bids received

The lessee shall take any Federal oil or gas for which no acceptable bids are received, as determined by the Secretary, and which is not transferred pursuant to subsection (a)(3) of this section, and shall pay to the United States a cash amount equal to the regulated price, or, if no regulated price applies, the fair market value of the oil or gas so obtained.

(e) Definitions

As used in this section -

(1) the term 'regulated price' means the highest price -

(A) at which oil may (FOOTNOTE 2) be sold pursuant to the Emergency Petroleum Allocation Act of 1973 (FOOTNOTE 3) (15 U.S.C. 751 et seq.) and any rule or order issued under such Act;

(FOOTNOTE 2) So in original. Probably should be 'may'.

(FOOTNOTE 3) See References in Text note below.

(B) at which natural gas may be sold to natural-gas companies pursuant to the Natural Gas Act (15 U.S.C. 717 et seq.), any other Act, regulations governing natural gas pricing, or any rule or order issued under any such Act or any such regulations; or

(C) at which either Federal oil or gas may be sold under any other provision of law or rule or order thereunder which sets a price (or manner for determining a price) for oil or gas; and

(2) the term 'small refiner' has the meaning given such term by Small Business Administration Standards 128.3-8(d) and (g), as in effect on September 18, 1978, or as there-after revised or amended.

(f) Purchase of oil and gas in time of war

Nothing in this section shall prohibit the right of the United States to purchase any oil or gas produced on the outer Continental Shelf as provided by section 1341(b) of this title.

OUTER CONTINENTAL SHELF LANDS ACT

THE ACT OF AUGUST 7, 1953, CHAPTER 345, AS AMENDED

[As Amended Through P.L. 106-580, Dec. 29, 2000]

AN ACT To provide for the jurisdiction of the United States over the submerged lands of the outer Continental Shelf, and to authorize the Secretary of the Interior to lease such lands for certain purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the “Outer Continental Shelf Lands Act”.

[43 U.S.C. 1301 note]

SEC. 2. DEFINITIONS.—When used in this Act—

(a) The term “outer Continental Shelf” means all submerged lands lying seaward and outside of the area of lands beneath navigable waters as defined in section 2 of the Submerged Lands Act (Public Law 31, Eighty-third Congress, first session), and of which the subsoil and seabed appertain to the United States and are subject to its jurisdiction and control;

(b) The term “Secretary” means the Secretary of the Interior, except that with respect to functions under this Act transferred to, or vested in, the Secretary of Energy or the Federal Energy Regulatory Commission by or pursuant to the Department of Energy Organization Act (42 U.S.C. 7101 et seq.), the term “Secretary” means the Secretary of Energy, or the Federal Energy Regulatory Commission, as the case may be;

(c) The term “lease” means any form of authorization which is issued under section 8 or maintained under section 6 of this Act and which authorizes exploration for, and development and production of, minerals;

(d) The term “person” includes, in addition to a natural person, an association, a State, a political subdivision of a State, or a private, public, or municipal corporation;

(e) The term “coastal zone” means the coastal waters (including the lands therein and thereunder) and the adjacent shorelands (including the waters therein and thereunder), strongly influenced by each other and in proximity to the shorelines of the several coastal States, and includes islands, transition and intertidal areas, salt marshes, wetlands, and beaches, which zone extends seaward to the outer limit of the United States territorial sea and extends inland from the shorelines to the extent necessary to control shorelands, the uses of which have a direct and significant impact on the coastal waters, and the inward boundaries of which may be identified by the several coastal States, pursuant to the authority of section 305(b)(1) of the Coastal Zone Management Act of 1972 (16 U.S.C. 1454(b)(1));

period or periods as provided in section 7 hereof or as may be fixed from time to time by the Secretary;

(2) such lease was issued prior to December 21, 1948, and would have been on June 5, 1950, in force and effect in accordance with its terms and provisions and the law of the State issuing it had the State had authority to issue such lease;

(3) there is filed with the Secretary, within the period or periods specified in paragraph (1) of this subsection, (A) a certificate issued by the State official or agency having jurisdiction over such lease stating that it would have been in force and effect as required by the provisions of paragraph (2) of this subsection, or (B) in the absence of such certificate, evidence in the form of affidavits, receipts, canceled checks, or other documents that may be required by the Secretary, sufficient to prove that such lease would have been so in force and effect;

(4) except as otherwise provided in section 7 hereof, all rents, royalties, and other sums payable under such lease between June 5, 1950, and the effective date of this Act, which have not been paid in accordance with the provisions thereof, or to the Secretary or to the Secretary of the Navy, are paid to the Secretary within the period or periods specified in paragraph (1) of this subsection, and all rents, royalties, and other sums payable under such lease after the effective date of this Act, are paid to the Secretary, who shall deposit such payments in the Treasury in accordance with section 9 of this Act;

(5) the holder of such lease certifies that such lease shall continue to be subject to the overriding royalty obligations existing on the effective date of this Act;

(6) such lease was not obtained by fraud or misrepresentation;

(7) such lease, if issued on or after June 23, 1947, was issued upon the basis of competitive bidding;

(8) such lease provides for a royalty to the lessor on oil and gas of not less than 12½ per centum and on sulphur of not less than 5 per centum in amount or value of the production saved, removed, or sold from the lease, or, in any case in which the lease provides for a lesser royalty, the holder thereof consents in writing, filed with the Secretary, to the increase of the royalty to the minimum herein specified;

(9) the holder thereof pays to the Secretary within the period or periods specified in paragraph (1) of this subsection an amount equivalent to any severance, gross production, or occupation taxes imposed by the State issuing the lease on the production from the lease, less the State's royalty interest in such production, between June 5, 1950, and the effective date of this Act and not heretofore paid to the State, and thereafter pays to the Secretary as an additional royalty on the production from the lease, less the United States' royalty interest in such production, a sum of money equal to the amount of the severance, gross production, or occupation taxes which would have been payable on such production to the State issuing the lease under its laws as they existed on the effective date of this Act;

(10) such lease will terminate within a period of not more than five years from the effective date of this Act in the ab-

sence of production or operations for drilling, or, in any case in which the lease provides for a longer period, the holder thereof consents in writing, filed with the Secretary, to the reduction of such period so that it will not exceed the maximum period herein specified; and

(11) the holder of such lease furnishes such surety bond, if any, as the Secretary may require and complies with such other reasonable requirements as the Secretary may deem necessary to protect the interests of the United States.

(b) Any person holding a mineral lease, which as determined by the Secretary meets the requirements of subsection (a) of this section, may continue to maintain such lease, and may conduct operations thereunder, in accordance with (1) its provisions as to the area, the minerals covered, rentals and, subject to the provisions of paragraphs (8), (9) and (10) of subsection (a) of this section, as to royalties and as to the term thereof and of any extensions, renewals, or replacements authorized therein or heretofore authorized by the laws of the State issuing such lease, or, if oil or gas was not being produced in paying quantities from such lease or before December 11, 1950, or if production in paying quantities has ceased since June 5, 1950, or if the primary term of such lease has expired since December 11, 1950, then for a term from the effective date hereof equal to the term remaining unexpired on December 11, 1950, under the provisions of such lease or any extensions, renewals, or replacements authorized therein, or heretofore authorized by the laws of such State, and (2) such regulations as the Secretary may under section 5 of this Act prescribe within ninety days after making his determination that such lease meets the requirements of subsection (a) of this section: *Provided, however,* That any rights to sulphur under any lease maintained under the provisions of this subsection shall not extend beyond the primary term of such lease or any extension thereof under the provisions of such subsection (b) unless sulphur is being produced in paying quantities or drilling, well reworking, plant construction, or other operations for the production of sulphur, as approved by the Secretary, are being conducted on the area covered by such lease on the date of expiration of such primary term or extension: *Provided further,* That if sulphur is being produced in paying quantities on such date, then such rights shall continue to be maintained in accordance with such lease and the provisions of this Act: *Provided further,* That, if the primary term of a lease being maintained under subsection (b) hereof has expired prior to the effective date of this Act and oil or gas is being produced in paying quantities on such date, then such rights to sulphur as the lessee may have under such lease shall continue for twenty-four months from the effective date of this Act and as long thereafter as sulphur is produced in paying quantities, or drilling, well working, plant construction, or other operations for the production of sulphur, as approved by the Secretary, are being conducted on the area covered by the lease.

(c) The permission granted in subsection (b) of this section shall not be construed to be a waiver of such claims, if any, as the United States may have against the lessor or the lessee or any other person respecting sums payable or paid for or under the

lease, or respecting activities conducted under the lease, prior to the effective date of this Act.

(d) Any person complaining of a negative determination by the Secretary of the Interior under this section may have such determination reviewed by the United States District Court for the District of Columbia by filing a petition for review within sixty days after receiving notice of such action by the Secretary.

(e) In the event any lease maintained under this section covers lands beneath navigable waters, as that term is used in the Submerged Lands Act, as well as lands of the outer Continental Shelf, the provisions of this section shall apply to such lease only insofar as it covers lands of the outer Continental Shelf.

[43 U.S.C. 1335]

SEC. 7. CONTROVERSY OVER JURISDICTION.—In the event of a controversy between the United States and a State as to whether or not lands are subject to the provisions of this Act, the Secretary is authorized, notwithstanding the provisions of subsections (a) and (b) of section 6 of this Act, and with the concurrence of the Attorney General of the United States, to negotiate and enter into agreements with the State, its political subdivision or grantee or a lessee thereof, respecting operations under existing mineral leases and payment and impounding of rents, royalties, and other sums payable thereunder, or with the State, its political subdivision or grantee, respecting the issuance or nonissuance of new mineral leases pending the settlement or adjudication of the controversy. The authorization contained in the preceding sentence of this section shall not be construed to be a limitation upon the authority conferred on the Secretary in other sections of this Act. Payments made pursuant to such agreement, or pursuant to any stipulation between the United States and a State, shall be considered as compliance with section 6(a)(4) hereof. Upon the termination of such agreement or stipulation by reason of the final settlement or adjudication of such controversy, if the lands subject to any mineral lease are determined to be in whole or in part lands subject to the provisions of this Act, the lessee, if he has not already done so, shall comply with the requirements of section 6(a), and thereupon the provisions of section 6(b) shall govern such lease. The notice concerning "Oil and Gas Operations in the Submerged Coastal Lands of the Gulf of Mexico" issued by the Secretary on December 11, 1950 (15 F. R. 8835), as amended by the notice dated January 26, 1951 (16 F. R. 953), and as supplemented by the notices dated February 2, 1951 (16 F. R. 1203), March 5, 1951 (16 F. R. 2195), April 23, 1951 (16 F. R. 3623), June 25, 1951 (16 F. R. 6404), August 22, 1951 (16 F. R. 8720), October 24, 1951 (16 F. R. 10998), December 21, 1951 (17 F. R. 43), March 25, 1952 (17 F. R. 2821), June 26, 1952 (17 F. R. 5833), and December 24, 1952 (18 F. R. 48), respectively, is hereby approved and confirmed.

[43 U.S.C. 1336]

SEC. 8. LEASING OF OUTER CONTINENTAL SHELF.—(a)(1) The Secretary is authorized to grant to the highest responsible qualified bidder or bidders by competitive bidding, under regulations promulgated in advance, any oil and gas lease on submerged lands of

the outer Continental Shelf which are not covered by leases meeting the requirements of subsection (a) of section 6 of this Act. Such regulations may provide for the deposit of cash bids in an interest-bearing account until the Secretary announces his decision on whether to accept the bids, with the interest earned thereon to be paid to the Treasury as to bids that are accepted and to the unsuccessful bidders as to bids that are rejected. The bidding shall be by sealed bid and, at the discretion of the Secretary, on the basis of—

(A) cash bonus bid with a royalty at not less than 12½ per centum fixed by the Secretary in amount or value of the production saved, removed, or sold;

(B) variable royalty bid based on a per centum in amount or value of the production saved, removed, or sold, with either a fixed work commitment based on dollar amount for exploration or a fixed cash bonus as determined by the Secretary, or both;

(C) cash bonus bid, or work commitment bid based on a dollar amount for exploration with a fixed cash bonus, and a diminishing or sliding royalty based on such formulae as the Secretary shall determine as equitable to encourage continued production from the lease area as resources diminish, but not less than 12½ per centum at the beginning of the lease period in amount or value of the production saved, removed, or sold;

(D) cash bonus bid with a fixed share of the net profits of no less than 30 per centum to be derived from the production of oil and gas from the lease area;

(E) fixed cash bonus with the net profit share reserved as the bid variable;

(F) cash bonus bid with a royalty at no less than 12½ per centum fixed by the Secretary in amount or value of the production saved, removed, or sold and a fixed per centum share of net profits of no less than 30 per centum to be derived from the production of oil and gas from the lease area;

(G) work commitment bid based on a dollar amount for exploration with a fixed cash bonus and a fixed royalty in amount or value of the production saved, removed, or sold;

(H) cash bonus bid with royalty at no less than 12 and ½ per centum fixed by the Secretary in amount or value of production saved, removed, or sold, and with suspension of royalties for a period, volume, or value of production determined by the Secretary, which suspensions may vary based on the price of production from the lease; or

(I) subject to the requirements of paragraph (4) of this subsection, any modification of bidding systems authorized in subparagraphs (A) through (G), or any other systems of bid variables, terms, and conditions which the Secretary determines to be useful to accomplish the purposes and policies of this Act, except that no such bidding system or modification shall have more than one bid variable.

(2) The Secretary may, in his discretion, defer any part of the payment of the cash bonus, as authorized in paragraph (1) of this subsection, according to a schedule announced at the time of the announcement of the lease sale, but such payment shall be made in total no later than five years after the date of the lease sale.

(3)(A) The Secretary may, in order to promote increased production on the lease area, through direct, secondary, or tertiary recovery means, reduce or eliminate any royalty or net profit share set forth in the lease for such area.

(B) In the Western and Central Planning Areas of the Gulf of Mexico and the portion of the Eastern Planning Area of the Gulf of Mexico encompassing whole lease blocks lying west of 87 degrees, 30 minutes West longitude, the Secretary may, in order to—

(i) promote development or increased production on producing or non-producing leases; or

(ii) encourage production of marginal resources on producing or non-producing leases;

through¹ primary, secondary, or tertiary recovery means, reduce or eliminate any royalty or net profit share set forth in the lease(s). With the lessee's consent, the Secretary may make other modifications to the royalty or net profit share terms of the lease in order to achieve these purposes.

(C)(i) Notwithstanding the provisions of this Act other than this subparagraph, with respect to any lease or unit in existence on the date of enactment of the Outer Continental Shelf Deep Water Royalty Relief Act meeting the requirements of this subparagraph, no royalty payments shall be due on new production, as defined in clause (iv) of this subparagraph, from any lease or unit located in water depths of 200 meters or greater in the Western and Central Planning Areas of the Gulf of Mexico, including that portion of the Eastern Planning Area of the Gulf of Mexico encompassing whole lease blocks lying west of 87 degrees, 30 minutes West longitude, until such volume of production as determined pursuant to clause (ii) has been produced by the lessee.

(ii) Upon submission of a complete application by the lessee, the Secretary shall determine within 180 days of such application whether new production from such lease or unit would be economic in the absence of the relief from the requirement to pay royalties provided for by clause (i) of this subparagraph. In making such determination, the Secretary shall consider the increased technological and financial risk of deep water development and all costs associated with exploring, developing, and producing from the lease. The lessee shall provide information required for a complete application to the Secretary prior to such determination. The Secretary shall clearly define the information required for a complete application under this section. Such application may be made on the basis of an individual lease or unit. If the Secretary determines that such new production would be economic in the absence of the relief from the requirement to pay royalties provided for by clause (i) of this subparagraph, the provisions of clause (i) shall not apply to such production. If the Secretary determines that such new production would not be economic in the absence of the relief from the requirement to pay royalties provided for by clause (i), the Secretary must determine the volume of production from the lease or unit on which no royalties would be due in order to make such new production economically viable; except that for new production as defined in clause (iv)(I), in no case will that volume be less than

¹ Indentation so in original. Probably should be flush.

17.5 million barrels of oil equivalent in water depths of 200 to 400 meters, 52.5 million barrels of oil equivalent in 400–800 meters of water, and 87.5 million barrels of oil equivalent in water depths greater than 800 meters. Redetermination of the applicability of clause (i) shall be undertaken by the Secretary when requested by the lessee prior to the commencement of the new production and upon significant change in the factors upon which the original determination was made. The Secretary shall make such redetermination within 120 days of submission of a complete application. The Secretary may extend the time period for making any determination or redetermination under this clause for 30 days, or longer if agreed to by the applicant, if circumstances so warrant. The lessee shall be notified in writing of any determination or redetermination and the reasons for and assumptions used for such determination. Any determination or redetermination under this clause shall be a final agency action. The Secretary's determination or redetermination shall be judicially reviewable under section 10(a) of the Administrative Procedures Act (5 U.S.C. 702), only for actions filed within 30 days of the Secretary's determination or redetermination.

(iii) In the event that the Secretary fails to make the determination or redetermination called for in clause (ii) upon application by the lessee within the time period, together with any extension thereof, provided for by clause (ii), no royalty payments shall be due on new production as follows:

(I) For new production, as defined in clause (iv)(I) of this subparagraph, no royalty shall be due on such production according to the schedule of minimum volumes specified in clause (ii) of this subparagraph.

(II) For new production, as defined in clause (iv)(II) of this subparagraph, no royalty shall be due on such production for one year following the start of such production.

(iv) For purposes of this subparagraph, the term "new production" is—

(I) any production from a lease from which no royalties are due on production, other than test production, prior to the date of enactment of the Outer Continental Shelf Deep Water Royalty Relief Act; or

(II) any production resulting from lease development activities pursuant to a Development Operations Coordination Document, or supplement thereto that would expand production significantly beyond the level anticipated in the Development Operations Coordination Document, approved by the Secretary after the date of enactment of the Outer Continental Shelf Deep Water Royalty Relief Act.

(v) During the production of volumes determined pursuant to clauses (ii) or (iii) of this subparagraph, in any year during which the arithmetic average of the closing prices on the New York Mercantile Exchange for light sweet crude oil exceeds \$28.00 per barrel, any production of oil will be subject to royalties at the lease stipulated royalty rate. Any production subject to this clause shall be counted toward the production volume determined pursuant to clause (ii) or (iii). Estimated royalty payments will be made if such average of the closing prices for the previous year exceeds \$28.00.

After the end of the calendar year, when the new average price can be calculated, lessees will pay any royalties due, with interest but without penalty, or can apply for a refund, with interest, of any overpayment.

(vi) During the production of volumes determined pursuant to clause (ii) or (iii) of this subparagraph, in any year during which the arithmetic average of the closing prices on the New York Mercantile Exchange for natural gas exceeds \$3.50 per million British thermal units, any production of natural gas will be subject to royalties at the lease stipulated royalty rate. Any production subject to this clause shall be counted toward the production volume determined pursuant to clauses (ii) or (iii). Estimated royalty payments will be made if such average of the closing prices for the previous year exceeds \$3.50. After the end of the calendar year, when the new average price can be calculated, lessees will pay any royalties due, with interest but without penalty, or can apply for a refund, with interest, of any overpayment.

(vii) The prices referred to in clauses (v) and (vi) of this subparagraph shall be changed during any calendar year after 1994 by the percentage, if any, by which the implicit price deflator for the gross domestic product changed during the preceding calendar year.

(4)(A) The Secretary of Energy shall submit any bidding system authorized in subparagraph (H) of paragraph (1) to the Senate and House of Representatives. The Secretary may institute such bidding system unless either the Senate or the House of Representatives passes a resolution of disapproval within thirty days after receipt of the bidding system.

(B) Subparagraphs (C) through (J) of this paragraph are enacted by Congress—

(i) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but they are applicable only with respect to the procedures to be followed in that House in the case of resolutions described by this paragraph, and they supersede other rules only to the extent that they are inconsistent therewith; and

(ii) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

(C) A resolution disapproving a bidding system submitted pursuant to this paragraph shall immediately be referred to a committee (and all resolutions with respect to the same request shall be referred to the same committee) by the President of the Senate or the Speaker of the House of Representative, as the case may be.

(D) If the committee to which has been referred any resolution disapproving the bidding system of the Secretary has not reported the resolution at the end of ten calendar days after its referral, it shall be in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution with respect to the same bidding system which has been referred to the committee.

(E) A motion to discharge may be made only by an individual favoring the resolution, shall be highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same recommendation), and debate thereon shall be limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(F) If the motion to discharge is agreed to or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same bidding system.

(G) When the committee has reported, or has been discharged from further consideration of, a resolution as provided in this paragraph, it shall be at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion shall be highly privileged and shall not be debatable. An amendment to the motion shall not be in order, and it shall not be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(H) Debate on the resolution is limited to not more than two hours, to be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

(I) Motions to postpone, made with respect to the discharge from the committee, or the consideration of a resolution with respect to a bidding system, and motions to proceed to the consideration of other business, shall be decided without debate.

(J) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to a bidding system shall be decided without debate.

(5)(A) During the five-year period commencing on the date of enactment of this subsection, the Secretary may, in order to obtain statistical information to determine which bidding alternatives will best accomplish the purposes and policies of this Act, require, as to no more than 10 per centum of the tracts offered each year, each bidder to submit bids for any area of the outer Continental Shelf in accordance with more than one of the bidding systems set forth in paragraph (1) of this subsection. For such statistical purposes, leases may be awarded using a bidding alternative selected at random for the acquisition of valid statistical data if such bidding alternative is otherwise consistent with the provisions of this Act.

(B) The bidding systems authorized by paragraph (1) of this subsection, other than the system authorized by subparagraph (A), shall be applied to not less than 20 per centum and not more than 60 per centum of the total area offered for leasing each year during the five-year period beginning on the date of enactment of this subsection, unless the Secretary determines that the requirements set

forth in this subparagraph are inconsistent with the purposes and policies of this Act.

(6) At least ninety days prior to notice of any lease sale under subparagraph (D), (E), (F), or, if appropriate, (H) of paragraph (1), the Secretary shall by regulation establish rules to govern the calculation of net profits. In the event of any dispute between the United States and a lessee concerning the calculation of the net profits under the regulation issued pursuant to this paragraph, the burden of proof shall be on the lessee.

(7) After an oil and gas lease is granted pursuant to any of the work commitment options of paragraph (1) of this subsection—

(A) the lessee, at its option, shall deliver to the Secretary upon issuance of the lease either (i) a cash deposit for the full amount of the exploration work commitment, or (ii) a performance bond in form and substance and with a surety satisfactory to the Secretary, in the principal amount of such exploration work commitment assuring the Secretary that such commitment shall be faithfully discharged in accordance with this section, regulations, and the lease; and for purposes of this subparagraph, the principal amount of such cash deposit or bond may, in accordance with regulations, be periodically reduced upon proof, satisfactory to the Secretary, that a portion of the exploration work commitment has been satisfied;

(B) 50 per centum of all exploration expenditures on, or directly related to, the lease, including, but not limited to (i) geological investigations and related activities, (ii) geophysical investigations including seismic, geomagnetic, and gravity surveys, data processing and interpretation, and (iii) exploratory drilling, core drilling, re-drilling, and well completion or abandonment, including the drilling of wells sufficient to determine the size and area extent of any newly discovered field, and including the cost of mobilization and demobilization of drilling equipment, shall be included in satisfaction of the commitment, except that the lessee's general overhead cost shall not be so included against the work commitment, but its cost (including employee benefits) of employees directly assigned to such exploration work shall be so included; and

(C) if at the end of the primary term of the lease, including any extension thereof, the full dollar amount of the exploration work commitment has not been satisfied, the balance shall then be paid in cash to the Secretary.

(8) Not later than thirty days before any lease sale, the Secretary shall submit to the Congress and publish in the Federal Register a notice—

(A) identifying any bidding system which will be utilized for such lease sale and the reasons for the utilization of such bidding system; and

(B) designating the lease tracts selected which are to be offered in such sale under the bidding system authorized by subparagraph (A) of paragraph (1) and the lease tracts selected which are to be offered under any one or more of the bidding systems authorized by subparagraphs (B) through (H) of paragraph (1), and the reasons such lease tracts are to be offered under a particular bidding system.

(b) An oil and gas lease issued pursuant to this section shall—

(1) be for a tract consisting of a compact area not exceeding five thousand seven hundred and sixty acres, as the Secretary may determine, unless the Secretary finds that a larger area is necessary to comprise a reasonable economic production unit;

(2) be for an initial period of—

(A) five years; or

(B) not to exceed ten years where the Secretary finds that such longer period is necessary to encourage exploration and development in areas because of unusually deep water or other unusually adverse conditions, and as long after such initial period as oil or gas is produced from the area in paying quantities, or drilling or well reworking operations as approved by the Secretary are conducted thereon;

(3) require the payment of amount or value as determined by one of the bidding systems set forth in subsection (a) of this section;

(4) entitle the lessee to explore, develop, and produce the oil and gas contained within the lease area, conditioned upon due diligence requirements and the approval of the development and production plan required by this Act;

(5) provide for suspension or cancellation of the lease during the initial lease term or thereafter pursuant to section 5 of this Act;

(6) contain such rental and other provisions as the Secretary may prescribe at the time of offering the area for lease; and

(7) provide a requirement that the lessee offer 20 per centum of the crude oil, condensate, and natural gas liquids produced on such lease, at the market value and point of delivery applicable to Federal royalty oil, to small or independent refiners as defined in the Emergency Petroleum Allocation Act of 1973.

(c)(1) Following each notice of a proposed lease sale and before the acceptance of bids and the issuance of leases based on such bids, the Secretary shall allow the Attorney General, in consultation with the Federal Trade Commission, thirty days to review the results of such lease sale, except that the Attorney General, after consultation with the Federal Trade Commission, may agree to a shorter review period.

(2) The Attorney General may, in consultation with the Federal Trade Commission, conduct such antitrust review on the likely effects the issuance of such leases would have on competition as the Attorney General, after consultation with the Federal Trade Commission, deems appropriate and shall advise the Secretary with respect to such review. The Secretary shall provide such information as the Attorney General, after consultation with the Federal Trade Commission, may require in order to conduct any antitrust review pursuant to this paragraph and to make recommendations pursuant to paragraph (3) of this subsection.

(3) The Attorney General, after consultation with the Federal Trade Commission, may make such recommendations to the Sec-

retary, including the nonacceptance of any bid, as may be appropriate to prevent any situation inconsistent with the antitrust laws. If the Secretary determines, or if the Attorney General advises the Secretary, after consultation with the Federal Trade Commission and prior to the issuance of any lease, that such lease may create or maintain a situation inconsistent with the antitrust laws, the Secretary may—

(A) refuse (i) to accept an otherwise qualified bid for such lease, or (ii) to issue such lease, notwithstanding subsection (a) of this section; or

(B) issue such lease, and notify the lessee and the Attorney General of the reason for such decision.

(4)(A) Nothing in this subsection shall restrict the power under any other Act or the common law of the Attorney General, the Federal Trade Commission, or any other Federal department or agency to secure information, conduct reviews, make recommendations, or seek appropriate relief.

(B) Neither the issuance of a lease nor anything in this subsection shall modify or abridge any private right of action under the antitrust laws.

(d) No bid for a lease may be submitted if the Secretary finds, after notice and hearing, that the bidder is not meeting due diligence requirements on other leases.

(e) No lease issued under this Act may be sold, exchanged, assigned, or otherwise transferred except with the approval of the Secretary. Prior to any such approval, the Secretary shall consult with and give due consideration to the views of the Attorney General.

(f) Nothing in this Act 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.

(g)(1) At the time of soliciting nominations for the leasing of lands containing tracts wholly or partially within three nautical miles of the seaward boundary of any coastal State, and subsequently as new information is obtained or developed by the Secretary, the Secretary, in addition to the information required by section 26 of this Act, shall provide the Governor of such State—

(A) an identification and schedule of the areas and regions proposed to be offered for leasing;

(B) at the request of the Governor of such State, all information from all sources concerning the geographical, geological, and ecological characteristics of such tracts;

(C) an estimate of the oil and gas reserves in the areas proposed for leasing; and

(D) at the request of the Governor of such State, an identification of any field, geological structure, or trap located wholly or partially within three nautical miles of the seaward boundary of such coastal State, including all information relating to the entire field, geological structure, or trap.

The provisions of the first sentence of subsection (c) and the provisions of subsections (e)–(h) of section 26 of this Act shall be applicable to the release by the Secretary of any information to any coastal State under this paragraph. In addition, the provisions of sub-

sections (c) and (e)–(h) of section 26 of this Act shall apply in their entirety to the release by the Secretary to any coastal State of any information relating to Federal lands beyond three nautical miles of the seaward boundary of such coastal State.

(2) Notwithstanding any other provision of this Act, the Secretary shall deposit into a separate account in the Treasury of the United States all bonuses, rents, and royalties, and other revenues (derived from any bidding system authorized under subsection (a)(1), excluding Federal income and windfall profits taxes, and derived from any lease issued after September 18, 1978 of any Federal tract which lies wholly (or, in the case of Alaska, partially until seven years from the date of settlement of any boundary dispute that is the subject of an agreement under section 7 of this Act entered into prior to January 1, 1986 or until April 15, 1993 with respect to any other tract) within three nautical miles of the seaward boundary of any coastal State, or, (except as provided above for Alaska) in the case where a Federal tract lies partially within three nautical miles of the seaward boundary, a percentage of bonuses, rents, royalties, and other revenues (derived from any bidding system authorized under subsection (a)(1), excluding Federal income and windfall profits taxes, and derived from any lease issued after September 18, 1978 of such tract equal to the percentage of surface acreage of the tract that lies within such three nautical miles. Except as provided in paragraph (5) of this subsection, not later than the last business day of the month following the month in which those revenues are deposited in the Treasury, the Secretary shall transmit to such coastal State 27 percent of those revenues, together with all accrued interest thereon. The remaining balance of such revenues shall be transmitted simultaneously to the miscellaneous receipts account of the Treasury of the United States.

(3) Whenever the Secretary or the Governor of a coastal State determines that a common potentially hydrocarbon-bearing area may underlie the Federal and State boundary, the Secretary or the Governor shall notify the other party in writing of his determination and the Secretary shall provide to the Governor notice of the current and projected status of the tract or tracts containing the common potentially hydrocarbon-bearing area. If the Secretary has leased or intends to lease such tract or tracts, the Secretary and the Governor of the coastal State may enter into an agreement to divide the revenues from production of any common potentially hydrocarbon-bearing area, by unitization or other royalty sharing agreement, pursuant to existing law. If the Secretary and the Governor do not enter into an agreement, the Secretary may nevertheless proceed with the leasing of the tract or tracts. Any revenue received by the United States under such an agreement shall be subject to the requirements of paragraph (2).

(4) The deposits in the Treasury account described in this section shall be invested by the Secretary of the Treasury in securities backed by the full faith and credit of the United States having maturities suitable to the needs of the account and yielding the highest reasonably available interest rates as determined by the Secretary of the Treasury.

(5)(A) When there is a boundary dispute between the United States and a State which is subject to an agreement under section 7 of this Act, the Secretary shall credit to the account established pursuant to such agreement all bonuses, rents, and royalties, and other revenues (derived from any bidding system authorized under subsection (a)(1)), excluding Federal income and windfall profits taxes, and derived from any lease issued after September 18, 1978 of any Federal tract which lies wholly or partially within three nautical miles of the seaward boundary asserted by the State, if that money has not otherwise been deposited in such account. Proceeds of an escrow account established pursuant to an agreement under section 7 shall be distributed as follows:

(i) Twenty-seven percent of all bonuses, rents, and royalties, and other revenues (derived from any bidding system authorized under subsection (a)(1)), excluding Federal income and windfall profits taxes, and derived from any lease issued after September 18, 1978, of any tract which lies wholly within three nautical miles of the seaward boundary asserted by the Federal Government in the boundary dispute, together with all accrued interest thereon, shall be paid to the State either—

(I) within thirty days of December 1, 1987, or

(II) by the last business day of the month following the month in which those revenues are deposited in the Treasury, whichever date is later.

(ii) Upon the settlement of a boundary dispute which is subject to a section 7 agreement between the United States and a State, the Secretary shall pay to such State any additional moneys due such State from amounts deposited in or credit to the escrow account. If there is insufficient money deposited in the escrow account, the Secretary shall transmit, from any revenues derived from any lease of Federal lands under this Act, the remaining balance due such State in accordance with the formula set forth in section 8004(b)(1)(B) of the Outer Continental Shelf Lands Act Amendments of 1985.

(B) This paragraph applies to all Federal oil and gas lease sales, under this Act, including joint lease sales, occurring after September 18, 1978.

(6) This section shall be deemed to take effect on October 1, 1985, for purposes of determining the amounts to be deposited in the separate account and the States' shares described in paragraph (2).

(7) When the Secretary leases any tract which lies wholly or partially within three miles of the seaward boundary of two or more States, the revenues from such tract shall be distributed as otherwise provided by this section, except that the State's share of such revenues that would otherwise result under this section shall be divided equally among such States.

(h) Nothing contained in this section shall be construed to alter, limit, or modify any claim of any State to any jurisdiction over, or any right, title or interest in, any submerged lands.

(i) In order to meet the urgent need for further exploration and development of the sulphur deposits in the submerged lands of the outer Continental Shelf, the Secretary is authorized to grant to the qualified persons offering the highest cash bonuses on a basis of

competitive bidding sulphur leases on submerged lands of the outer Continental Shelf, which are not covered by leases which include sulphur and meet the requirements of subsection (a) of section 6 of this Act, and which sulphur leases shall be offered for bid by sealed bids and granted on separate leases from oil and gas leases, and for a separate consideration, and without priority or preference accorded to oil and gas lessees on the same area.

(j) A sulphur lease issued by the Secretary pursuant to this section shall (1) cover an area of such size and dimensions as the Secretary may determine, (2) be for a period of not more than ten years and so long thereafter as sulphur may be produced from the area in paying quantities or drilling, well reworking, plant construction, or other operations for the production of sulphur, as approved by the Secretary, are conducted thereon, (3) require the payment to the United States of such royalty as may be specified in the lease but not less than 5 per centum of the gross production of value of the sulphur at the wellhead, and (4) contained such rental provisions and such other terms and provisions as the Secretary may by regulation prescribe at the time of offering the area for lease.

(k)(1) The Secretary is authorized to grant to the qualified persons offering the highest cash bonuses on a basis of competitive bidding leases of any mineral other than oil, gas, and sulphur in any area of the outer Continental Shelf not then under lease for such mineral upon such royalty, rental, and other terms and conditions as the Secretary may prescribe at the time of offering the area for lease.

(2)(A) Notwithstanding paragraph (1), the Secretary may negotiate with any person an agreement for the use of Outer Continental Shelf sand, gravel and shell resources—

(i) for use in a program of, or project for, shore protection, beach restoration, or coastal wetlands restoration undertaken by a Federal, State, or local government agency; or

(ii) for use in a construction project, other than a project described in clause (i), that is funded in whole or in part by or authorized by the Federal Government.

(B) In carrying out a negotiation under this paragraph, the Secretary may assess a fee based on an assessment of the value of the resources and the public interest served by promoting development of the resources. No fee shall be assessed directly or indirectly under this subparagraph against a Federal, State, or local government agency.

(C) The Secretary may, through this paragraph and in consultation with the Secretary of Commerce, seek to facilitate projects in the coastal zone, as such term is defined in section 304 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1453), that promote the policy set forth in section 303 of that Act (16 U.S.C. 1452).

(D) Any Federal agency which proposes to make use of sand, gravel and shell resources subject to the provisions of this Act shall enter into a Memorandum of Agreement with the Secretary concerning the potential use of those resources. The Secretary shall notify the Committee on Merchant Marine and Fisheries and the Committee on Natural Resources of the House of Representatives

and the Committee on Energy and Natural Resources of the Senate on any proposed project for the use of those resources prior to the use of those resources.

(l) Notices of sale of leases, and the terms of bidding authorized by this section shall be published at least thirty days before the date of sale in accordance with rules and regulations promulgated by the Secretary.

(m) All moneys paid to the Secretary for or under leases granted pursuant to this section shall be deposited in the Treasury in accordance with section 9 of this Act.

(n) The issuance of any lease by the Secretary pursuant to this Act, or the making of any interim arrangements by the Secretary pursuant to section 7 of this Act shall not prejudice the ultimate settlement or adjudication of the question as to whether or not the area involved is in the outer Continental Shelf.

(o) The Secretary may cancel any lease obtained by fraud or misrepresentation.

[43 U.S.C. 1337]

SEC. 9. DISPOSITION OF REVENUES.—All rentals, royalties, and other sums paid to the Secretary or the Secretary of the Navy under any lease on the outer Continental Shelf for the period from June 5, 1950, to date, and thereafter shall be deposited in the Treasury of the United States and credited to miscellaneous receipts.

[43 U.S.C. 1338]

[SEC. 10. Repealed by section 8(b) of P.L. 104–185, 110 Stat. 1717.]

SEC. 11. GEOLOGICAL AND GEOPHYSICAL EXPLORATIONS.—(a)(1) Any agency of the United States and any person authorized by the Secretary may conduct geological and geophysical explorations in the outer Continental Shelf, which do not interfere with or endanger actual operations under any lease maintained or granted pursuant to this Act, and which are not unduly harmful to aquatic life in such area.

(2) The provisions of paragraph (1) of this subsection shall not apply to any person conducting explorations pursuant to an approved exploration plan on any area under lease to such person pursuant to the provisions of this Act.

(b) Except as provided in subsection (f) of this section, beginning ninety days after the date of enactment of this subsection, no exploration pursuant to any oil and gas lease issued or maintained under this Act may be undertaken by the holder of such lease, except in accordance with the provisions of this section.

(c)(1) Except as otherwise provided in the Act, prior to commencing exploration pursuant to any oil and gas lease issued or maintained under this Act, the holder thereof shall submit an exploration plan to the Secretary for approval. Such plan may apply to more than one lease held by a lessee in any one region of the outer Continental Shelf, or by a group of lessees acting under a unitization, pooling, or drilling agreement, and shall be approved by the Secretary if he finds that such plan is consistent with the

provisions of this Act, regulations prescribed under this Act, including regulations prescribed by the Secretary pursuant to paragraph (8) of section 5(a) of this Act, and the provisions of such lease. The Secretary shall require such modifications of such plan as are necessary to achieve such consistency. The Secretary shall approve such plan, as submitted or modified, within thirty days of its submission, except that the Secretary shall disapprove such plan if he determines that (A) any proposed activity under such plan would result in any condition described in section 5(a)(2)(A)(i) of this Act, and (B) such proposed activity cannot be modified to avoid such condition. If the Secretary disapproves a plan under the preceding sentence, he may, subject to section 5(a)(2)(B) of this Act, cancel such lease and the lessee shall be entitled to compensation in accordance with the regulations prescribed under section 5(a)(2)(C) (i) or (ii) of this Act.

(2) The Secretary shall not grant any license or permit for any activity described in detail in an exploration plan and affecting any land use or water use in the coastal zone of a State with a coastal zone management program approved pursuant to section 306 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1455), unless the State concurs or is conclusively presumed to concur with the consistency certification accompanying such plan pursuant to section 307(c)(3)(B) (i) or (ii) of such Act, or the Secretary of Commerce makes the finding authorized by section 307(c)(3)(B)(iii) of such Act.

(3) An exploration plan submitted under this subsection shall include, in the degree of detail which the Secretary may by regulation require—

(A) a schedule of anticipated exploration activities to be undertaken;

(B) a description of equipment to be used for such activities;

(C) the general location of each well to be drilled; and

(D) such other information deemed pertinent by the Secretary.

(4) The Secretary may, by regulation, require that such plan be accompanied by a general statement of development and production intentions which shall be for planning purposes only and which shall not be binding on any party.

(d) The Secretary may, by regulation, require any lessee operating under an approved exploration plan to obtain a permit prior to drilling any well in accordance with such plan.

(e)(1) If a significant revision of an exploration plan approved under this subsection is submitted to the Secretary, the process to be used for the approval of such revision shall be the same as set forth in subsection (c) of this section.

(2) All exploration activities pursuant to any lease shall be conducted in accordance with an approved exploration plan or an approved revision of such plan.

(f)(1) Exploration activities pursuant to any lease for which a drilling permit has been issued or for which an exploration plan has been approved, prior to ninety days after the date of enactment of this subsection, shall be considered in compliance with this section, except that the Secretary may, in accordance with section

5(a)(1)(B) of this Act, order a suspension or temporary prohibition of any exploration activities and require a revised exploration plan.

(2) The Secretary may require the holder of a lease described in paragraph (1) of this subsection to supply a general statement in accordance with subsection (c)(4) of this section, or to submit other information.

(3) Nothing in this subsection shall be construed to amend the terms of any permit or plan to which this subsection applies.

(g) Any permit for geological explorations authorized by this section shall be issued only if the Secretary determines, in accordance with regulations issued by the Secretary that—

(1) the applicant for such permit is qualified;

(2) the exploration will not interfere with or endanger operations under any lease issued or maintained pursuant to this Act; and

(3) such exploration will not be unduly harmful to aquatic life in the area, result in pollution, create hazardous or unsafe conditions, unreasonably interfere with other uses of the area, or disturb any site, structure, or object of historical or archeological significance.

(h) The Secretary shall not issue a lease or permit for, or otherwise allow, exploration, development, or production activities within fifteen miles of the boundaries of the Point Reyes Wilderness as depicted on a map entitled "Wilderness Plan, Point Reyes National Seashore", numbered 612-90,000-B and dated September 1976, unless the State of California issues a lease or permit for, or otherwise allows, exploration, development, or production activities on lands beneath navigable waters (as such term is defined in section 2 of the Submerged Lands Act) of such State which are adjacent to such Wilderness.

[43 U.S.C. 1340]

SEC. 12. RESERVATIONS.—(a) The President of the United States may, from time to time, withdraw from disposition any of the unleased lands of the outer Continental Shelf.

(b) In time of war, or when the President shall so prescribe, the United States shall have the right of first refusal to purchase at the market price all or any portion of any mineral produced from the outer Continental Shelf.

(c) All leases issued under this Act, and leases, the maintenance and operation of which are authorized under this Act, shall contain or be construed to contain a provision whereby authority is vested in the Secretary, upon a recommendation of the Secretary of Defense, during a state of war or national emergency declared by the Congress or the President of the United States after the effective date of this Act, to suspend operations under any lease; and all such leases shall contain or be construed to contain provisions for the payment of just compensation to the lessee whose operations are thus suspended.

(d) The United States reserves and retains the right to designate by and through the Secretary of Defense, with the approval of the President, as areas restricted from exploration and operation that part of the outer Continental Shelf needed for national defense; and so long as such designation remains in effect no explo-

ration or operations may be conducted on any part of the surface of such area except with the concurrence of the Secretary of Defense; and if operations or production under any lease theretofore issued on lands within any such restricted area shall be suspended, any payment of rentals, minimum royalty, and royalty prescribed by such lease likewise shall be suspended during such period of suspension of operation and production, and the term of such lease shall be extended by adding thereto any such suspension period, and the United States shall be liable to the lessee for such compensation as is required to be paid under the Constitution of the United States.

(e) All uranium, thorium, and all other materials determined pursuant to paragraph (1) of subsection (b) of section 5 of the Atomic Energy Act of 1946, as amended, to be peculiarly essential to the production of fissionable material, contained, in whatever concentration, in deposits in the subsoil or seabed of the outer Continental Shelf are hereby reserved for the use of the United States.

(f) The United States reserves and retains the ownership of and the right to extract all helium, under such rules and regulations as shall be prescribed by the Secretary, contained in gas produced from any portion of the outer Continental Shelf which may be subject to any lease maintained or granted pursuant to this Act, but the helium shall be extracted from such gas so as to cause no substantial delay in the delivery of gas produced to the purchaser of such gas.

[43 U.S.C. 1341]

SEC. 13. NAVAL PETROLEUM RESERVE EXECUTIVE ORDER REPEALED.—Executive Order Numbered 10426, dated January 16, 1953, entitled “Setting Aside Submerged Lands of the Continental Shelf as a Naval Petroleum Reserve”, is hereby revoked.

[43 U.S.C. 524 note]

SEC. 14. PRIOR CLAIMS NOT AFFECTED.—Nothing herein contained shall affect such rights, if any, as may have been acquired under any law of the United States by any person in lands subject to this Act and such rights, if any, shall be governed by the law in effect at the time they may have been acquired: *Provided, however,* That nothing herein contained is intended or shall be construed as a finding, interpretation, or construction by the Congress that the law under which such rights may be claimed in fact applies to the lands subject to this Act or authorizes or compels the granting of such rights in such lands, and that the determination of the applicability or effect of such law shall be unaffected by anything herein contained.

[43 U.S.C. 1342]

【SEC. 15. [Repealed.】

SEC. 16. APPROPRIATIONS.—There is hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

[43 U.S.C. 1331 note]

SEC. 17. SEPARABILITY.—If any provision of this Act, or any section, subsection, sentence, clause, phrase or individual word, or the application thereof to any person or circumstance is held invalid, the validity of the remainder of the Act and of the application of any such provision, section, subsection, sentence, clause, phrase or individual word to other persons and circumstances shall not be affected thereby.

[43 U.S.C. 1331 note]

SEC. 18. OUTER CONTINENTAL SHELF LEASING PROGRAM.—(a) The Secretary, pursuant to procedures set forth in subsections (c) and (d) of this section, shall prepare and periodically revise, and maintain an oil and gas leasing program to implement the policies of this Act. The leasing program shall consist of a schedule of proposed lease sales indicating, as precisely as possible, the size, timing, and location of leasing activity which he determines will best meet national energy needs for the five-year period following its approval or reapproval. Such leasing program shall be prepared and maintained in a manner consistent with the following principles:

(1) Management of the outer Continental Shelf shall be conducted in a manner which considers economic, social, and environmental values of the renewable and nonrenewable resources contained in the outer Continental Shelf, and the potential impact of oil and gas exploration on other resource values of the outer Continental Shelf and the marine, coastal, and human environments.

(2) Timing and location of exploration, development, and production of oil and gas among the oil- and gas-bearing physiographic regions of the outer Continental Shelf shall be based on a consideration of—

(A) existing information concerning the geographical, geological, and ecological characteristics of such regions;

(B) an equitable sharing of developmental benefits and environmental risks among the various regions;

(C) the location of such regions with respect to, and the relative needs of, regional and national energy markets;

(D) the location of such regions with respect to other uses of the sea and seabed, including fisheries, navigation, existing or proposed sealanes, potential sites of deepwater ports, and other anticipated uses of the resources and space of the outer Continental Shelf;

(E) the interest of potential oil and gas producers in the development of oil and gas resources as indicated by exploration or nomination;

(F) laws, goals, and policies of affected States which have been specifically identified by the Governors of such States as relevant matters for the Secretary's consideration;

(G) the relative environmental sensitivity and marine productivity of different areas of the outer Continental Shelf; and

(H) relevant environmental and predictive information for different areas of the outer Continental Shelf.

(3) The Secretary shall select the timing and location of leasing, to the maximum extent practicable, so as to obtain a proper balance between the potential for environmental damage, the potential for the discovery of oil and gas, and the potential for adverse impact on the coastal zone.

(4) Leasing activities shall be conducted to assure receipt of fair market value for the lands leased and the rights conveyed by the Federal Government.

(b) The leasing program shall include estimates of the appropriations and staff required to—

(1) obtain resource information and any other information needed to prepare the leasing program required by this section;

(2) analyze and interpret the exploratory data and any other information which may be compiled under the authority of this Act;

(3) conduct environmental studies and prepare any environmental impact statement required in accordance with this Act and with section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)); and

(4) supervise operations conducted pursuant to each lease in the manner necessary to assure due diligence in the exploration and development of the lease area and compliance with the requirement of applicable laws and regulations, and with the terms of the lease.

(c)(1) During the preparation of any proposed leasing program under this section, the Secretary shall invite and consider suggestions for such program from any interested Federal agency, including the Attorney General, in consultation with the Federal Trade Commission, and from the Governor of any State which may become an affected State under such proposed program. The Secretary may also invite or consider any suggestions from the executive of any affected local government in such an affected State, which have been previously submitted to the Governor of such State, and from any other person.

(2) After such preparation and at least sixty days prior to publication of a proposed leasing program in the Federal Register pursuant to paragraph (3) of this subsection, the Secretary shall submit a copy of such proposed program to the Governor of each affected State for review and comment. The Governor may solicit comments from those executives of local governments in his State which he, in his discretion, determines will be affected by the proposed program. If any comment by such Governor is received by the Secretary at least fifteen days prior to submission to the Congress pursuant to such paragraph (3) and includes a request for any modification of such proposed program, the Secretary shall reply in writing, granting or denying such request in whole or in part, or granting such request in such modified form as the Secretary considers appropriate, and stating his reasons therefor. All such correspondence between the Secretary and Governor of any affected State, together with any additional information and data relating thereto, shall accompany such proposed program when it is submitted to the Congress.

(3) Within nine months after the date of enactment of this section, the Secretary shall submit a proposed leasing program to the

Congress, the Attorney General, and the Governors of affected States, and shall publish such proposed program in the Federal Register. Each Governor shall, upon request, submit a copy of the proposed leasing program to the executive of any local government affected by the proposed program.

(d)(1) Within ninety days after the date of publication of a proposed leasing program, the Attorney General may, after consultation with the Federal Trade Commission, submit comments on the anticipated effects of such proposed program upon competition. Any State, local government, or other person may submit comments and recommendations as to any aspect of such proposed program.

(2) At least sixty days prior to approving a proposed leasing program, the Secretary shall submit it to the President and the Congress, together with any comments received. Such submission shall indicate why any specific recommendation of the Attorney General or a State or local government was not accepted.

(3) After the leasing program has been approved by the Secretary, or after eighteen months following the date of enactment of this section, whichever first occurs, no lease shall be issued unless it is for an area included in the approved leasing program and unless it contains provisions consistent with the approved leasing program, except that leasing shall be permitted to continue until such program is approved and for so long thereafter as such program is under judicial or administrative review pursuant to the provisions of this Act.

(e) The Secretary shall review the leasing program approved under this section at least once each year. He may revise and reapprove such program, at any time, and such revision and reapproval, except in the case of a revision which is not significant, shall be in the same manner as originally developed.

(f) The Secretary shall, by regulation, establish procedures for—

(1) receipt and consideration of nominations for any area to be offered for lease or to be excluded from leasing;

(2) public notice of and participation in development of the leasing program;

(3) review by State and local governments which may be impacted by the proposed leasing;

(4) periodic consultation with State and local governments, oil and gas lessees and permittees, and representatives of other individuals or organizations engaged in activity in or on the outer Continental Shelf, including those involved in fish and shellfish recovery, and recreational activities; and

(5) consideration of the coastal zone management program being developed or administered by an affected coastal State pursuant to section 305 or section 306 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1454, 1455).

Such procedures shall be applicable to any significant revision or reapproval of the leasing program.

(g) The Secretary may obtain from public sources, or purchase from private sources, any survey, data, report, or other information (including interpretations of such data, survey, report, or other information) which may be necessary to assist him in preparing any environmental impact statement and in making other evaluations

required by this Act. Data of a classified nature provided to the Secretary under the provisions of this subsection shall remain confidential for such period of time as agreed to by the head of the department or agency from whom the information is requested. The Secretary shall maintain the confidentiality of all privileged or proprietary data or information for such period of time as is provided for in this Act, established by regulation, or agreed to by the parties.

(h) The heads of all Federal departments and agencies shall provide the Secretary with any nonprivileged or nonproprietary information he requests to assist him in preparing the leasing program and may provide the Secretary with any privileged or proprietary information he requests to assist him in preparing the leasing program. Privileged or proprietary information provided to the Secretary under the provisions of this subsection shall remain confidential for such period of time as agreed to by the head of the department or agency from whom the information is requested. In addition, the Secretary shall utilize the existing capabilities and resources of such Federal departments and agencies by appropriate agreement.

[43 U.S.C. 1344]

SEC. 19. COORDINATION AND CONSULTATION WITH AFFECTED STATES AND LOCAL GOVERNMENTS.—(a) Any Governor of any affected State or the executive of any affected local government in such State may submit recommendations to the Secretary regarding the size, timing, or location of a proposed lease sale or with respect to a proposed development and production plan. Prior to submitting recommendations to the Secretary, the executive of any affected local government in any affected State must forward his recommendations to the Governor of such State.

(b) Such recommendations shall be submitted within sixty days after notice of such proposed lease sale or after receipt of such development and production plan.

(c) The Secretary shall accept recommendations of the Governor and may accept recommendations of the executive of any affected local government if he determines, after having provided the opportunity for consultation, that they provide for a reasonable balance between the national interest and the well-being of the citizens of the affected State. For purposes of this subsection, a determination of the national interest shall be based on the desirability of obtaining oil and gas supplies in a balanced manner and on the findings, purposes, and policies of this Act. The Secretary shall communicate to the Governor, in writing, the reasons for his determination to accept or reject such Governor's recommendations, or to implement any alternative means identified in consultation with the Governor to provide for a reasonable balance between the national interest and the well-being of the citizens of the affected State.

(d) The Secretary's determination that recommendations provide, or do not provide, for a reasonable balance between the national interest and the well-being of the citizens of the affected State shall be final and shall not, alone, be a basis for invalidation of a proposed lease sale or a proposed development and production

plan in any suit or judicial review pursuant to section 23 of this Act, unless found to be arbitrary or capricious.

(e) The Secretary is authorized to enter into cooperative agreements with affected States for purposes which are consistent with this Act and other applicable Federal law. Such agreements may include, but need not be limited to, the sharing of information (in accordance with the provisions of section 26 of this Act), the joint utilization of available expertise, the facilitating of permitting procedures, joint planning and review, and the formation of joint surveillance and monitoring arrangements to carry out applicable Federal and State laws, regulations, and stipulations relevant to outer Continental Shelf operations both onshore and offshore.

[43 U.S.C. 1345]

SEC. 20. ENVIRONMENTAL STUDIES.—(a)(1) The Secretary shall conduct a study of any area or region included in any oil and gas lease sale or other lease in order to establish information needed for assessment and management of environmental impacts on the human, marine, and coastal environments of the outer Continental Shelf and the coastal areas which may be affected by oil and gas or other mineral development in such area or region.

(2) Each study required by paragraph (1) of this subsection shall be commenced not later than six months after the date of enactment of this section with respect to any area or region where a lease sale has been held or announced by publication of a notice of proposed lease sale before such date of enactment, and not later than six months prior to the holding of a lease sale with respect to any area or region where no lease sale has been held or scheduled before such date of enactment. In the case of an agreement under section 8(k)(2), each study required by paragraph (1) of this subsection shall be commenced not later than 6 months prior to commencing negotiations for such agreement or the entering into the memorandum of agreement as the case may be. The Secretary may utilize information collected in any study prior to such date of enactment.

(3) In addition to developing environmental information, any study of an area or region, to the extent practicable, shall be designed to predict impacts on the marine biota which may result from chronic low level pollution or large spills associated with outer Continental Shelf production, from the introduction of drill cuttings and drilling muds in the area, and from the laying of pipe to serve the offshore production area, and the impacts of development offshore on the affected and coastal areas.

(b) Subsequent to the leasing and developing of any area or region, the Secretary shall conduct such additional studies to establish environmental information as he deems necessary and shall monitor the human, marine, and coastal environments of such area or region in a manner designed to provide time-series and data trend information which can be used for comparison with any previously collected data for the purpose of identifying any significant changes in the quality and productivity of such environments, for establishing trends in the areas studied and monitored, and for designing experiments to identify the causes of such changes.

(c) The Secretary shall, by regulation, establish procedures for carrying out his duties under this section, and shall plan and carry out such duties in full cooperation with affected States. To the extent that other Federal agencies have prepared environmental impact statements, are conducting studies, or are monitoring the affected human, marine, or coastal environment, the Secretary may utilize the information derived therefrom in lieu of directly conducting such activities. The Secretary may also utilize information obtained from any State or local government, or from any person, for the purposes of this section. For the purpose of carrying out his responsibilities under this section, the Secretary may by agreement utilize, with or without reimbursement, the services, personnel, or facilities of any Federal, State, or local government agency.

(d) The Secretary shall consider available relevant environmental information in making decisions (including those relating to exploration plans, drilling permits, and development and production plans), in developing appropriate regulations and lease conditions, and in issuing operating orders.

(e) As soon as practicable after the end of every 3 fiscal years, the Secretary shall submit to the Congress and make available to the general public an assessment of the cumulative effect of activities conducted under this Act on the human, marine, and coastal environments.

(f) In executing his responsibilities under this section, the Secretary shall, to the maximum extent practicable, enter into appropriate arrangements to utilize on a reimbursable basis the capabilities of the Department of Commerce. In carrying out such arrangements, the Secretary of Commerce is authorized to enter into contract or grants with any person, organization, or entity with funds appropriated to the Secretary of the Interior pursuant to this Act.

[43 U.S.C. 1346]

SEC. 21. SAFETY REGULATIONS.—(a) Upon the date of enactment of this section, the Secretary and the Secretary of the Department in which the Coast Guard is operating shall, in consultation with each other and, as appropriate, with the heads of other Federal departments and agencies, promptly commence a joint study of the adequacy of existing safety and health regulations and of the technology, equipment, and techniques available for the exploration, development, and production of the minerals of the outer Continental Shelf. The results of such study shall be submitted to the President who shall submit a plan to the Congress of his proposals to promote safety and health in the exploration, development, and production of the minerals of the outer Continental Shelf.

(b) In exercising their respective responsibilities for the artificial islands, installations, and other devices referred to in section 4(a)(1) of this Act, the Secretary, and the Secretary of the Department in which the Coast Guard is operating, shall require, on all new drilling and production operations and, wherever practicable, on existing operations, the use of the best available and safest technologies which the Secretary determines to be economically feasible, wherever failure of equipment would have a significant effect on safety, health, or the environment, except where the Secretary

determines that the incremental benefits are clearly insufficient to justify the incremental costs of utilizing such technologies.

(c) The Secretary of the Department in which the Coast Guard is operating shall promulgate regulations or standards applying to unregulated hazardous working conditions related to activities on the Outer Continental Shelf when he determines such regulations or standards are necessary. The Secretary of the Department in which the Coast Guard is operating may from time to time modify any regulations, interim or final, dealing with hazardous working conditions on the Outer Continental Shelf.

(d) Nothing in this Act shall affect the authority provided by law to the Secretary of Labor for the protection of occupational safety and health, the authority provided by law to the Administrator of the Environmental Protection Agency for the protection of the environment, or the authority provided by law to the Secretary of Transportation with respect to pipeline safety.

(e) The Secretary of Commerce, in cooperation with the Secretary of the Department in which the Coast Guard is operating, and the Director of the National Institute of Occupational Safety and Health, shall conduct studies of underwater diving techniques and equipment suitable for protection of human safety and improvement of diver performance. Such studies shall include, but need not be limited to, decompression and excursion table development and improvement and all aspects of diver physiological restraints and protective gear for exposure to hostile environments.

(f)(1) In administering the provisions of this section, the Secretary shall consult and coordinate with the heads of other appropriate Federal departments and agencies for purposes of assuring that, to the maximum extent practicable, inconsistent or duplicative requirements are not imposed.

(2) The Secretary shall make available to any interested person a compilation of all safety and other regulations which are prepared and promulgated by any Federal department or agency and applicable to activities on the Outer Continental Shelf. Such compilation shall be revised and updated annually.

[43 U.S.C. 1347]

SEC. 22. ENFORCEMENT.—(a) The Secretary, the Secretary of the Department in which the Coast Guard is operating, and the Secretary of the Army shall enforce safety and environmental regulations promulgated pursuant to this Act. Each such Federal department may by agreement utilize, with or without reimbursement, the services, personnel, or facilities of other Federal departments and agencies for the enforcement of their respective regulations.

(b) It shall be the duty of any holder of a lease or permit under this Act to—

(1) maintain all places of employment within the lease area or within the area covered by such permit in compliance with occupational safety and health standards and, in addition, free from recognized hazards to employees of the lease holder or permit holder or of any contractor or subcontractor operating within such lease area or within the area covered by such permit on the outer Continental Shelf;

(2) maintain all operations within such lease area or within the area covered by such permit in compliance with regulations intended to protect persons, property, and the environment on the outer Continental Shelf; and

(3) allow prompt access, at the site of any operation subject to safety regulations, to any inspector, and to provide such documents and records which are pertinent to occupational or public health, safety, or environmental protection, as may be requested.

(c) The Secretary and the Secretary of the Department in which the Coast Guard is operating shall individually, or jointly if they so agree, promulgate regulations to provide for—

(1) scheduled onsite inspection, at least once a year, of each facility on the outer Continental Shelf which is subject to any environmental or safety regulation promulgated pursuant to this Act, which inspection shall include all safety equipment designed to prevent or ameliorate blowouts, fires, spillages, or other major accidents; and

(2) periodic onsite inspection without advance notice to the operator of such facility to assure compliance with such environmental or safety regulations.

(d)(1) The Secretary or the Secretary of the Department in which the Coast Guard is operating shall make an investigation and public report on each major fire and each major oil spillage occurring as a result of operations conducted pursuant to this Act, and may, in his discretion, make an investigation and report of lesser oil spillages. For purposes of this subsection, a major oil spillage is any spillage in one instance of more than two hundred barrels of oil during a period of thirty days. All holders of leases or permits issued or maintained under this Act shall cooperate with the appropriate Secretary in the course of any such investigation.

(2) The Secretary or the Secretary of the Department in which the Coast Guard is operating shall make an investigation and public report on any death or serious injury occurring as a result of operations conducted pursuant to this Act, and may, in his discretion, make an investigation and report of any injury. For purposes of this subsection, a serious injury is one resulting in substantial impairment of any bodily unit or function. All holders of leases or permits issued or maintained under this Act shall cooperate with the appropriate Secretary in the course of any such investigation.

(e) The Secretary, or, in the case of occupational safety and health, the Secretary of the Department in which the Coast Guard is operating, may review any allegation from any person of the existence of a violation of a safety regulation issued under this Act.

(f) In any investigation conducted pursuant to this section, the Secretary or the Secretary of the Department in which the Coast Guard is operating shall have power to summon witnesses and to require the production of books, papers, documents, and any other evidence. Attendance of witnesses or the production of books, papers, documents, or any other evidence shall be compelled by a similar process, as in the district courts of the United States. Such

Secretary, or his designee, shall administer all necessary oaths to any witnesses summoned before such investigation.

[43 U.S.C. 1348]

SEC. 23. CITIZEN SUITS, COURT JURISDICTION, AND JUDICIAL REVIEW.—(a)(1) Except as provided in this section, any person having a valid legal interest which is or may be adversely affected may commence a civil action on his own behalf to compel compliance with this Act against any person, including the United States, and any other government instrumentality or agency (to the extent permitted by the eleventh amendment to the Constitution) for any alleged violation of any provision of this Act or any regulation promulgated under this Act, or of the terms of any permit or lease issued by the Secretary under this Act.

(2) Except as provided in paragraph (3) of this subsection, no action may be commenced under subsection (a)(1) of this section—

(A) prior to sixty days after the plaintiff has given notice of the alleged violation, in writing under oath, to the Secretary and any other appropriate Federal official, to the State in which the violation allegedly occurred or is occurring, and to any alleged violator; or

(B) if the Attorney General has commenced and is diligently prosecuting a civil action in a court of the United States or a State with respect to such matter, but in any such action in a court of the United States any person having a legal interest which is or may be adversely affected may intervene as a matter of right.

(3) An action may be brought under this subsection immediately after notification of the alleged violation in any case in which the alleged violation constitutes an imminent threat to the public health or safety or would immediately affect a legal interest of the plaintiff.

(4) In any action commenced pursuant to this section, the Attorney General, upon the request of the Secretary or any other appropriate Federal official, may intervene as a matter of right.

(5) A court, in issuing any final order in any action brought pursuant to subsection (a)(1) or subsection (c) of this section, may award costs of litigation, including reasonable attorney and expert witness fees, to any party, whenever such court determines such award is appropriate. The court may, if a temporary restraining order or preliminary injunction is sought, require the filing of a bond or equivalent security in a sufficient amount to compensate for any loss or damage suffered, in accordance with the Federal Rules of Civil Procedure.

(6) Except as provided in subsection (c) of this section, all suits challenging actions or decisions allegedly in violation of, or seeking enforcement of, the provisions of this Act, or any regulation promulgated under this Act, or the terms of any permit or lease issued by the Secretary under this Act, shall be undertaken in accordance with the procedures described in this subsection. Nothing in this section shall restrict any right which any person or class of persons may have under any other Act or common law to seek appropriate relief.

(b)(1) Except as provided in subsection (c) of this section, the district courts of the United States shall have jurisdiction of cases and controversies arising out of, or in connection with (A) any operation conducted on the outer Continental Shelf which involves exploration, development, or production of the minerals, of the subsoil and seabed of the outer Continental Shelf, or which involves rights to such minerals, or (B) the cancellation, suspension, or termination of a lease or permit under this Act. Proceedings with respect to any such case or controversy may be instituted in the judicial district in which any defendant resides or may be found, or in the judicial district of the State nearest the place the cause of action arose.

(2) Any resident of the United States who is injured in any manner through the failure of any operator to comply with any rule, regulation, order, or permit issued pursuant to this Act may bring an action for damages (including reasonable attorney and expert witness fees) only in the judicial district having jurisdiction under paragraph (1) of this subsection.

(c)(1) Any action of the Secretary to approve a leasing program pursuant to section 18 of this Act shall be subject to judicial review only in the United States Court of Appeal for the District of Columbia.

(2) Any action of the Secretary to approve, require modification of, or disapprove any exploration plan or any development and production plan under this Act shall be subject to judicial review only in a United States court of appeals for a circuit in which an affected State is located.

(3) The judicial review specified in paragraphs (1) and (2) of this subsection shall be available only to a person who (A) participated in the administrative proceedings related to the actions specified in such paragraphs, (B) is adversely affected or aggrieved by such action, (C) files a petition for review of the Secretary's action within sixty days after the date of such action, and (D) promptly transmits copies of the petition to the Secretary and to the Attorney General.

(4) Any action of the Secretary specified in paragraph (1) or (2) shall only be subject to review pursuant to the provisions of this subsection, and shall be specifically excluded from citizen suits which are permitted pursuant to subsection (a) of this section.

(5) The Secretary shall file in the appropriate court the record of any public hearings required by this Act and any additional information upon which the Secretary based his decision, as required by section 2112 of title 28, United States Code. Specific objections to the action of the Secretary shall be considered by the court only if the issues upon which such objections are based have been submitted to the Secretary during the administrative proceedings related to the actions involved.

(6) The court of appeals conducting a proceeding pursuant to this subsection shall consider the matter under review solely on the record made before the Secretary. The findings of the Secretary, if supported by substantial evidence on the record considered as a whole, shall be conclusive. The court may affirm, vacate, or modify any order or decision or may remand the proceedings to the Secretary for such further action as it may direct.

(7) Upon the filing of the record with the court, pursuant to paragraph (5), the jurisdiction of the court shall be exclusive and its judgment shall be final, except that such judgment shall be subject to review by the Supreme Court of the United States upon writ of certiorari.

[43 U.S.C. 1349]

SEC. 24. REMEDIES AND PENALTIES.—(a) At the request of the Secretary, the Secretary of the Army, or the Secretary of the Department in which the Coast Guard is operating, the Attorney General or a United States attorney shall institute a civil action in the district court of the United States for the district in which the affected operation is located for a temporary restraining order, injunction, or other appropriate remedy to enforce any provision of this Act, any regulation or order issued under this Act, or any term of a lease, license, or permit issued pursuant to this Act.

(b)(1) Except as provided in paragraph (2), if any person fails to comply with any provision of this Act, or any term of a lease, or permit issued pursuant to this Act, or any regulation or order issued under this Act, after notice of such failure and expiration of any reasonable period allowed for corrective action, such person shall be liable for a civil penalty of not more than \$20,000 for each day of the continuance of such failure. The Secretary may assess, collect, and compromise any such penalty. No penalty shall be assessed until the person charged with a violation has been given an opportunity for a hearing. The Secretary shall, by regulation at least every 3 years, adjust the penalty specified in this paragraph to reflect any increases in the Consumer Price Index (all items, United States city average) as prepared by the Department of Labor.

(2) If a failure described in paragraph (1) constitutes or constituted a threat of serious, irreparable, or immediate harm or damage to life (including fish and other aquatic life), property, any mineral deposit, or the marine, coastal, or human environment, a civil penalty may be assessed without regard to the requirement of expiration of a period allowed for corrective action.

(c) Any person who knowingly and willfully (1) violates any provision of this Act, any term of a lease, license, or permit issued pursuant to this Act, or any regulations or order issued under the authority of this Act designed to protect health, safety, or the environment or conserve natural resources, (2) makes any false statement, representation, or certification in any application, record, report, or other document filed or required to be maintained under this Act, (3) falsifies, tampers with, or renders inaccurate any monitoring device or method of record required to be maintained under this Act, or (4) reveals any data or information required to be kept confidential by this Act shall, upon conviction, be punished by a fine of not more than \$100,000, or by imprisonment for not more than ten years, or both. Each day that a violation under clause (1) of this subsection continues, or each day that any monitoring device or data recorder remains inoperative or inaccurate because of any activity described in clause (3) of this subsection, shall constitute a separate violation.

(d) Whenever a corporation or other entity is subject to prosecution under subsection (c) of this section, any officer or agent of such corporation or entity who knowingly and willfully authorized, ordered, or carried out the proscribed activity shall be subject to the same fines or imprisonment, or both, as provided for under subsection (c) of this section.

(e) The remedies and penalties prescribed in this Act shall be concurrent and cumulative and the exercise of one shall not preclude the exercise of the others. Further, the remedies and penalties prescribed in this Act shall be in addition to any other remedies and penalties afforded by any other law or regulation.

[43 U.S.C. 1350]

SEC. 25. OIL AND GAS DEVELOPMENT AND PRODUCTION.—(a)(1) Prior to development and production pursuant to an oil and gas lease issued after the date of enactment of this section in any area of the outer Continental Shelf, other than the Gulf of Mexico, or issued or maintained prior to such date of enactment in any area of the outer Continental Shelf, other than the Gulf of Mexico, with respect to which no oil or gas has been discovered in paying quantities prior to such date of enactment, the lessee shall submit a development and production plan (hereinafter in this section referred to as a “plan”) to the Secretary, for approval pursuant to this section.

(2) A plan shall be accompanied by a statement describing all facilities and operations, other than those on the outer Continental Shelf, proposed by the lessee and known by him (whether or not owned or operated by such lessee) which will be constructed or utilized in the development and production of oil or gas from the lease area, including the location and site of such facilities and operations, the land, labor, material, and energy requirements associated with such facilities and operations, and all environmental and safety safeguards to be implemented.

(3) Except for any privileged or proprietary information (as such term is defined in regulations issued by the Secretary), the Secretary, within ten days after receipt of a plan and statement, shall (A) submit such plan and statement to the Governor of any affected State, and, upon request, to the executive of any affected local government, and (B) make such plan and statement available to any appropriate interstate regional entity and the public.

(b) After the date of enactment of this section, no oil and gas lease may be issued pursuant to this Act in any region of the outer Continental Shelf, other than the Gulf of Mexico, unless such lease requires that development and production activities be carried out in accordance with a plan which complies with the requirements of this section.

(c) A plan may apply to more than one oil and gas lease, and shall set forth, in the degree of detail established by regulations issued by the Secretary—

- (1) the specific work to be performed;
- (2) a description of all facilities and operations located on the outer Continental Shelf which are proposed by the lessee or known by him (whether or not owned or operated by such lessee) to be directly related to proposed development, including

the location and size of such facilities and operations, and the land, labor, material, and energy requirements associated with such facilities and operations;

(3) the environmental safeguards to be implemented on the outer Continental Shelf and how much safeguards are to be implemented;

(4) all safety standards to be met and how such standards are to be met;

(5) an expected rate of development and production and a time schedule for performance; and

(6) such other relevant information as the Secretary may by regulation require.

(d) The Secretary shall not grant any license or permit for any activity described in detail in a plan affecting any land use or water use in the coastal zone of a State with a coastal zone management program approved pursuant to section 306 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1455), unless the State concurs or is conclusively presumed to concur with the consistency certification accompanying such plan pursuant to section 307(c)(3)(B) (i) or (ii) of such Act, or the Secretary of Commerce makes the finding authorized by section 307(c)(3)(B)(iii) of such Act.

(e)(1) At least once the Secretary shall declare the approval of a development and production plan in any area or region (as defined by the Secretary) of the outer Continental Shelf, other than the Gulf of Mexico, to be a major Federal action.

(2) The Secretary may require lessees of tracts for which development and production plans have not been approved, to submit preliminary or final plans for their leases, prior to or immediately after a determination by the Secretary that the procedures under the National Environmental Policy Act of 1969 shall commence.

(f) If approval of a development and production plan is found to be a major Federal action, the Secretary shall transmit the draft environmental impact statement to the Governor of any affected State, and upon request, to the executive of any local government, and shall make such draft available to any appropriate interstate regional entity and the public.

(g) If approval of a development and production plan is not found to be a major Federal action, the Governor of any affected State and the executive of any affected local government shall have sixty days from the date of receipt of the plan from the Secretary to submit comments and recommendations. Prior to submitting recommendations to the Secretary, the executive of any affected local government must forward his recommendations to the Governor of his State. Such comments and recommendations shall be made available to the public upon request. In addition, any interested person may submit comments and recommendations.

(h)(1) After reviewing the record of any public hearing held with respect to the approval of a plan pursuant to the National Environmental Policy Act of 1969 or the comments and recommendations submitted under subsection (g) of this section, the Secretary shall, within sixty days after the release of the final environmental impact statement prepared pursuant to the National Environmental Policy Act of 1969 in accordance with subsection (e) of this

section, or sixty days after the period provided for comment under subsection (g) of this section, approve, disapprove, or require modifications of the plan. The Secretary shall require modification of a plan if he determines that the lessee has failed to make adequate provision in such plan for safe operations on the lease area or for protection of the human, marine, or coastal environment, including compliance with the regulations prescribed by the Secretary pursuant to paragraph (8) of section 5(a) of this Act. Any modification required by the Secretary which involves activities for which a Federal license or permit is required and which affects any land use or water use in the coastal zone of a State with a coastal zone management program approved pursuant to section 306 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1455) must receive concurrence by such State with respect to the consistency certification accompanying such plan pursuant to section 307(c)(3)(B) (i) or (ii) of such Act unless the Secretary of Commerce makes the finding authorized by section 307(c)(3)(B)(iii) of such Act. The Secretary shall disapprove a plan—

(A) if the lessee fails to demonstrate that he can comply with the requirements of this Act or other applicable Federal law, including the regulations prescribed by the Secretary pursuant to paragraph (8) of section 5(a) of this Act;

(B) if any of the activities described in detail in the plan for which a Federal license or permit is required and which affects any land use or water use in the coastal zone of a State with a coastal zone management program approved pursuant to section 306 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1455) do not receive concurrence by such State with respect to the consistency certification accompanying such plan pursuant to section 307(c)(3)(B) (i) or (ii) of such Act and the Secretary of Commerce does not make the finding authorized by section 307(c)(3)(B)(iii) of such Act;

(C) if operations threaten national security or national defense; or

(D) if the Secretary determines, because of exceptional geological conditions in the lease areas, exceptional resource values in the marine or coastal environment, or other exceptional circumstances, that (i) implementation of the plan would probably cause serious harm or damage to life (including fish and other aquatic life), to property, to any mineral deposits (in areas leased or not leased), to the national security or defense, or to the marine, coastal or human environments, (ii) the threat of harm or damage will not disappear or decrease to an acceptable extent within a reasonable period of time, and (iii) the advantages of disapproving the plan outweigh the advantages of development and production.

(2)(A) If a plan is disapproved—

(i) under subparagraph (A) of paragraph (1); or

(ii) under subparagraph (B) of paragraph (1) with respect to a lease issued after approval of a coastal zone management program pursuant to the Coastal Zone Management Act of 1972 (16 U.S.C. 1455),

the lessee shall not be entitled to compensation because of such disapproval.

(B) If a plan is disapproved—

- (i) under subparagraph (C) or (D) of paragraph (1); or
- (ii) under subparagraph (B) of paragraph (1) with respect to a lease issued before approval of a coastal zone management program pursuant to the Coastal Zone Management Act of 1972, and such approval occurs after the lessee has submitted a plan to the Secretary.

the term of the lease shall be duly extended, and at any time within five years after such disapproval, the lessee may reapply for approval of the same or a modified plan, and the Secretary shall approve, disapprove, or require modifications of such plan in accordance with this subsection.

(C) Upon expiration of the five-year period described in subparagraph (B) of this paragraph, or, in the Secretary's discretion, at an earlier time upon request of a lessee, if the Secretary has not approved a plan, the Secretary shall cancel the lease and the lessee shall be entitled to receive compensation in accordance with section 5(a)(2)(C) of this Act. The Secretary may, at any time within the five-year period described in subparagraph (B) of this paragraph, require the lessee to submit a development and production plan for approval, disapproval, or modification. If the lessee fails to submit a required plan expeditiously and in good faith, the Secretary shall find that the lessee has not been duly diligent in pursuing his obligations under the lease, and shall immediately initiate procedures to cancel such lease, without compensation, under the provisions of section 5(c) of this Act.

(3) The Secretary shall, from time to time, review each plan approved under this section. Such review shall be based upon changes in available information and other onshore or offshore conditions affecting or impacted by development and production pursuant to such plan. If the review indicates that the plan should be revised to meet the requirements of this subsection, the Secretary shall require such revision.

(i) The Secretary may approve any revision of an approved plan proposed by the lessee if he determines that such revision will lead to greater recovery of oil and natural gas, improve the efficiency, safety and environmental protection of the recovery operation, is the only means available to avoid substantial economic hardship to the lessee, or is otherwise not inconsistent with the provisions of this Act, to the extent such revision is consistent with protection of the human, marine, and coastal environments. Any revision of an approved plan which the Secretary determines is significant shall be reviewed in accordance with subsections (d) through (f) of this section.

(j) Whenever the owner of any lease fails to submit a plan in accordance with regulations issued under this section, or fails to comply with an approved plan, the lease may be canceled in accordance with sections 5 (c) and (d). Termination of a lease because of failure to comply with an approved plan, including required modifications or revisions, shall not entitle a lessee to any compensation.

(k) If any development and production plan submitted to the Secretary pursuant to this section provides for the production and transportation of natural gas, the lessee shall contemporaneously

submit to the Federal Energy Regulatory Commission that portion of such plan which relates to production of natural gas and the facilities for transportation of natural gas. The Secretary and the Federal Energy Regulatory Commission shall agree as to which of them shall prepare an environmental impact statement pursuant to the National Environmental Policy Act of 1969 applicable to such portion of such plan, or conduct studies as to the effect on the environment of implementing it. Thereafter, the findings and recommendations by the agency preparing such environmental impact statement or conducting such studies pursuant to such agreement shall be adopted by the other agency, and such other agency shall not independently prepare another environmental impact statement or duplicate such studies with respect to such portion of such plan, but the Federal Energy Regulatory Commission, in connection with its review of an application for a certificate of public convenience and necessity applicable to such transportation facilities pursuant to section 7 of the Natural Gas Act (15 U.S.C. 717), may prepare such environmental studies or statement relevant to certification of such transportation facilities as have not been covered by an environmental impact statement or studies prepared by the Secretary. The Secretary, in consultation with the Federal Energy Regulatory Commission, shall promulgate rules to implement this subsection, but the Federal Energy Regulatory Commission shall retain sole authority with respect to rules and procedures applicable to the filing of any application with the Commission and to all aspects of the Commission's review of, and action on, any such application.

(1) The Secretary may require the provisions of this section to apply to an oil and gas lease issued or maintained under this Act, which is located in that area of the Gulf of Mexico which is adjacent to the State of Florida, as determined pursuant to section 4(a)(2) of this Act.

[43 U.S.C. 1351]

SEC. 26. OUTER CONTINENTAL SHELF OIL AND GAS INFORMATION PROGRAM.—(a)(1)(A) Any lessee or permittee conducting any exploration for, or development or production of, oil or gas pursuant to this Act shall provide the Secretary access to all data and information (including processed, analyzed, and interpreted information) obtained from such activity and shall provide copies of such data and information as the Secretary may request. Such data and information shall be provided in accordance with regulations which the Secretary shall prescribe.

(B) If an interpretation provided pursuant to subparagraph (A) of this paragraph is made in good faith by the lessee or permittee, such lessee or permittee shall not be held responsible for any consequence of the use of or reliance upon such interpretation.

(C) Whenever any data and information is provided to the Secretary, pursuant to subparagraph (A) of this paragraph—

(i) by a lessee, in the form and manner of processing which is utilized by such lessee in the normal conduct of his business, the Secretary shall pay the reasonable cost of reproducing such data and information;

(ii) by a lessee, in such other form and manner of processing as the Secretary may request, the Secretary shall pay the reasonable cost of processing and reproducing such data and information;

(iii) by a permittee, in the form and manner of processing which is utilized by such permittee in the normal conduct of his business, the Secretary shall pay such permittee the reasonable cost of reproducing such data and information for the Secretary and shall pay at the lowest rate available to any purchaser for processing such data and information the costs attributable to such processing; and

(iv) by the permittee, in such other form and manner of processing as the Secretary may request, the Secretary shall pay such permittee the reasonable cost of processing and reproducing such data and information for the Secretary, pursuant to such regulations as he may prescribe.

(2) Each Federal department and agency shall provide the Secretary with any data obtained by such Federal department or agency pursuant to section 11 of this Act, and any other information which may be necessary or useful to assist him in carrying out the provisions of this Act.

(b)(1) Data and information provided to the Secretary pursuant to subsection (a) of this section shall be processed, analyzed, and interpreted by the Secretary for purposes of carrying out his duties under this Act.

(2) As soon as practicable after information provided to the Secretary pursuant to subsection (a) of this section is processed, analyzed, and interpreted, the Secretary shall make available to the affected States, and upon request, to any affected local government, a summary of data designed to assist them in planning for the onshore impacts of possible oil and gas development and production. Such summary shall include estimates of (A) the oil and gas reserves in areas leased or to be leased, (B) the size and timing of development if and when oil or gas, or both, is found, (C) the location of pipelines, and (D) the general location and nature of onshore facilities.

(c) The Secretary shall prescribe regulations to (1) assure that the confidentiality of privileged or proprietary information received by the Secretary under this section will be maintained, and (2) set forth the time periods and conditions which shall be applicable to the release of such information. Such regulations shall include a provision that no such information will be transmitted to any affected State unless the lessee, or the permittee and all persons to whom such permittee has sold such information under promise of confidentiality, agree to such transmittal.

(d)(1) The Secretary shall transmit to any affected State—

(A) an index, and upon request copies of, all relevant actual or proposed programs, plans, reports, environmental impact statements, tract nominations (including negative nominations) and other lease sale information, any similar type of relevant information, and all modifications and revisions thereof and comments thereon, prepared or obtained by the Secretary pursuant to this Act, but no information transmitted by the Secretary under this subsection shall identify any particular

tract with the name or names of any particular party so as not to compromise the competitive position of any party or parties participating in the nominations;

(B)(i) the summary of data prepared by the Secretary pursuant to subsection (b)(2) of this section, and (ii) any other processed, analyzed, or interpreted data prepared by the Secretary pursuant to subsection (b)(1) of this section, unless the Secretary determines that transmittal of such data prepared pursuant to such subsection (b)(1) would unduly damage the competitive position of the lessee or permittee who provided the Secretary with the information which the Secretary had processed, analyzed, or interpreted; and

(C) any relevant information received by the Secretary pursuant to subsection (a) of this section, subject to any applicable requirements as to confidentiality which are set forth in regulations prescribed under subsection (c) of this section.

(2) Notwithstanding the provisions of any regulation required pursuant to the second sentence of subsection (c) of this section, the Governor of any affected State may designate an appropriate State official to inspect, at a regional location which the Secretary shall designate, any privileged information received by the Secretary regarding any activity adjacent to such State, except that no such inspection shall take place prior to the sale of a lease covering the area in which such activity was conducted. Knowledge obtained by such State during such inspection shall be subject to applicable requirements as to confidentiality which are set forth in regulations prescribed under subsection (c) of this section.

(e) Prior to transmitting any privileged information to any State, or granting such State access to such information, the Secretary shall enter into a written agreement with the Governor of such State in which such State agrees, as a condition precedent to receiving or being granted access to such information, to waive the defenses set forth in subsection (f)(2) of this section, and to hold the United States harmless from any violations of the regulations prescribed pursuant to subsection (c) that the State or its employees may commit.

(f)(1) Whenever any employee of the Federal Government or of any State reveals information in violation of the regulations prescribed pursuant to subsection (c) of this section, the lessee or permittee who supplied such information to the Secretary or to any other Federal official, and any person to whom such lessee or permittee has sold such information under promise of confidentiality, may commence a civil action for damages in the appropriate district court of the United States against the Federal Government or such State, as the case may be.

(2) In any action commenced against the Federal Government or a State pursuant to paragraph (1) of this subsection, the Federal Government or such State, as the case may be, may not raise as a defense (A) any claim of sovereign immunity, or (B) any claim that the employee who revealed the privileged information which is the basis of such suit was acting outside the scope of his employment in revealing such information.

(g) Any provision of State or local law which provides for public access to any privileged information received or obtained by any

person pursuant to this Act is expressly preempted by the provisions of this section, to the extent that it applies to such information.

(h) If the Secretary finds that any State cannot or does not comply with the regulations issued under subsection (c) of this section, he shall thereafter withhold transmittal and deny inspection of privileged information to such State until he finds that such State can and will comply with such regulations.

[43 U.S.C. 1352]

SEC. 27. FEDERAL PURCHASE AND DISPOSITION OF OIL AND GAS.—(a)(1) Except as may be necessary to comply with the provisions of sections 6 and 7 of this Act, all royalties or net profit shares, or both accruing to the United States under any oil and gas lease issued or maintained in accordance with this Act, shall, on demand of the Secretary, be paid in oil or gas.

(2) The United States shall have the right to purchase not to exceed $16\frac{2}{3}$ per centum by volume of the oil and gas produced pursuant to a lease issued or maintained in accordance with this Act, at the regulated price, or, if no regulated price applies, at the fair market value at the well head of the oil and gas saved, removed, or sold, except that any oil or gas obtained by the United States as royalty or net profit share shall be credited against the amount that may be purchased under this subsection.

(3) Title to any royalty, net profit share, or purchased oil or gas may be transferred, upon request, by the Secretary to the Secretary of Defense, to the Administrator of the General Services Administration, or to the Secretary of Energy, for disposal within the Federal Government.

(b)(1) The Secretary, except as provided in this subsection, may offer to the public and sell by competitive bidding for not more than its regulated price, or, if no regulated price applies, not less than its fair market value, any part of the oil (A) obtained by the United States pursuant to any lease as royalty or net profit share, or (B) purchased by the United States pursuant to subsection (a)(2) of this section.

(2) Whenever, after consultation with the Secretary of Energy, the Secretary determines that small refiners do not have access to adequate supplies of oil at equitable prices, the Secretary may dispose of any oil which is taken as a royalty or net profit share accruing or reserved to the United States pursuant to any lease issued or maintained under this Act, or purchased by the United States pursuant to subsection (a)(2) of this section, by conducting a lottery for the sale of such oil, or may equitably allocate such oil among the competitors for the purchase of such oil, at the regulated price, or if no regulated price applies, at its fair market value. The Secretary shall limit participation in any allocation or lottery sale to assure such access and shall publish notice of such allocation or sale, and the terms thereof, at least thirty days in advance. Such notice shall include qualifications for participation, the amount of oil to be sold, and any limitation in the amount of oil which any participant may be entitled to purchase.

(3) The Secretary may only sell or otherwise dispose of oil described in paragraph (1) of this subsection in accordance with any

provision of law, or regulations issued in accordance with such provisions, which provide for the Secretary of Energy to allocate, transfer, exchange, or sell oil in amounts or at prices determined by such provision of law or regulations.

(c)(1) Except as provided in paragraph (2) of this subsection, the Secretary, pursuant to such terms as he determines, may offer to the public and sell by competitive bidding for not more than its regulated price, or, if no regulated price applies, not less than its fair market value any part of the gas (A) obtained by the United States pursuant to a lease as royalty or net profit share, or (B) purchased by the United States pursuant to subsection (a)(2) of this section.

(2) Whenever, after consultation with and advice from the Secretary of Energy, the Federal Energy Regulatory Commission determines that an emergency shortage of natural gas is threatening to cause severe economic or social dislocation in any region of the United States and that such region can be serviced in a practical, feasible, and efficient manner by royalty, net profit share, or purchased gas obtained pursuant to the provisions of this section, the Secretary of the Interior may allocate or conduct a lottery for the sale of such gas, and shall limit participation in any allocation or lottery sale of such gas to any person servicing such region, but he shall not sell any such gas for more than its regulated price, or, if no regulated price applies, less than its fair market value. Prior to selling or allocating any gas pursuant to this subsection, the Secretary shall consult with the Federal Energy Regulatory Commission.

(d) The lessee shall take any Federal oil or gas for which no acceptable bids are received, as determined by the Secretary, and which is not transferred pursuant to subsection (a)(3) of this section, and shall pay to the United States a cash amount equal to the regulated price, or, if no regulated price applies, the fair market value of the oil or gas so obtained.

(e) As used in this section—

(1) the term “regulated price” means the highest price—

(A) at which oil may be sold pursuant to the Emergency Petroleum Allocation Act of 1973 and any rule or order issued under such Act;

(B) at which natural gas Act, any other Act, regulations governing natural gas pricing, or any rule or order issued under any such Act or any such regulations; or

(C) at which either Federal oil or gas may be sold under any other provision of law or rule or order thereunder which sets a price (or manner for determining a price) for oil or gas; and

(2) the term “small refiner” has the meaning given such term by Small Business Administration Standards 128.3–8 (d) and (g), as in effect on the date of enactment of this section or as thereafter revised or amended.

(f) Nothing in this section shall prohibit the right of the United States to purchase any oil or gas produced on the outer Continental Shelf as provided by section 12(b) of this Act.

[43 U.S.C. 1353]

Mineral Leasing Act of 1920 as Amended

re-transcribed 8/9/07



MINERAL LANDS LEASING ACT OF FEBRUARY 25, 1920
(Mineral Leasing Act of 1920)

And Subsequent Amendments
Including the Federal Onshore Oil and Gas
Leasing Reform Act of 1987

<u>Title of Act</u>	<u>Page</u>
MINERAL LANDS LEASING ACT OF FEBRUARY 25, 1920	1
Sec. 1	1
Secs. 2 through 8	1
Coal	1
Secs. 9 through 12	4
Phosphates	4
Secs. 13 through 20	5
Oil and Gas	5
Sec. 21	10
Oil Shale	10
Sec. 22	11
Alaska Oil Proviso	11
Sec. 23 through 25	11
Sodium	11
Secs. 26 through 38	13
General Provisions	
Applicable to Coal, Phosphate, Sodium, Oil,	
Oil Shale and Gas Leases	13
ACT OF APRIL 30, 1926	18
amending section 27 of the Mineral Leasing Act	
ACT OF FEBRUARY 7, 1927	19
POTASSIUM ACT OF FEBRUARY 7, 1927	
promoting mining of potash on public domain. Excerpts	
ACT OF DECEMBER 11, 1928	20
Amending sections 23 and 24 of Mineral Leasing Act	
ACT OF JUNE 27, 1930	21
repayment of excess lease rents and royalties	
ACT OF JULY 3, 1930	22
amending sections 17 and 27 of Mineral Leasing Act	
ACT OF MARCH 4, 1931	22
amending sections 17 and 27 of Mineral Leasing Act	
ACT OF FEBRUARY 9, 1933	28
adding section 39 regarding suspension of operations/	
production and suspension of rental payments	
ACT OF JUNE 16, 1934	29
amending Mineral Leasing Act regarding oil- or gas-	
prospecting permits and leases	

<u>Title of Act</u>	<u>Page</u>
ACT OF AUGUST 21, 1935 amending Mineral Leasing Act secs. 13, 14, 17, and 28	30
ACT OF JULY 8, 1940 relating to rentals in certain oil and gas leases	37
ACT OF JULY 29, 1942..... granting preference rights to certain oil and gas leases	37
ACT OF DECEMBER 24, 1942..... encouraging discovery of oil and gas on public domain during continuance of present war	38
ACT OF NOVEMBER 28, 1943..... authorizing Secretary of the Interior to settle certain claims	39
ACT OF JULY 13, 1946 encouraging and protecting oil refineries not having their own source of supply for crude oil by extending preference in disposing of royalty oil	39
ACT OF AUGUST 8, 1946..... promoting development of oil and gas on public domain	40
ACT OF MAY 27, 1947..... amending section 35 of Mineral Leasing Act	49
ACT OF AUGUST 7, 1947..... MINERAL LEASING ACT FOR ACQUIRED LANDS promoting mining on acquired lands	50
ACT OF JUNE 1, 1948..... permitting exercise of certain options on or before August 8, 1950	52
ACT OF JUNE 3, 1948..... amending Mineral Leasing Act and the Potassium Act of 2/7/27 to promote development of certain minerals on public domain	53
ACT OF AUGUST 3, 1950..... providing biannual payments to States under Oil Land Leasing Act of 1920	57

<u>Title of Act</u>	<u>Page</u>
ACT OF AUGUST 12, 1953. amending mineral leasing laws with respect to application to pipelines passing through public domain	57
ACT OF AUGUST 2, 1954. amending section 27 of Mineral Leasing Act to promote development of oil and gas on public domain	60
ACT OF JULY 10, 1957.section 2 only. amending section 35 regarding Alaska	61
ACT OF JULY 3, 1958.sections 1, 2, 6, and 10 providing for leasing of oil and gas deposits in lands beneath nontidal navigable waters in Alaska	61
ACT OF AUGUST 21, 1958. amending section 27 to promote development of coal on the public domain	63
ACT OF SEPTEMBER 9, 1959 section 2 only. amending section 2 of the Mineral Leasing Act	64
ACT OF MARCH 18, 1960. MINERAL LEASING ACT REVISION OF 1960 authorizing issuance of prospecting permits for phosphate in lands belonging to United States	65
ACT OF JUNE 11, 1960.number 21 only. amending section 17 to add "certified mail"	65
ACT OF JULY 14, 1960.sections 204(a) and 303. repeals the Act of June 27, 1930	66
ACT OF SEPTEMBER 2, 1960. amending sections 17, 17 (a) , and 17 (b) of the Mineral Leasing Act	67
ACT OF OCTOBER 15, 1962. amending section 31 of the Mineral Leasing Act	78

<u>Title of Act</u>	<u>Page</u>
ACT OF AUGUST 31, 1964.	79
amending section 27 to promote development of coal on public domain and for other purposes	
ACT OF SEPTEMBER 6, 1966.excerpt only	79
repealing section 38 of the Mineral Leasing Act	
ACT OF MAY 12, 1970.	80
to prevent terminations of oil and gas leases in cases of nominal deficiency in rental payment; or to reinstate under some conditions	
ACT OF DECEMBER 24, 1970.	81
GEOHERMAL STEAM ACT OF 197 0 authorizing Secretary of the Interior to make disposition of geothermal steam and associated geothermal resources	
ACT OF NOVEMBER 16, 1973.Title I only.	91
TRANS-ALASKA PIPELINE AUTHORIZATION ACT amending section 28 of the Mineral Leasing Act and authorizing a trans-Alaska oil pipeline. and other purposes	
Grant of Authority	91
Definitions.	91
Inter-Agency Coordination	91
Width Limitations.	92
Temporary Permits.	92
Regulatory Authority.	92
Pipeline Safety.	92
Environmental Protection.	92
Disclosure.	93
Technical and Financial Capability.	93
Public Hearings.	94
Reimbursement of Costs.	94
Boning.	94
Duration of Grant	94
Suspension or Termination of Right-of-Way.	94
Joint Use of Rights-of-Way.	95
Statutes	95
Common Carriers.	95
Right-of-Way Corridors.	96
Existing Rights-of-Way.	96
Limitations on Export.	97
State Standards.	97
Reports.	97
Liability.	98
Antitrust Laws.	99

<u>Title of Act</u>	<u>Page</u>
ACT OF APRIL 21, 1976. excerpt only. amending section 35 of Mineral Leasing Law regarding dates	100
ACT OF AUGUST 4, 1976. FEDERAL COAL LEASING AMENDMENTS ACT OF 1975 Later amended to Act of "1976".	100
ACT OF SEPTEMBER 28, 1976. only Title III. amending section 35 of the Mineral Leasing Act	109
ACT OF OCTOBER 21, 1976. Excerpts Title III. FEDERAL LAND POLICY AND MANAGEMENT ACT (FLPMA) Mineral Revenue.	110 110
ACT OF OCTOBER 30, 1978. authorizing Secretary of the Interior to exchange Federal coal leases and encourage recovery of certain coal deposits	111
ACT OF NOVEMBER 16, 1981. facilitating and encouraging production of oil from tar sand and other hydrocarbon deposits	114
ACT OF DECEMBER 30, 1982. excerpt from Title III. adding new subsections to section 21 of the Mineral Leasing Act	117
ACT OF JANUARY 12, 1983. Titles I and XV only. FEDERAL OIL AND GAS ROYALTY MANAGEMENT ACT OF 1982 (FOGRMA) Title I - Federal Royalty Management & Enforcement.	119 119
Duties of the Secretary.	119
Duties of Lessees, Operators, and Motor Vehicle Transporters.	120
Required Recordkeeping.	121
Prompt Disbursement of Royalties.	121
Explanation of Payments.	122
Liabilities and Bonding.	122
Hearings and Investigations.	122
Inspections.	123
Civil Penalties.	124
Criminal Penalties.	125
Royalty Interest, Penalties and Payments.	125
Injunction and Specific Enforcement Authority.	126
Rewards.	127
Noncompetitive Oil and Gas Lease Royalty Rates.	127

<u>Title of Act</u>	<u>Page</u>
ACT OF JANUARY 12, 1983.Titles I and IV only FEDERAL OIL AND GAS ROYALTY MANAGEMENT. ACT OF 1982 (FOGRMA) (continued) Title IV - Reinstatement of Leases and Conversion of Unpatented Oil Placer Claims	128
ACT OF DECEMBER 21, 1987..... Subtitle B only..... FEDERAL ONSHORE OIL AND GAS LEASING REFORM ACT OF 1987	132
ACT OF NOVEMBER 15, 1990..... amending sections 14 and 31 of the Mineral Leasing Act	140

Act of February 25, 1920

As Act To promote the mining of coal, phosphate, oil, oil shale, gas and sodium on the public domain.

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled. That deposits of coal, phosphate, sodium, oil, oil shale or gas, and lands containing such deposits owned by the United States, including those in national forests, but excluding lands acquired under the Act known as the Appalachian Forest Act; approved March 1, 1911 (Thirty-sixth Statutes, page 961); and those in national parks, and in lands withdrawn or reserved for military or naval uses or purposes, except as herein after provided, shall be subject to disposition in the form and manner provided by this Act or citizens of the United States, or to any association of such persons, or to any corporation organized under the laws of the United States, or of any State or Territory thereof, and in the case of coal, oil, oil shale, or gas, to municipalities: *Provided*, That the United States reserves the right to extract helium from all gas produced under this Act, 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: *And provided further*, That citizens of another country, the laws, customs, or regulations of which, deny similar or life 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 Act.

Coal

Sec. 2. That the Secretary of the Interior is authorized to, and upon the petition of any qualified applicant shall, divide any of the coal lands or the deposits of coal, classified and unclassified owned by the United States, outside the Territory of Alaska, into leasing tracts of forty acres each, or multiples thereof, and in such form as, in the opinion of the Secretary of the Interior, will permit the most economical mining of the coal in such tracts, but in no case exceeding two thousand five hundred and sixty acres in any one leasing tract, and thereafter the Secretary of the Interior shall, in his discretion, upon the request of any qualified applicant or on his own motion, from time to time, offer such lands or deposits of coal for leasing, and shall award leases thereon by competitive bidding or by such other methods as he may by general regulations adopt, to any qualified applicant: *Provided*, That the Secretary is hereby authorized, in awarding leases for coal lands heretofore improved and occupied or claimed in good faith, to consider recognized equitable rights of such occupants or claimant: *Provided further*, that where prospecting or exploratory work is necessary to determine the existence or workability of coal deposits in any

Federally Owned Mineral Lands
Sec. 1: See footnotes 1-4 for
amendments

COAL
COAL LEASES: LEASING
TRACTS. ACREAGE.
COMPETITIVE BIDDING
Sec. 2: See footnotes 5-12
for amendments

unclaimed, undeveloped area, the Secretary of the Interior may issue, to applicants qualified under this Act, prospecting permits for a term of two years, for not exceeding two thousand five hundred and sixty acres; and if within said period of two years thereafter the permittee shows to the Secretary that the land contains coal in commercial quantities, the permittee shall be entitled to a lease under this Act for all or part of the land in his permit: *And provided further*, That no lease of coal under this Act shall be approved or issued until after notice of the proposed lease, or offering for lease, has been given for thirty days in a newspaper of general circulation in the county in which the lands or deposits are situated; *and provided further*, That no company or corporation operating a common carrier railroad shall be given or hold a permit or lease under the provisions of the Act for any coal deposits except for its own use for railroad purposes; and such limitations of sue shall be expressed in all permits and leases issued to such companies or corporations, and no such company or corporation shall receive or hold more than one permit or lease for each two hundred miles of its railroad line within the Stat in which said property is situated, exclusive of spurs or switches and exclusive of branch lines built to connect the leased coal with the railroad, and also exclusive of parts of the railroad operated mainly by power produced otherwise than by steam: *And provided further*, That nothing herein shall preclude such a railroad of less than two hundred miles in length from securing and holding one permit or lease hereunder.

Sec.3. That any person, association, or corporation holding a lease of coal lands or coal deposits under this Act may, with the approval of the Secretary of the Interior, upon a finding by him that it will be for the advantage of the lessee and the United States, ensure modifications of his or its original lease by including additional coal lands or coal deposits contiguous to these embraced in such lease, but in no event shall the total area embraced in such modified lease exceed in the aggregate two thousand five hundred and sixty acres.

MODIFY ORIGINAL COAL
LEASE
Sec 3: See footnotes
13-18 for amendments.

Sec.4. That upon satisfactory showing by any lessee to the Secretary of the Interior that all of the workable deposits of coal within a tract covered by his or its lease will be exhausted, worked out, or removed within three years thereafter, the Secretary of the Interior may, within his discretion, lease to such lessee an additional tract of land or coal deposits, which, including the coal area remaining the existing lease shall not exceed two thousand five hundred and sixty acres, through the same procedures and under the same conditions as in case of an original lease.

ADDITIONAL LEASING
Sec 4: See footnotes 19 for
amendments.

Sec.5. That if, in the judgment of the Secretary of the Interior, the public interest will be subserved thereby, lessees holding under lease areas not exceeding the maximum permitted under this Act may consolidate their leases through the surrender of the original lease and the inclusion of such areas in a new lease of not to exceed two thousand five hundred and sixty acres of contiguous lands.

CONSOLIDATING LEASES

Sec.6. That where coal or phosphate lands aggregating two thousand five hundred and sixty area and subject to lease hereunder do

NONCONSOLIDATING LEASES

not exist as contiguous areas, the Secretary of the Interior is authorized, if, in his opinion of the interest of the public and of the lease will be thereby subserved, to embrace in a single lease noncontiguous tracts which can be operated as a single mine or unit.

Sec.7. That of the privileges of mining or extracting the coal in the lands covered by the lease the lessee shall pay to the United States such royalties as may be specified in the lease, which shall be fixed in advance of offering the same, and which shall not be less than 5 cents per ton of two thousand pounds, due and payable at the end of each third month succeeding that of the extraction of the coal from the mine, and an annual rental, payable at the date of such lease and annually thereafter, on the lands or coal deposits covered by such lease, at such rate as may be fixed by the Secretary of the Interior prior to offering the same, which shall not be less than 25 cents per acre for the first year thereafter, no less than 50 cents per acre for the second, third, fourth, and fifth years, respectively, and not less than \$1 per acre for each and every year thereafter during the continuance of the lease, except that such rental for any year shall be credited against the royalties as they accrue for that year. Leases shall be for indeterminate period upon condition of diligent development and continued operation shall be interrupted by strikes, the elements, or casualties not attributable to the lessee, and upon the further condition that at the end of each twenty-year period succeeding the date of the lease such readjustment of terms and conditions may be made as the Secretary of the Interior may determine, unless otherwise provided by law at the time of the expiration of such periods: *Provided*, That the Secretary of the Interior may, if in his judgment the public interest will be subserved thereby, in lieu of the provisions herein contained requiring continuous operation of the mine or mines, provide in the lease for the payment, of an annual advance royalty upon a minimum number of tons of coal, which in no case shall aggregate less than the amount of rentals herein provided for: *Provided further*, That the Secretary of the Interior may permit suspension of operation under such lease for not to exceed six months at any one time when market conditions are such that the lease can not be operated except at a loss.

ROYALTIES
Sec.7: See footnotes 20
for amendment

Sec.8. That in order to provide for the supply of strictly local domestic needs for fuel, the Secretary of the Interior may, under such rules and regulations as he may prescribe in advance, issue limited licenses or permits to individuals or associations of individuals to prospect for, mine, and take for their use but not for sale, coal from the land occupied, on such conditions not inconsistent with the Act as in his opinion will safeguard the public interest: *Provided*, That this privilege shall not extend to any corporations: *Provided further*, That in the case of municipal corporations the Secretary of the Interior may issue such limited license or permit, for not to exceed three hundred and twenty acres for a municipality of less than one hundred thousand population, and not to exceed one thousand two hundred and eighty acres for a municipality of not less than one hundred thousand and not more than one hundred and fifty thousand population; and not to exceed two thousand five hundred and sixty acres for a

OWN USE PROVISIONS
Sec.8: See footnotes
21-22 for amendment

municipality of one hundred and fifty thousand population or more, the land to be selected within the State wherein municipal applicant may be located, upon condition that such municipal corporations will mine the coal therein under proper conditions and dispose of the same without profit to residents of such municipality for household use; *And provided further*, that the acquisition of holding of a lease under the preceding sections of the Act shall be no bar to the holding of such tract or operation of such mine under said limited license.

Phosphates

Sec.9. That the Secretary of the Interior is hereby authorized to lease to nay applicant qualified under this Act any lands belonging to the United States containing deposits of phosphates, under such restrictions and upon such terms as are herein specified, though advertisement, competitive bidding, or such other methods as the Secretary of the Interior may be general regulation adopt.

Sec.10. That each lease shall be for not to exceed two thousand five hundred and sixty acres of land to be described by the legal subdivisions of the public land surveys, if surveyed; if unsurveyed, to be surveyed by the Government at the expense of the applicant for lease, in accordance with rule sand regulations 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 survey; deposits made to cover expenses of surveys shall be deemed appropriated for that purpose; and any excess deposits shall be repaid to the person, association, or corporation making such deposits or their legal representatives: *Provided*, That the land embraced in any one lease shall be in compact form, the length of which shall not exceed two and one half times its width.

Sec.11. That for the privilege of mining or extracting the phosphates or phosphate rock covered by the lease the lessee shall pay the united States such royalties as may be specified in-the lease, which shall be fixed by the Secretary of the Interior in advance of offering the same, which shall be not less than 2 per centum of the gross values of the output of phosphates of phosphate rock at the mine due and payable at then end of each third month succeeding that of the sale of other disposition of the phosphates or phosphate rock, and an annual rental payable at the date of such lease and annually thereafter on the area covered by such lease at such rate as may be fixed by the Secretary of the Interior prior to offering the lease, which shall be not less than 25 cents per acre of the first year thereafter, 50 cents per acre of the second, third, fourth, and fifth years, respectively, and \$1 per acre for each and every year thereafter during the continuance of the lease, except that such rental for any year shall be credited against the royalties as they accrue for that year. Leases shall be fro indeterminate period upon condition of a minimum annual production, except when operation shall be interrupted by strikes, the element, or casualties not attributable to the lessee, and upon the further condition that at the end of each twenty-year period succeeding the date of the lease such readjustment of

PHOSPHATES

LAND LEASING

Sec.9: See footnotes
23-24 for amendment

SIZE OF LEASE

Sec. 10: See footnote
25 for amendment.

ROYALTIES

Sec. 11: See footnote
26 for amendment.

terms and conditions shall be made as the Secretary of the Interior shall determine unless otherwise provided by law at the time of the expiration for such periods: *Provided*, That the Secretary of the Interior may permit suspension of operation under such lease for not exceeding twelve months at any one time when market conditions are such that the lease can not be operated except at a loss.

Sec.12. That nay qualified applicant to whom the Secretary of the Interior may grant a lease to develop and extract phosphates, or phosphate rock, under the provisions of this Act shall have the right to use so much for the surface of unappropriated and unentered lands not exceeding forty acres, as may be determined by the secretary of the Interior to be necessary for the proper prospecting for or development, extraction, treatment, and removal of such mineral deposits.

SURFACE USE
Sec. 12: See footnote
27-28 for amendment.

OIL AND GAS.

Sec.13. That the Secretary of the Interior is hereby authorized, under such necessary and proper rules and regulations as he may prescribe, to grant to any applicant qualified under this Act a prospecting permit, which shall give the exclusive right, for a period not exceeding two year, to prospect for oil or gas upon not to exceed two thousand five hundred and sixty acres of land wherein such deposits belong to the United States and are not within any known geological structure of the producing oil and gas field upon condition that the permittee shall begin drilling operations within six months from the date of the permit, and shall , within one year from and after the date of permit, drill one or more wells for oil or gas to a depth not less than two thousand feet unless valuable deposits of oil or gas shall be sooner discovered. The Secretary of the Interior may, if he shall find that the permittee has been unable with the exercise of diligence to test the land in the time granted by the permit, extend any such permit for such time, not exceeding two years, and upon such conditions as he shall prescribe. Whether the lands sought in any such application and permit are surveyed or unsurveyed the applicant shall, prior to filling his application for permit, locate such lands in a reasonably compact form according to the legal subdivisions of the public land surveys in the land be surveyed; and in an approximately square or rectangular tract if the land be an unsurveyed tract, the length of which shall not exceed two and one-half times wits width, and if he shall cause to be erected upon the land for which a permit is sought a monument not less than four feet high, at some conspicuous place thereon, and shall post a notice in writing on or near said monument, stating that an application for permit will be made within thirty days after date of posting said notice, the names of the applicant, the date of the notice, and such a general description of the land to be covered by such permit by reference to courses and distances from such monument and such other natural objects and permanent monuments as will reasonably identify the land,

OIL AND GASE
GRANTING LEASES
Sec. 13: See footnote
29-30 for amendment.

LOCATING LEASE

stating the amount thereof in acres, he shall during the period of thirty days following such marking and posting, be entitled to a preference right over others to a permit for the land so identified. The applicant shall, within ninety days after reviving a permit, mark each of the corners of the tract described in the permit upon the ground with substantial monuments, so that the boundaries can be readily traced on the ground and shall post on a conspicuous place upon the lands a notice that such permit has been granted a description of the lands covered thereby: *Provided*, That in the Territory of Alaska prospecting permits not more than five in number may be granted to any qualified applicant for periods not exceeding four years, actual drilling operations shall begin within two years from date of permit, and oil and gas wells shall be drilled to a depth of not less than five hundred feet, unless valuable deposits of oil or gas shall be sooner discovered within three years from sate of the permit and to an aggregate depth of not less than two thousand feet unless valuable deposits of oil or gas shall be sooner discovered, within four years from date of permit: *Provided further*, That in said Territory the applicant shall have a preference right over others to a permit for land identified by temporary monuments and notice posted on or near the same for six months following such marking and posting, and upon receiving a permit he shall mark the corners of the tract described in the permit upon the ground with substantial monuments within one year after receiving such permit.

Sec.14. That 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 compact form and, if surveyed to be described by the legal subdivision 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 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 deposits 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 for \$1 per acres, the rental paid for any one year to be credited against the royalties as they accrue for that year, with the right of renewal as prescribed in section 17 hereof. 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 12 ½ per centum in amount or value of the production, and under such other conditions are fixed for oil or lease in this Act, the royalty to be determined by competitive bidding or fixed by such other method as the Secretary may be regulations prescribe: *Provided*, That the Secretary shall have the right to reject any or all bids.

REVIEING LEASE FOR
PERMITTED LAND
Sec. 14: See footnote
31 for amendment.

See footnote 99 for
Amendment.

ROYALTY

Sec.15. That until the permittee shall apply for lease to the one quarter of the permit are heretofore provided for he shall pay to the United States 20 per centum of the gross value of all oil and gas secured by him from the lands embraces within his permit and sold or otherwise disposed of or help by him for sale of other disposition.

Sec.16. That all permits and leases of lands containing oil or gas, made or issued under the provisions of this Act, shall be subject to the condition that no wells shall be drilled within two hundred feet of any of the outer boundaries of the lands so permitted or leased, unless the adjoining lands have been patented or the title thereto otherwise vested in private owners, and to the further condition that the permittee or 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 permit or lease, to be enforced through appropriate proceeding in courts of competent jurisdiction.

Sec.17. That all unappropriated deposits of oil or gas situated within the known geologic structure of a producing oil or gas field and the unentered lands containing the same, not subject to preferential lease, may be leased by the Secretary of the Interior to the highest responsible bidder by competitive bidding under general regulations to qualified applicants in areas not exceeding six hundred and forty acres and in tracts which shall not exceed in length two and one-half times their width, such lease to be conditioned upon the payment by the lessee of such bonus as may be accepted and of such royalty as may be fixed in the lease, which shall not be less than 12 1/2 per centum in amount of values of the production, and the payment in advance of a rental of not less than \$1 per acre per annum thereafter during the continuance of the lease, the rental paid for any one year to be credited against the royalties as they accrue for that year. Leases shall be for a period of twenty years, with the preferential upon such reasonable terms and conditions as may be prescribed by the Secretary of the Interior, unless otherwise provided by law at the time of the expiration of such periods. Whenever the average daily production of any oil well shall not exceed ten barrels per day, the Secretary of the Interior is authorized to reduce the royalty on future production when in his judgment the wells can not be successfully operated upon the royalty fixed in the lease. The provisions of this paragraph shall apply to all oil and gas leases made under this Act.

Sec.18. That upon relinquishment to the United States, filed in the General Land office within six months after the approval of this Act, of all right, title, and interest⁵ claimed and possessed prior to July 3, 1910, and continuously since by the claimant or his predecessor in interest under the preexisting placer mining law to any oil or gas gearing land upon which there has been drilled one or more oil or gas wells to discovery embraced in the Executive order of withdrawal issued September 27, 1909, and not within any naval petroleum reserve, and upon payment as royalty to the Unites States.

WELL DRILLING NEAR
LANDBOUNDARIES
Sec.16 : See footnote 32
for amendment.

KGS. COMPETITIVE BIDDING
ROYALTY
Sec. 17: See footnotes
33-42 for amendments

PROIR TO JULY 3, 1910

Of an amount equal to the value at the time of production of one-eighth of all the oil or gas already produced except oil or gas used for production purposes on the claim, or unavoidably lost, from such land, the claimant, or his successor, if in possession of such land, undisputed by any other claimant prior to July 1, 1919, shall be entitled to a lease thereon from the United States for a period of twenty years, at a royalty of not less than 12 ½ per centum of all the oil or gas produced except oil or gas used for production purposes on the claim, or unavoidably lost: *Provided*, That no more than one-half of the area, but in no case to exceed three thousand two hundred acres, within the geologic oil or gas structure of a producing oil or gas field shall be leased to any one claimant under the provision of this section when the area of such geologic oil structure exceeds six hundred and forty acres. Any claimant of his successor, subject to this limitation; shall, however have the right to select and receive the lease as in this section provided for that portion of his claim or claims equal to, but not in excess of, said one-half of the area of such geologic oil structure, but not more than three thousand two hundred acres.

All such lease shall be made and the amount of royalty to be paid for oil and gas produced, except oil or gas used for production purpose on the claim, or unavoidably lost, after the execution of such lease shall be fixed by the Secretary of the Interior under appropriate rule and regulations: *Provided, however*, That as to all like claims situate within any naval petroleum reserves the producing wells thereon only shall be leased, together with an area of land sufficient for the operation thereof, upon the terms and payment of royalties for past and future production as herein provided for in the leasing of claims. No wells shall be drilled in the land subject to this provision within six hundred and sixty feet of any such leased well without the consent of the lessee: *Provided, however*, That the President may, in his discretion, lease the remainder or any part of any such claim upon which such wells have been drilled and in the event of such leasing said claimant or his successor shall have a preference right to such lease: *And provided further*, that he may permit the drilling of additional wells by the claimant of his successor within the limited area of six hundred and sixty feet theretofore provided for upon such terms and conditions as he may prescribe.

ROYALTY

No claimant for a lease who has been guilty of any fraud or who had knowledge of 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.

Upon the delivery and acceptance of the lease, as in this section provided, all suits brought by the Government affecting such lands may be settled and adjusted in accordance herewith and all moneys impounded in such suits or under the Act entitled "An Act to amend an Act entitled 'An Act to protect the locators in good faith of oil and gas lands who have shall have effected an actual discovery of oil or gas on the public lands of the United States, or their successors in the interest,' approved March 2, 1911," approved August 25, 1914 (thirty eight Statuettes at Large, page 708), shall be paid over

To the parties entitled thereto. In case of conflicting claimants for lessee under this section, the Secretary of the Interior is authorized to grant leases to one or more of them as shall be deemed just. All lease hereunder shall insure to the benefit of the claimant and all persons claiming through or under him by lease, contract, or otherwise, as their interest may appear, subject, however, to the same limitation as to area and acreage as is provided for claimant in this section: *Provided*, That no claimant acquiring any interest in such lands since September 1, 1919, from a claimant on or since said date claiming or holding more than the maximum allowed claimant under this section shall secure a lease thereon or any interest therein, but the inhibition of this proviso shall not apply to an exchange of any interest in such lands made prior to the 1st day of January, 1920 which did not increase or reduce the area or acreage held or claimed in excess of said maximum by either party of the exchange: *Provided further*, That no lease or lease under this section shall be granted, nor shall any interest therein, inure to any person, association, or corporation for a greater aggregate area or acreage than the maximum in this section provided for.

Sec.18a. That whenever the validity of any gas or petroleum place claim under preexisting law to land embraced in the Executive order of withdrawal issued September 27, 1909, has been or may hereafter be drawn in question on behalf of the United States in any departmental or judicial proceedings, the President is hereby authorized at any time within twelve months after the approval of this Act to direct the compromise and settlement of any such controversy upon such terms and conditions as may be agreed upon, to be carried out by an exchange or division of land or division of the proceeds of operation.

Sec.19. That any person who on October 1,191, 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 the passage of this Act, 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 thereof shall be made within six months from the passage of this Act 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 Act, or where any such person has theretofore made such discovery, he shall be entitled to a lease thereon under such terms as the Secretary of the Interior may prescribe unless other wise provided for in section 18 hereof: *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 ½ 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 provision of this section shall not apply to lands reserved for the use of the Navy:

VALIDITY OF OIL AND GAS
PLACER CLAIM

BONA FIDE OCCUPANT OR
CLAIMANT

Provided, however, That no claimant for a permit or lease who has been guilty of any fraud or who have 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.

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

Sec.20. 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 were 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 to entered shall provide for the payment of a royalty of not less than 12 ½ 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 14 hereof.

PREFERENCE RIGHT

OIL SHALE

Sec.21. That the Secretary of the Interior is hereby authorized to lease to any person or corporation qualified under this Act any deposits of oil shale belonging to the United States and the surface of so much of the public lands containing such deposits, or land adjacent thereto, as may be required for the extraction and reduction of the leases minerals, under such rules and regulations, not inconsistent with this Act, as he may prescribe; that no lease hereunder shall exceed five thousand one hundred and twenty acres of land, to be described by the surveyed by the United States, at the expense of the applicant, in accordance with regulations to be prescribed by the Secretary of the Interior. Leases may be for indeterminate periods, upon such conditions as may be imposed by the Secretary of the Interior, including covenants relative to methods of mining, prevention of waste, and productive development. For the privilege of mining, extracting, and disposing of the oil or other minerals covered by a lease under this section the lessee shall pay to the United States such royalties as shall be specified in the lease and an annual rental, payable at the beginning of each year, at the rate of 50 cents per acre per annum, for the lands included in the lease, the rental paid for any one year to be credited against the royalties accruing for that year; such royalties to be subject to readjustment at the end of each twenty-year period by the Secretary of the Interior: *Provided,* That for the purpose of encouraging the production of petroleum products from shales the Secretary may, in his discretion, waive the payment of any royalty and rental during the first five years of any lease: *Provided,* That any person having a valid claim to such minerals under existing laws on January 1,

OIL SHALE
OIL SHALE LEASE
Sec.21 : See footnotes
43-45 for amendments.

1919, shall, upon the relinquishment of such claim, be entitled to a lease under the provisions of this section of such area of the land relinquished as shall not exceed the maximum area authorized by this section to be leases to an individual or corporation: *Provided, however,* That no claimant for a lease who has been guilty of any fraud or who had knowledge or reasonable grounds to know of any fraud, to who has not acted honestly and in good faith, shall be entitled to any of the benefits of this section: *Provided further,* That not more than one lease shall be granted under this section to any one person, association, or corporation.

ALASKA OIL PROVISIO.

Sec.22. That any bona fide occupant or claimant of oil or gas bearing lands in the Territory of Alaska, who or whose predecessors in interest, prior to withdrawal had complied otherwise with the requirements of the mining laws, but had made no discovery of oil or improvements for the discovery of oil or gas on or for each location or had prior to the passage of this Act expended not less than \$250 in improvements on or for each location shall be entitled, upon relinquishment or surrender to the United States within one year from the date of this Act, or within six months after final denial or withdrawal of application for patent, to a prospecting permit or permits, lease or leases, under this Act covering such lands, not exceeding five permits or leases in number and not exceeding an aggregate of one thousand two hundred and eighty acres in each: *Provided,* That leases in Alaska shall be upon such rental and royalties as shall be fixed by the Secretary of the Interior and specified in the lease, and be subject to readjustment at the end of each twenty-year period of the lease: *Provided further,* That for the purpose of encouraging the production of petroleum products of any rental or royalty not exceeding the first five years of any lease

No claimant for a 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.

SODIUM

Sec.23. That the Secretary of the Interior is hereby authorized and directed, under such rules and regulations as he may prescribe, to grant to any qualified applicant a prospecting permit which shall give the exclusive right to prospect for chlorides, sulphates, carbonates, borates, silicates, or nitrates of sodium dissolved in and soluble in waters, and accumulated by concentration, in lands belonging to the United States for a period of not exceeding two years; *Provided,* That the area to be included in such a permit shall be not exceeding two thousand five hundred and sixty acres of land in reasonably compact form: *Provided further,* That the provisions of his section shall not apply to lands in San Bernardino County, California.

ALASKA OIL PROVISIO BONA FIDE OCCUPAND OR CLAIMANT

Sec.22 : See footnotes 46
for amendments.

SODIUM PROSPECTING PERMITS

Sec.23 : See footnotes 47
for amendments.

Sec.24. That upon showing to the satisfaction of the Secretary of the Interior that valuable deposits of one of the substance enumerated in section 23 hereof has been discovered by the permittee within the area covered by his permit and that such land is chiefly valuable therefore the permittee shall be entitled to a lease for one-half of the land embraced in the prospecting permit, at a royalty of not less than one-eighth of the amount or value of the production, to be taken and described by legal subdivision of the public-land surveys, or if the land be not surveyed by survey executed at the cost of the permittee in accordance with the rules and regulations to be prescribed by the Secretary of the Interior. The permittee shall also have the preference right to lease the remainder of the lands embraced within the limits of his permit at a royalty of not less than one-eighth of the amount or value of the production to be fixed by the Secretary of the Interior. Lands known to contain such valuable deposits as are enumerated in section 23 hereof and not covered by permits or leases, except such lands as are situated in said county of San Bernardino, shall be held subject to lease, and may be leased by the Secretary of the Interior through advertisement, competitive bidding, or such other methods as he may by general regulations adopt, and in such areas as he shall fix, not exceeding two thousand five hundred and sixty acres; all leases to be conditioned upon the payment by the lessee of such royalty of not less than one-eighth of the amount or value of the production as may be fixed in the lease, and the payment in advance of a rental of 50 cents per acre of the first calendar year or fraction thereof and \$1 per acre per annum thereafter during the continuance of the lease, the rental paid for any one year to be credited on the royalty of that year. Lease may be for indeterminate periods, subject to readjustment at the end of each twenty-year period, upon such conditions not inconsistent herewith as may be incorporated in each lease or prescribed in general regulation theretofore issued by the Secretary of the Interior, including covenants relative to mining methods, waste, period of preliminary development, and minimum productions, and a lessee under this section may be lessee of the remaining lands in his permit.

EXCLUSIVE RIGHT OF USE

Sec.25. That in addition to area of such mineral land which may be included in any such prospecting permits or leases, the Secretary of the Interior, in his discretion, may grant to a permittee or lessee of lands containing sodium deposits, and subject to the payment of an annual rental of not less than 25 cents per acre, the exclusive right to use, during the life of the permit or lease, a tract of unoccupied nonmineral public land, not exceeding forty acres in area, for camp sites, refining works and other purposes connected with an necessary to the proper development and use the deposits covered by the permit or lease.

GENERAL PROVISIONS APPLICABLE TO COAL, PHOSPATE, SODIUM OIL, OIL SHALE, AND GAS LEASES.

GENERAL PROVISIONS

Sec.26. That the Secretary of the Interior shall reserve and may exercise the authority to cancel any prospecting permit upon failures 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 Act appropriate provisions of its cancellation by him.

DUE DILIGENCE

Sec.27. That no person, association, or corporation, except as herein provided, shall take or hold more than one coal, phosphate, or sodium lease during the life of such lease in any one State; no person, addition, or corporation shall take or hold, at one time, more than three oil or gas leases granted hereunder in any one Stat, and not more than one lease, within the geologic structure of the same producing oil or gas field; no corporation shall hold any interest as a stockholder of another corporation in more than such number of leases; and no person corporation shall take or hold any interest or interest as a member of an association or association or as a stockholder of a corporation or corporations holding a lease under the provisions hereof, which together with the area embraced in any direct holding of a lease under this Act, or which, together with any other interest or interest as a member of an association or associations or as a stockholder of a corporation of corporations holding a lease under the provisions hereof, for any kind of mineral leased hereunder, exceeds in the aggregate an amount equivalent to the maximum number of acres of the respective kinds of minerals allowed to any one lessee under this Act. Any interests held in violation of this Act shall be forfeited to the united States by appropriated proceedings instituted by the Attorney General for that purpose on the United States district court for the district in which the property or some part thereof, is located, except that any ownership or interest forbidden in this Act which may be acquired by descent, will, judgment, or decree may be held for two years and not longer after is acquisition: *Provided*, That nothing herein contained shall be constructed to limit section 18, 18a, 19 and 22 or prevent any number of lessees under the provision of this Act from combining their several interest so far as may be necessary for the purposes of constructing and carrying on the business of a refinery, or of establishing and constructing as a common carrier a pipe line or lines of railroads to be operated and used by them jointly in the transportation of oil from their several wells, or from the wells off other lessees under this Act, or the transportation of coal: *Provided further*, That any combination for such purpose of purposes shall be subject to the approval of the Secretary of the Interior on application to him for permission to form the same: *And provided further*, That if any of the lands of deposits leased under the provisions of this Act shall be subleased, trusted, possessed, or controlled by any device permanently, temporarily, directly, indirectly, tacitly, or in any manner whatsoever, so that they form part of , or are in anywise controlled by an combination i9n the form of an unlawful trust, with consent of lessee, or

NUMBER OF LEASES HELD

Sec.27 : See footnotes
49-62 for amendments.

form the subject of any contract or conspiracy in restraint of trade in the mining or selling of coal, phosphate, oil, oil shale, gas or sodium entered into by the lessee, or any agreement or understanding, written, verbal or otherwise to which such lessee shall be party, of which his 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 Act, the lease thereof shall be forfeited by appropriate court proceedings.

Sec.28. That rights of way through the public lands, including the forest reserves, of the United States are hereby granted for pipeline purposes for the transportation of oil or natural gas to any applicant possessing the qualifications provided in section 1 of this Act, to the extent of the ground occupied by the said pipeline and twenty-five feet on each side of the same under such regulations as to survey, location, application, and use as may be prescribed by the Secretary of the Interior and upon the express condition that such pipelines shall be constructed, operated, and maintained as common carriers:

Provided, That the Government shall in express terms reserve and shall provide in every lease of oil lands hereunder that the lessee, assignee, or beneficiary, if owner, or operator or owner of a controlling interest in any pipeline or of any company operating the same which may be operated accessible to the oil derived from lands under such lease, shall at reasonable rates and without discrimination accept and convey the oil of the government or of any citizen or company not the owner of any pipeline, operating a lease or purchasing gas or oil under the provision of his Act: *Provided further*, That no right of way shall hereafter be granted over said lands for the transportation of oil or natural gas except under the subject to the provision, limitations, and conditions of this section. Failure to comply with the provisions of this section or regulations prescribed by the Secretary of the Interior shall be ground for forfeiture of the grant by the United States district court for the district in which the property, or some part thereof, is located in a appropriate proceeding.

Sec.29. That any permit, lease, occupation, or use permitted under this Act shall reserve to the Secretary of the Interior the right to permit upon such terms as he may determine to be just, for joint or several use, such easements or right of way, including casements in tunnels upon, through, or in the lands leased, occupied, or used as may be necessary or appropriate to the working of the same, or of other lands containing the deposits described in this Act, and the treatment and shipment of the products thereof by or under authority of the Government, its lessees, or permittees, and for other public purposed: *Provided*, That said Secretary , in his discretion, in making any lease under this Act, may reserve to the United States the right to lease, sell, or otherwise dispose of the surface of the lands embraces within such lease under existing law or laws hereafter enacted, in so far as said surface is not necessary for use of the lessee in extracting and removing the deposits therein: *Provided further*, That if such reservation is made it shall be so determined before the offering of

PIPELINE
RIGHTS-OF-WAY
Sec.28 : See footnotes
63-65 for amendments.

EASEMENTS AND
RIGHT-OF-WAY

such leases: *And provided further*, That the said Secretary; during the life of the lease, is authorized to issue such permits of easements herein provided to be reserved.

Sec.30. That no lease issued under the authority of this Act shall be assigned or sublet, except with the consent of the Secretary of the Interior. The lease may in the discretion of 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 obligation 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 observe, including a restriction of the workday to not exceeding eight hours in any one day for underground workers expect in cases of emergency; 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 mind below the surface, provisions securing the workman 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 unsure the fair and just weighing or measurement of the coal mined by each miner, and such other provision 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 interest of the united States, for the prevention of monopoly, and for the safeguarding of the public welfare: *Provided*, That none of such provisions shall be in conflict with the laws of the State in which the leased property is situated.

Sec.31. That any lease issued under the provision of this Act 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 of thereof is located whenever the lessee fails to comply with any of the provisions of this Act, of the lease, or of the general regulations promulgated under this At and in force at the date of the lease; and the lease may provide for resort to appropriate methods for the settlement of dispute or for remedies for breach of specified conditions thereof.

Sec.32. That 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 Act, also to fix and determine the boundary lines of any structure, or oil or gas flied, for the purposes of this Act: *Provided*, That nothing in this Act shall be constructed or help 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, outputs of mines, or other rights, property, or assets of any lessee of the United States.

ASSIGNED OR SUBLET LEASES

Sec.30: See footnotes
66-70 for amendment.

FORFEITURE OF CANCELLATION FOR LEASES

Sec.31: See footnotes
71-77 for amendments.

FIX AND DETERMIN BOUNDARY LINES

FORMS AND OATH

Sec.33. That all statements, representation, or reports required by the Secretary of the Interior under this Act 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.

Sec.34. that the provisions of this Act shall also apply to all deposits of coal, phosphate, sodium, oil, oil shale, 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.

Sec.35. That 10 per centum of all money received from sales, bonuses, royalties, and rentals under the provisions of this Act, excepting those from Alaska, shall be paid into the Treasury of the United States and credited to miscellaneous receipts; for the past production 70 per centum, and for future production 52 ½ per centum for the amounts derived from such bonuses, royalties, and rentals shall be paid into, reserve, and appropriated as part of the reclamation fund created by the Act of Congress, known as the Reclamation Act, approved June 17, 1902, and for past production 20 per centum, and for such bonuses, royalties, and rentals shall be paid by the Secretary of the Treasury after the expiration for each fiscal year to the State within the boundaries of which the leased lands for deposits are or where located, said moneys to be used by such State or subdivisions thereof for the construction and maintenance of public roads or for the support of public schools or other public educational institutions, as they legislature of the State may direct: *Provided*, That all moneys which may accrue to the United States under the provisions of this Act from lands within the naval petroleum reserves shall be deposited in the Treasury as “ Miscellaneous receipts.”

Sec.36. That all royalty accruing to the United States under any oil or gas lease or permit under this Act on demand of the Secretary of the Interior shall be paid in oil or gas.

Upon granting any oil or gas lease under this Act, and from time to time thereafter during said lease, the Secretary of the Interior shall, except whenever in his judgment it is desirable to retain the same for the use of the United States, offer for sale for such period as he may determine, upon notice and advertisement on sealed bids or at public auction, all royalty oil and gas accruing or reserved to the United States under lease. Such advertisement and sale shall reserve to the Secretary of the Interior the right to reject all bids whenever within his judgment the interest of the United States demands; and in cases where no satisfactory bid is received or where the accepted bidder fails to complete the purchase, or where the Secretary of the Interior shall determine that it is unwise on the public interest to accept the offer of the highest bidder, the Secretary of the Interior, within his discretion, may readvertise such royalty for sale, or sell at private sale at not less than the market price for such period, or accept the value thereof from the lessee: *Provided, however*, That pending the making of a permanent contract for the sale of any royalty, oil or gas as herein provide, the Secretary of the Interior

RESERVATION OF MINERALS

DISPOSITION OF RECEIPTS

Sec.35: See footnotes 79-89 for amendments.

ROYALTY PAID IN KIND ON DEMAND

Sec.36 : See footnote 90 for amendment.

may sell the current product at private sale, at not less than the market price: *And provided further*, That any royalty, oil, or gas may be sold at not less than the market price at private sale to any department or agency of the united States.

Sec.37. That the deposits of coal, phosphate, sodium, oil, oil shale, and gas, herein referred to, in lands valuable for such minerals, including lands and deposits described in the joint resolution entitled “Joint resolution authorizing the Secretary of the Interior to permit the continuation of coal mining operations on certain lands in Wyoming,” approved August 1, 1912 (Thirty-seventh statutes at large, page 1346), shall be subject to disposition only in the form and manner provided in this Act, except as to valid claims existent at date of the passage of this Act and thereafter maintained in compliance with the laws under which initiated, which claims may be perfected under such laws, including discovery.

Sec.38. That, until otherwise provided, the Secretary of the Interior shall be authorized to prescribe fees and commissions to be paid registers and receivers of United States land offices on account of business transacted under the provisions of this Act.

Approved, February 25, 1920.

DISPOSITION OF MINERAL
DEPOSITS SUBJECT TO
THIS ACT

Sec.37 : See footnote 91
for amendment.

FEEES FOR TRANSACTION
UNDER ACT

Sec.38 : See footnote 92
for amendment.

NOTE:

Sec. 39: Added by this Act of 2/9/33
at p.28 this text.

Sec.40: Added by this Act of 6/16/34
at p.29 this text.

Sec.41: Added by this Act of 12/22/87
at p.136 this text

Sec.42: Added by this Act of 9/2/60
at p.76 this text

Sec.43: Added by this Act of 12/22/87
at p.139 this text

Sec.44: Added by this Act of 12/22/87
at p.139 this text

Sec.39: See footnotes
93-98 for amendments.

ACT OF APRIL 30, 1926

ACT OF APRIL 30, 1926

An Act To amend section 27 of the general leasing Act approved February 25, 1920 (Forty-first Statues at Large, page 437).

Be it enacted by the Senate and House of Representatives of the Unites States of America in Congress assembled, That section 27 of the general leasing Act approved February 25, 1920 (Forty-first Statues at Large, page 437), is hereby amend to read as follows:

Sec.27

ACREAGE HELD

That no person, association, or corporation, except as herein provided, shall take or hold coal, phosphate, or sodium leases or permits during the life of such leases or permits in any on State exceeding in aggregate acreage 2,560 acres of each of said minerals; no person, association, or corporation shall take or hold at one time oil or gas leases or permits exceeding the in the aggregate 7,680 acres granted geologic structure of the same producing oil or gas field; and no person, association, or corporation shall take or hold at one time any interest or interests as a member of an association or associations or as a stockholder of a corporation or corporations holding a lease or leases, permit or permits, under the provisions hereof, which, together with the-are embraced in any direct holding of a lease or leases, permit or permits, under this Act, or which, together with any other interest or interests as a member of an association or associations or as a stockholder of a corporation or corporations holding a lease or leases, permit or permits, under the provisions hereof for any kind of mineral leases here under, exceeds in the aggregate an amount equivalent to the maximum number of acres of the respective kinds of minerals allowed to any one lessee or permittee under this Act. Any interest held in violation of this Act shall be forfeited to the United States by appropriated proceedings instituted by the Attorney General for that purpose in the united States district court for the district in which the property, or some part thereof, is located, except that any ownership or interest forbidden in this Act which may be acquired by descent, will, judgment, or decree may be held for two years and not longer after its acquisition: *Provided*, that nothing herein contained shall be construed to limit sections 18, 18a, 19, and 22 or to prevent any number of lessees under the provisions of this Act from combining their several interest so far as may be necessary for the purposes of constructing and carrying on the business of a refinery, or of establishing and constructing as a common carrier a pipe line or lines of railroads 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 Act, or the transportation of coal or to increase the acreage which may be acquired or held under section 17 of this Act: *Provided further*, that any combination for such purpose or purposes shall be subject to the approval of the Secretary of the Interior on application to him for permission to form the same. *And provided further*, That if any of the lands or deposits leased under the provisions of this Act shall be subleased, trusteeed, possessed, or controlled by any device permanently, temporarily, directly, indirectly, tacitly, or in any manner

FOR FEITURE OF INTEREST

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments of each section

Whatsoever, so that they from a part of, or are in wise controlled by any combination in the form of an unlawful trust, with consent of lessee, or form the subject of any contract or conspiracy in restraint of trade in the mining or selling of coal, phosphate, oil, oil shale, gas or sodium entered into by the lessee, or any agreement of understanding, written, verbal, or otherwise to which such lessee shall be a party, of which his or its output is to be or become the subject, to control the price or prices thereof of any holding of such lands by any individual, partnership, association, corporation, or control in excess of the amounts of lands provided in this Act, the lease thereof shall be forfeited by appropriated court proceedings.

Approved, April 30, 1926.

ACT OF FEBRUARY 7, 1927

ACT OF FEBRUARY 7, 1927

Excerpts

An Act To promote the mining of potash on the public domain.

Sec.4. that prospecting permits of leases may be issued under the provisions of this Act for deposits of potassium in public lands, also containing deposits of coal or other minerals, on condition that such other deposits be reserved to the United States for disposal under appropriate laws: *Provided*, That if the interests of the Government and of the lessee will be subserved thereby, potassium leases may include covenant providing for the development by the lessee of chloride, sulphates, carbonates, borates, silicates, or nitrates of sodium, magnesium, aluminum, or calcium, associated with the potassium deposits leased, on terms and conditions not inconsistent with the sodium provision of the Act of February 25, 1920 (Forty-first Statutes at Large, page 437) : *Provided further*, That where valuable deposits of mineral now subject to disposition under the general mining laws are found in fissure veins on any of the lands subject to permit or lease under this Act, the valuable minerals so mining laws not with standing the presence of potash therein.

SODIUM PROVISIONS

Sec.5. That the general provisions of section 1 and 26 to 38, inclusive, of the Act of February 25, 1920, entitled “An Act to promot the mining of coal, phosphate, oil, oil shale, gas and sodium on the public domain,” are made applicable to permits and lease under this Act, the first and thirty-seventh sections thereof being amended to included deposits of potassium.

SECS. 1 and 26-38 MADE APPLICABLE TO THIS ACT.

Note: Other sections are not included

An Act To amend sections 23 and 24 of the General Leasing Act approved February 25, 1920 (Forty-first Statues at Large, page 437)

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 23 and 24 of the General Leasing Act approved February 25, 1920 (Forty-first Statues at Large, page 437), are hereby amended to read as follows:

“Sec.23. That the Secretary of the Interior is hereby authorized, under such rules and regulations as he may prescribe, to grant to any qualified applicant a prospecting permit which shall give the exclusive right to prospect for chlorides, sulphates, carbonates, borates, silicates, or nitrates of sodium, in lands belonging to the United States for a period of not exceeding two years: *Provided*, that the area to be included in such a permit shall not exceed two thousand five hundred and sixty acres of land in reasonably compact form.

Sec. 23

SODIUM LEASE ACREAGE

Sec.24. that upon showing to the satisfaction of the Secretary of the Interior that valuable deposits of one of the substances enumerated in section 23 hereof have been discovered by the permittee within the area covered by his permit and that such lands is chiefly or all of the land embraced in the prospecting permit at a royalty of not less than 2 per centum of the quantity or gross value of the output of sodium compounds and other related products at the point of shipment to market; the lands in such lease to be taken in if the land be not surveyed, by survey executed at the cost of the permittee in accordance with regulations prescribed by the Secretary of the Interior. Lands known to contain valuable deposits of one of the substances enumerated in section 23 hereof and not covered by permits or leases shall be subject to lease by the Secretary of the Interior through advertisement, competitive bidding, or such other methods as he may by general regulations adopt and in such areas as he shall fix, not exceeding two thousand five hundred and sixty areas. All leases under this section shall be conditioned upon the payment by the lessee of such royalty as may be fixed in the lease, not less than 2 per centum of the quantity or gross value of the output of sodium compounds and other related products at the point of shipment to market , and the payment in advance of a rental of 25 cents per acre of the first calendar year or fraction thereof, 50 cents per acre for the second, third, fourth, and fifth calendar years respectively; and \$1 per acre per annum thereafter during the continuance of the lease, such rental for any one year to be credited against royalties accruing for that year. Leases under this section shall be for a period of twenty years, with preferential right in the lessee to renew for successive periods of ten years upon such reasonable terms and conditions as may be prescribed by the

Sec. 24

QUALIFY FOR LEASE

ROYALTY

NOTE: Regarding all Mineral Leasing Act Sections noted on this page: See footnotes listed under the section number to locate subsequent amendments to each section.

Secretary of the Interior unless otherwise provide by law at the expiration of such period: *Provided*, That nothing in this Act shall prohibit the mining and sale of sodium compounds under potassium leases issued pursuant to the Acts of October 2, 1917 (Fortieth Statues at Large, page 297), and February 7, 1927 (Forty-fourth Statues at Large, page 1057), nor the mining and sale of potassium compounds as a by-product from sodium leases taken under this section: *Provided further*, That on application by any lessee the Secretary of the Interior is authorized to modify the rental and royalty provisions stipulated in any existing sodium lease to conform to the provisions of this section.”

Approved, December 11, 1928.

ACT OF JUNE 27, 1930

ACT OF JUNE 27, 1930

An Act Authorizing the repayment of rents and royalties in excess of requirements made under lease executed in accordance with the General Leasing Act of February

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the provisions of the Act of Congress approved December 11, 1919 (41 Stat. L.366), entitled “An Act to amend an Act approved March 26, 1908, entitled ‘An Act to provide for the repayment of certain commissions, excess payments, and purchases moneys paid under the public land laws,’” is hereby made applicable to all payments in excess of lawful requirements made under the Act of Congress approved February 25, 1920 (41 Stat. L. 437), and under any statute relating to the sale, entry, lease, or other disposition of the public lands.

REPAYMENT OF EXCESS
PAYMENTS

Approved, June 27, 1930.

NOTE: Repealed by Act of July 14, 1960.

REPEALED

An Act To amend section 17 and 27 of the General Leasing Act of February 25, 1920 (41 Stat, 437; U.S.C., title 30, sec. 226), as amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 17 and 27 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 (41 Stat. 437; U.S.C., titled 30, sec.226), as amended, are amended to read as follows:

“Sec.17. That all unappropriated deposits of oil or gas situated within the known geologic structure of a producing oil or gas field and the unentered lands containing the same, not subject to preferential lease, may be leased by the Secretary of the Interior to the highest responsible bidder by competitive bidding under general regulations to qualified applicants in areas not exceeding six hundred and forty acres and in tracts which shall not exceed in length two and one-half times their width, such leases to be conditioned upon the payment by the lessee of such onus as may be accepted and of such royalty as may be fixed in the lease, which shall not be less than 12 ½ per centum in amount or valued of the production, and the payment in advance of a rental of not less than \$1 per acre per annum thereafter during the continuance of the lease, the rental paid for any one year to be credited against the royalties as they accrue for that year. Leases shall be for a period of twenty years, with the preferential right in the lessee to renew the same for successive periods of ten years upon such reasonable terms and conditions as may be prescribed by the Secretary of the Interior, unless otherwise provide by law at the time of the expiration of such periods: *Provided*, That any lease heretofore or hereafter issued under this Act that has become the subject of a cooperative or unit plan of development or operation of a single oil or gas pool, which plan has approval of the Secretary of the Interior as necessary or convenient in the public interest, shall continue in force beyond said period of 20 years until the termination of such plan: *And provided further*, That the Secretary of the Interior shall report all leases so continued to Congress at the beginning of its next regular session after the date of such continuance. Whenever the average daily production of any oil well shall not exceed ten barrels per day the Secretary of the Interior is authorized to reduce the royalty on future production when his judgment the well can not be successfully operated upon the royalty on future production when his judgment the wells can not be successfully operated upon the royalty fixed in the lease. The provisions of this paragraph shall apply to all oil and gas leases made under this Act.

Sec.17
KNOWN GEOLOGIC STRUCTURE
COMPETITIVE BIDDING

“Sec.27. That no person, association, or corporation, except herein provided, shall take or hold coal, phosphate, or sodium lease or permits during the life of such leases or permits in any one State exceeding in aggregate acreage two thousand five hundred and sixty acres for each of said minerals; no person, association, or corporation shall take or hold at one time oil or gas leases or permits exceeding in the aggregate seven thousand six hundred and eighty acres granted hereunder in any one State, and not more than two thousand five

Sec. 17
ACREAGE LIMITATIONS

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

hundred and sixty acres within the geologic structure of the same producing oil or gas field; and no person, association, or corporation shall take or hold at one time any interest or interests as a member of an association or associations or as a stockholder of a corporation or corporations holding a lease or leases, permit or permits, under this Act, or which, together with any other interest or interest as a member of an association or associations or as a stockholder of a corporation or corporations holding a lease or leases, permit or permits, under the provisions hereof for any kind of mineral lease hereunder, exceeds in the aggregate an amount equivalent to the maximum number of acres of the respective kinds of minerals allowed to any one lessee or permittee under this Act. Any interests held in violation of this Act shall be forfeited to the United States by appropriate proceedings instituted by the Attorney General for that purpose in the United States district court for the district in which the property, or some part thereof, is located, except that any ownership or interest forbidden in this Act which may be acquired by descent, will, judgment, or decree may be held for two years and not longer after its acquisition: *Provided*, that nothing herein contained shall be construed to limit section 18, 18a, 19, and 22 or to prevent any number of lessees under the provisions of this Act 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 pipe line or lines of railroads 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 Act, or the transportation of coal or to increase the acreage which be acquired or help under section 17 of this Act: *Provided further*, That any combination for such purpose or purposes shall be subject to the approval of the Secretary of the Interior on application to him for permission to form the same: *And provided further*, That for the purpose of more properly conserving the natural resources of any single oil or gas pool or field, permittees and lessees thereof and their representatives may unit 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 said pool or field, whenever determined and certified by the Secretary of the Interior to be necessary of advisable in the public interest, and the Secretary of the Interior is thereunto authorized to his discretion, with the consent of the holders of leases involved, to establish, alter, change, or revoke drilling, producing, and royalty requirements of such lease, and to make such regulations with reference to such leases with like consent on the part of the lessee or 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 for such public interest: *And provided further*, that except as herein provided, if any of the lands or deposits leased under the provisions of this Act shall be subleased, trusted, possessed, or controlled by any device permanently, temporarily,

directly, indirectly, tacitly, or in any manner whatsoever, so that they from a part of , or are in anywise controlled by any combination in the form of an unlawful trust, with consent of lessee, or form the subject of any contract or conspiracy in restraint of trade in the mining or selling of coal, phosphate, oil, oil shale, gas, or sodium entered into by the lessee, or any agreement or understanding, written, verbal, or otherwise to which such lessee 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 of the amounts of lands provided in this Act, the lease thereof shall be forfeited by appropriate court proceedings.

Sec.2. the amendments herein adopted to section 17 and 27 of the General Leasing Act of February 25, 1920, as amended, shall expire at midnight on the 31st day of January, 1931. THESE AMDENMENTS EXPIRE JANURARY 31, 1931

Approved, July 3, 1930.

ACT OF MARCH 4, 1931

An Act To amend section 17 and 27 of the General Leasing Act of February 25, 1920 (41 Stat. 347; U.S.C., title 30, secs. 154 and 266), as amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That sections 17 and 27 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 (41 Stat. 347; U.S.C., title 30, secs. 184 and 226), as amended, are amended and reenacted to read as follows:

“Sec.17. that all unappropriate deposits of oil or gas situated within the known geologic structure of a producing oil or gas field and the unentered lands containing the same, not subject to preferential lease, may be leased by the Secretary of the interior to the highest responsible bidder by competitive bidding under general regulations to qualified applicants in units reasonably compact of not exceeding sic hundred and forty acres, such leased to be conditioned upon the payment by the lessee of such bonus as may be accepted and such royalty as may be fixed in the lease, which shall not be less than 12 ½ per centum in amount or value of the production and the payment in advance of a rental of not less than \$1 per acre per annum thereafter during the continuance of the lease, the rental paid for any one year to be credited against the royalties as they accrue for that year.

Sec. 17
KNOWN GEOLOGIC
STURCTURES

COMPETITIVE BIDDING

“Leases shall be for a period of twenty years with the preferential rights in the lessee to renew the same for successive periods of ten years upon such reasonable terms and conditions as may be prescribed by the Secretary of the department having jurisdiction thereof, unless otherwise provided by law at the time of the expiration of such periods: *Provided,* That any lease heretofore or hereafter issued under this Act that has become the subject of a cooperative or unit plan of development or operation of a single oil or gas pool, or area, or other plan for the conservation of the oil and gas of a single pool or are, which plan has the approval of the Secretary of the department of departments having jurisdiction of the Government lands included in said plan as necessary of convenient in the public interest, shall continue in force beyond said period of twenty years until the termination of such plan: *And provided further,* That said Secretary or Secretaries shall repot all leases so continued to Congress at the beginning of its next regular session after the date of such continuance.

LEASE TERMS

“Any cooperative or unit plan of development or operation, which included land owned by the United Stats, shall contain a provision whereby authority, limited as therein provided, is vested in the Secretary of the department or departments having jurisdiction over such land to alter or modify from time to time in his discretion the quantity the rate of production under said plan. The Secretary of the interior is authorized whenever he shall deem such action necessary or in the public interest, with the consent of lessee, by order suspend or modify the drilling or producing requirements

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section

of any oil and gas lease heretofore or hereafter issued, and no lease shall be demand to expire by reason of the suspension of production pursuant to any such order. Whenever the average daily production of any oil well shall not exceed ten barrels per day the Secretary of the Interior is authorized to reduce the royalty on future production when in his judgment the well can not be successfully operated upon the royalty fixed in the lease. The provisions of this section shall apply to all oil and gas leases made under this Act.

Sec. 17

“Sec.27. That no person, association, or corporation, except as herein provided, shall take or hold coal, phosphate, or sodium lease or permits during the life of such leases or permits in any on State exceeding in aggregate acreage two thousand five hundred and sixty acres for each of said minerals; no person, association, or corporation shall take or hold at one time oil of gas leases or permits exceeding in the aggregate seven thousand six hundred and eighty acres granted hereunder in any one State, and not more than two thousand five hundred and sixty acres within the geologic structure of the same producing oil or gas field and no person, association, or corporation shall take hold at one time any interest or interests as a member of an association or associations or as a stockholder of a corporation or corporations holding a lease or leases, permit or permits, under the provisions hereof, which, together with the area embraced in any direct holding of a lease or leases, permit or permits, under this Act, or which, together with any other interest or interests as a member of an association or associations or as a stockholder of a corporation or corporations holding a lease or leases, permit or permits, under the provisions hereof for any kind of mineral leases hereunder, exceeds in the aggregate an amount equivalent to the maximum number of acres of the respective kinds of mineral allowed to any one lessee or permittee under this Act. Any interest held in violation of this Act shall be forfeited to the united Stats by appropriate proceeding instituted by the Attorney General for that purpose in the United States district court for the district in ownership or interest forbidden in this Act which may be acquired be descent, will, judgment, or decree may be held for two years and not longer after its acquisition: *Provided*, That nothing herein contained shall be construed to limit section 18, 18a, 19, and 22 or to prevent any number of lessees under the provisions of this Act from combining their several interest so far as may be necessary for the purpose of constructing and carrying on the business of refinery, or of establishing and constructing as a common carrier a pipe line or lines of railroads 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 Act, or the transportation of coal or to increase the acreage which may be acquired or held under section 17 of this Act: *provided further*, That any combination for such purpose of purposes shall be subject to the approval of the Secretary of the Interior on application to him for permission to form the same: *And provided further*, That for the purpose for more

ACREAGE

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

Properly conserving the natural resources of any single oil or gas pool or field, permittees and lessees thereof and their representatives may unit 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 said pool or field, whenever determined and certified by the Secretary of the Interior to be necessary or advisable in the public interest, and the Secretary of the Interior is thereunto authorized in his discretion, with the consent of the holder of leases or permits involved, to establish, alter, change or revoke drilling, producing, and royalty requirements of such lease or permits, and to make such regulations with reference to such lease and permits with like consent on the part of the leases or lessees and permittees 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 such public interest: *And provided further*, That when any permit has been determined to be wholly or in part within the limits of a producing oil or gas field which permit has been included, with the approval of the Secretary of the Interior, in a unit operating agreement or other plan under this Act the Secretary of the Interior may issue a lease for the area of the permit so included in said plan without further proof for discovery: *Provided further*, That 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 permittees or lessees in oil and gas leases or permits, with one or more persons, associations, or corporations, whenever in his discretion and regardless of acreage limitations, provided for in this Act, the conservation of natural products or the public convenience or necessity may require it or the interest of the united States may be best subserved thereby: *And provided further*, That except as herein provided, if any of the lands or deposits leased under the provisions of this Act shall be subleased, trusted, possessed, or controlled by any device permanently, temporarily, directly, indirectly, tacitly, or in any manner whatsoever, so that they form of an unlawful trust, with consent of lessee, or form the subject of any contract or conspiracy in restraint of trade in the mining or selling of coal, phosphate, oil, oil shale, gas, or sodium entered into by the lessee, or any agreement or understanding, written, verbal, or otherwise, to which such lessee 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 for such lands by any individual, partnership, association, corporation, or control thereof shall be forfeited by appropriate court proceeding; *And provided further*, that nothing in this Act shall be construed as affecting existing lease within the borders of the Naval Petroleum Reserves or agreement concerning operations there under or in relation to the same, but the Secretary of the Navy is hereby authorized, with the consent of the President, to enter into agreement such as those provided for herein, which agreements shall not, unless expressed therein, operate to extend the term of any lease affected thereby.”

Approved, March 4, 1931.

To further amend the Act approved February 25, 1920, entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain."

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act approved February 25, 1920 (41 Stat. L. 487), entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain," be, and the same is hereby, further amended by adding thereto the following section:

"Sec.39. In the event the Secretary of the interior , in the interest of conservation, shall direct or shall assent to the suspension of operations and production of coal, oil, and/or gas under any lease granted under the terms of this Act, any payment of acreage rental prescribed by such lease likewise shall be suspended during such period of suspension of operations and production; and the term of such lease shall be extended by adding any such suspension period thereto: *Provided*, That nothing in this Act shall be construed as affecting existing leases within the borders of the naval petroleum reserves and naval oil-shale reserves."

Sec.39.: ADDED

SUSPENSION

Approved, February 9, 1933.

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

To amend the Mineral Lands Leasing act of 1920 with reference to oil-or gas-prospecting permits and leases

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That 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, is amended by adding the following new section:

“Sec.40. (a) All prospecting permits and leases for oil or gas made of issued under the provisions of this Act 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 useable 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: *Provided*, that the land on which such well is situated shall be reserved as a water hole under section 10 of the Act of December 29, 1916. Sec. 40: added
Water Wells

“(b) 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 the Act of February 25, 1920, as amended, the Secretary may in like manner purchase the casing in such wells.

“(c) 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 to 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) 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 appropriated for such purpose.

“(e) Nothing in this section shall be construed to restrict operations under any oil or gas lease or permit under any other provisions of this Act.”

Approved, June 16, 1934.

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

To amend an 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 (41 Stat, 437; U.S.C., title 30, secs. 185, 221, 223, 226), as amended.

Be it enacted by the Senate and House of Representative of the United States of America in Congress assembled, That sections 13, 14, 17, and 28 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 (41 Stat, 437; U.S.C., title 30, secs. 185, 221, 223, 226), as amended, are amended top read as follows:

“Sec.13. That the Secretary of the Interior is hereby authorized, and directed, under such necessary and proper rules and regulations as he may prescribe, to grant to any applicant qualified under this Act a prospecting permit, which shall give the exclusive right, for a period not exceeding two years, to prospect for oil or gas upon not to exceed two thousand five hundred and sixty acres of land wherein such deposits belong to the United States and are not within any known geological structure of a producing oil or gas field upon condition that are permittee shall begin drilling operations within six months from the date of the permit, and shall, within one year from and after the date of permit, drill one or more wells for oil or gas to a depth not less than five hundred feet each, unless valuable deposits of oil or gas shall be sooner discovered mans shall, within two years from date of the permit, drill for oil or gas to an aggregate depth of not less than two thousand feet unless valuable deposits of oil or gas shall be sooner discovered: *Provided,* That said application was filed ninety days prior to the effective sate of this amendatory Act. IT being the intention of Congress that there shall be no discrimination as between applicants for prospecting permits, the Secretary of the Interior is directed, in every case where one or more permits have been issued, to issue permits to all other applicants for prospecting permits on the same structure, even though one or more of the permittees have developed the said structure into a producing oil or gas field, if said application for permit was field prior to the development of such structure into a producing oil or gas field, and said applicant has otherwise complied with the law: *Provided further,* That when such permit is issued upon any structure after discovery, the royalty to be paid upon the preferential lease provided for in section 14 hereof shall be 1-per centum in amount or value of the production and annual payment of a rental as provided in said section 14. No prospecting permit shall be granted upon any application field after ninety days prior to the effective sate of this amendatory Act. The Secretary of the Interior may, if he shall find that the permittee shall been unable with the exercise of diligence to test the land in the time granted by the permit, extend any such permit for such time, not exceeding two years, and upon such conditions as he shall prescribe: *Provided,* That all permits outstanding on the effective sate of this amendatory Act, which on said date shall not be subject to cancellation for violation of the law or operating regulations and which have theretofore been extended by the Secretary of the Interior, shall be,

Sec. 13

TWO YEARS
ACREAGE

ROYALTY

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

LOCATIONS

and the same hereby, extended until December 31, 1937, subject to the applicable conditions of such prior extension: *Provided further*, That the Secretary of the Interior is hereby authorized, to extend for an additional period of not to exceed one year any permit on which diligence has been exercised or on which drilling or prospecting has been suspended at the direction of the Secretary during the extension period hereby granted, but no extension of any permit beyond December 31, 1938, shall be granted under authority of this Act, or any other Act. Whether the lands sought in any such application and permit are surveyed or unsurveyed the applicant shall, prior to filling his application for permit, locate such lands in a reasonably compact form and according to the legal subdivisions of the public-land surveys if the land to be surveyed; and in an approximately square or rectangular tract if the land be an unsurveyed tract, the length of which shall not exceed two and one-half times its width, and if he shall cause to be erected upon the land for which a permit is sought a monument not less than four feet high, at some conspicuous place thereon, not shall post a notice in writing on or near said monument, stating that an application for permit will be made within thirty days after date of posting said notice, the name of applicant, the date of notice, and such a general description of the land to be covered by such permit by reference to courses and distances from such monument and such other natural objects and permanent monuments as will reasonably identify the lands, stating the amount thereof in acres, he shall during the period of thirty days following such marking and posting, be entitled to a preference right over others to a permit for the land so identified. The applicant shall, within ninety days after receiving a permit, mark each of the corners of the tract described in the permit upon the ground with substantial monuments, so that the boundaries can be readily traced on the ground, and shall post in a conspicuous place upon the lands a notice that such permit has been granted and a description of the lands covered thereby: *Provided further*, That in the Territory of Alaska prospecting permits not more than five in number may be granted to any qualified applicant for periods not exceeding four years, actual drilling operations shall begin within two years from date of permit, and oil and gas wells shall be drilled to a depth of not less than five hundred feet, unless valuable deposits of oil and gas shall be sooner discovered, within four years from date of permit: *provided further*, That in said Territory the applicant shall have preference right over others to a permit for land identified by temporary monuments and notice posted on or near the same for six months following such marking and posting, and upon receiving a permit he shall mark the corners of the tract described in the permit upon the ground with substantial monuments within one year after receiving such permit: *Provided further*, That any one person holding a permit to prospect for oil or gas which not be

MONUMENTS

PREFERENCE RIGHT

subject to cancellation for violation of the law or operating regulations or which shall have been extended under the authority of this or any other Act, in force on or after the effective date of this amendatory Act, or for which timely and acceptable application for extension shall have been filed prior, to said date, shall have the right prior to the termination for such permit to exchange the same for a lease to the area described in the permit without proof of discovery, at a royalty of not less than 12 ½ per centum or value of the production, to be determined by the Secretary of the Interior by general rule under such other conditions as are fixed in section 17 of the Act: *Provided further*, That no such lease shall be subject to the acreage limitations of section 27 of this Act, as amended, until one year after the discovery of valuable deposits of oil or gas thereon: *Provided further*, that any application for any prospecting permit field after ninety days prior to the effective date of this amendatory Act shall be considered as an application for lease under section 17 hereof: *and provided further*, That upon leases so granted in lieu of existing permits of granted to applicants for permits, no rentals shall be payable for the first two leases years, unless valuable deposits of oil or gas are sooner discovered within the boundaries of such lease.

“Sec.14. That 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 be 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 17 hereof for leases issued prior to the effective date of this amendatory Act. 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 12 ½ 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 17 of this Act the royalty to be determined by competitive bidding or fixed by such other method as

Sec. 14

VALUABLE DEPOSITS

LEASE ACREAGE

20 YEAR LEASE TERMS

PREFERENCE RIGHT

ROYALTY

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

the Secretary may by regulations prescribe: *Provided further*, That the Secretary shall have the right to reject any or all bids.

“Sec.17. All lands subject to disposition under this Act which are known or believed to contain oil or gas deposits, except as herein otherwise provided, may be leased by the Secretary of the Interior after the effective date of this amendatory Act, to the highest responsible qualified bidder by competitive bidding under general regulations. Such lands shall be leased in unites of not exceeding six hundred and forty acres, which shall be as nearly compact in form as possible. Such leases shall be conditioned upon the payment by the lessee of such bonuses may be accepted and of such royalty as may be fixed in the lease, which shall be not less than 12 ½ per centum in amount or value of the production and the payment in advance of a rental to be fixed in the lease of not less than 25 cents per acre per annum, which rental except as otherwise herein provided shall not be waived, suspended, or reduced unless and until a valuable deposit of oil or gas shall have been discovered within the lands leased: *Provided*, That the rental paid for any one year shall be credited against the royalties as they accrue for that year: *Provided further*, That in the event the Secretary of the Interior shall direct or shall assent to the suspension of operation or of production of oil or gas under any such lease, any payment of acreage rental as herein provided shall likewise be suspended during such period of suspension of operations or production: *And provided further*, That in the case of lease valuable only for the production of gas the Secretary of the Interior upon showing by the lessee that the lease cannot be successfully operated upon such rental or upon the royalty provided in the lease, may ,waive, suspend, or reduce such rental or reduce such royalty.

Sec. 17

COMPETITIVE BIDDING

“The Secretary of the Interior, for the purpose of more properly conserving the oil or gas resources of any area, field, or pool, may require that leases hereafter issued under any section of this Act be conditioned upon an agreement by the lessee to operate, under such reasonable cooperative or unit plan for the development and operation of any such area, field, or pool as Secretary may determine to be practicable and necessary or advisable, which plan shall adequately protect the rights of all parties in interest, including the United States: *Provided*, That all leases operated under such plan approved or prescribed by said Secretary shall be excepted in determining holding or control under the provisions of any section of this Act.

UNIT PLAN

“Leases hereafter issued under this section shall be fore a period of five years and so long thereafter as oil or gas in produced in paying quantities when the lands to be leased are not within any know geological structure of a producing oil or gas field, and for a period of ten years and so long thereafter as oil or gas is produced in paying quantities when the lands to be leased are within any known geological structure of a producing oil or gad field: *Provided*, that no such lease shall be deemed to expire by reason of suspension of prospecting, drilling, or production pursuant to any order or consent of the said Secretary: *Provided further*, That the person first making applications for the lease of any lands not within any known geological structure of a producing oil or gas field who is qualified to hold a lease under this Act, including applicants for permits whose

LANDS NOT WITHIN KGS

KGS

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

applications were filed after ninety days prior to the affective date of this amendatory Act shall be entitled to a preference right over others to a lease of such lands without competitive bidding at a royalty, in the case of oil, of 12 ½ per centum in amount of value of the production when the said productions does not exceed fifty barrels per well per day for the calendar month and of not less than 12 ½ per centum in amount or value of the production when the said production exceeds fifty barrels per well per day for the calendar month, and, in the case of gas, at a royalty of 12 ½ per centum in amount or value of the production when the said production does not exceed five million cubic feet per well per day for the calendar month and, when the said production exceeds five million cubic feet per well per day for the calendar month, at a royalty of not less than 12 ½ per centum in amount or value of the production.

“Leases issued prior to the effective date of this amendatory Act shall continue in force and effect in accordance with the terms of such leases and the laws under which issued: *Provided*, That any such lease that has become the subject of a cooperative or unit plan of development or operation, or other plan for the conservation of the oil and gas of a single area, field, or pool, which plan has the approval of the Secretary of the Department or Departments having jurisdiction over the Government lands included in said plan as necessary or convenient in the public interest, shall continue in force beyond said period of twenty years until the termination of such plan: *And provided further*, That said Secretary or Secretaries shall report all leases so continued to Congress at the beginning of its next regular session after the date of such continuance.

“Any cooperative or unit plan of development and operation, which includes lands owned by the United States, shall contain a provision whereby authority, limited as therein provided, is vest in the Secretary of the department or departments having jurisdiction over such land to alter or modify from time to time in his discretion the rate of prospecting and development and the quantity and rate of production under said plan. The Secretary of the Interior is authorized whenever he shall deem such action necessary or in the public interest, with the consent of lessee, by order to suspend or modify the drilling or producing requirements of any oil and gas lease not subject to such a cooperative or unit plan, and no lease shall be deemed to expire by reason of the suspension of production pursuant to any such order.

UNIT PLAN

“Whenever it appears to the Secretary of the Interior that wells drilled upon lands not owned by the United States are draining oil or gas from lands or deposits owned in whole or in part by the United States, the Secretary of the Interior is hereby authorized empowered to negotiate agreements whereby the United States or the United States and its permittees, lessees, or grantees shall be compensated for such drainage, such agreements to be made with the consent of the permittees and the lessees affected thereby.

DRAINAGE

“Whenever the acreage daily production of the oil wells on an entire leasehold or on any tract or portion thereof segregated for royalty purposes shall not exceed ten barrels per well per day, or where the cost of production of oil or gas I such as to rent further

ROYALTY REDUCTION

production economically impracticable the Secretary of Interior, for the purpose of encouraging the greatest ultimate recovery of oil and in the interest of conservation of natural resources, is authorized to reduce the royalty on future production when in his judgment the wells cannot be successfully operated upon the royalty fixed in the lease. The provision of this paragraph shall apply to all oil and gas leases issued under this Act, including those within an approved cooperative or unit plan of development and operation.

“Any lease issued after the effective date of this amendatory Act under the provisions of his section, except those earned as a preference right as provided in section 14 hereof, 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. 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 of such leased land, then in the post office nearest such land. Leases covering lands known to contain valuable deposits of oil or gas shall be canceled only in the manner provided in section 31 of this Act.

“Sec.28. That right-of-way through the public lands, including the forest reserves of the United States, may be granted by the Secretary of the Interior for pipe-line purposes for the transportation of oil or natural gas to any applicant possessing the qualifications provided in section 1 of this Act, to the extent of the ground occupied by the said pipe line and twenty-five feet on each side of the same under such regulations and conditions as to survey, location, application, and use as may be prescribed by the Secretary of the Interior and upon the express condition that such pipe lines shall be constructed, operated, and maintained as common carriers and shall accept, convey, transport, or purchase without discrimination, oil or natural gas produced from Government lands in the vicinity of the pipe line in such proportionate amounts as the Secretary of the Interior may, after a full hearing with due notice thereof to the interested parties and a proper finding of facts, determine to be reasonable: *Provided*, That the Government shall in expires terms reserve and shall provide in every lease of oil lands hereunder that lessee, assignee, or beneficiary, if owner, or operator or owner of a controlling interest in any pipe line or of any company operating the same which may be operated accessible rates and without discrimination accept and convey the oil of the Government or of any citizen or company not the owner of any pipe line, operating a lease or purchasing gas or oil under the provisions of this Act: *Provided further*, That no right-of-way shall hereafter be granted over said lands for the transportation of oil or natural gas except under and subject to the provisions, limitations, and

Sec. 28

RIGHTS-OF-WAY

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

conditions of this section. Failure to comply with the provisions of this section or the regulations and conditions prescribed by the Secretary of the Interior shall be ground for forfeiture of the grant by the United States district court for the district in which the property, or some part thereof, is located in an appropriate proceedings.”

Sec.2. (a) That the Secretary of the Interior is authorized to issue new lease to lessee holding oil or gas lease under any of the provisions of this Act at the time this amendatory Act becomes effective, such new leases to be in lieu of the lease then held by such lessees and to be at a royalty rate of not less than 12 ½ per centum in amount or value of the production and upon such other terms and conditions as the Secretary of the Interior shall be general rule prescribe: *Provided*, That no limitation of acreage not provided for under the law or regulations under which any such old lease was issued shall be applicable to any such new lease.

Sec. 2

ROYALTY

(b) Nothing contained in this amendatory Act shall be construed to affect the validity of oil and gas prospecting permits of lease previously issued under the authority of said Act of February 25, 1920, as amended, and in existence at the time this amendatory Act becomes effective, or impair any rights or privileges which have accrued under such permits or leases.

Sec.3. That nothing in this amendatory Act 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 relations 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 the Act of March 4, 1931 (46 Stat. 1526), which agreement shall not, unless expressed therein, operate to extend the terms of any lease affected thereby.

Sec. 3

NAVAL PETROLEUM RESERVES

NAVAL OIL-SHALE RESERVES

Approved, August 21, 1935.

NOTE: Section 2 was REPEALED by the Act of 8/8/46.

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

ACT OF JULY 8, 1940

ACT OF JULY 8, 1940

Relating to rentals in certain oil and gas lease issued under authority of the Act of February 25, 1920, as amended, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior, in the case of lands not within any known geologic structure of a productive oil or gas field, shall waive the rentals stipulated in oil and gas lease issued pursuant to section 17 of the Act of February 25, 1920, as amended by the Act of August 21, 1935 (49 Stat. 647), for the second and third lease years, unless a valuable deposit of oil or gas be sooner discovered.

Sec. 17

LANDS NOT WITHIN KGS

Approved, July 8, 1940.

NOTE: REPLEAED by Act of 8/8/46

ACT OF JULY 29, 1940

ACT OF JULY 29, 1942

To grant a preference right to certain oil and gas lessees

NONCOMPETITIVE LEASES

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That upon the expiration of the five-year term of any noncompetitive oil and gas lease issued pursuant to the provisions of the Act of August 21, 1935 (49 Stat. 674), amending the Act of February 25, 1920m and maintained in accordance with the applicable statutory requirements and regulations, the record title holder shall be entitled to a preference right over others to a new lease for the same land pursuant to the provisions of section 17 of the Act of February 25, 1920, as amended, and under such rules and regulations as are then in force, if he shall file application therefore within ninety days prior to the date of the expiration of the lease. The preference right herein granted shall not apply to lands which on the date of the expiration of a lease are within the known geologic structure of a producing oil or gas field.

Sec. 17

Sec.2. The Secretary if the Interior is authorized to make a compromise settlement of any claim for accrued rental under a lease issued pursuant to the provisions of section 13 of such Act of February 25, 1920, as amended, in any case in which he determines that it would be financially beneficial to the United States to make such a collection of a full amount of such accrued rental from the lessee is inadvisable because of the lessee's financial resources being limited.

Sec. 13

RENTALS: SETTLEMENTS

Approved, July 29, 1942.

NOTE: Section 1 was REPLEAED by Act of 8/8/46.

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

To encourage the discovery of oil and gas on the public domain during the continuance of the present war

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, during the period of the national emergency proclaimed by the President May 27, 1941 (Proclamation Numbered 2487), upon a determination by the Secretary of the Interior that a new oil or gas field or deposit has been discovered by virtue of a well or wells drilled within the boundaries of any lease issued pursuant to the provisions of the Act, approved February 25, 1920, as amended (U.S.C., title 30, sec. 181-263), the royalty obligation of the lessee who drills such wells or wells to the United States as to such new deposits shall be limited for a period of ten years following the date of such discovery to a flat rate of 12 ½ per centum in amount or value of all oil or gas produced from the lease.

ROYALTY

Approved, December 24, 1942.

ACT OF NOVEMBER 28, 1943

ACT OF NOVEMBER 28, 1944

To authorize the Secretary of the Interior to settle certain claims.

SURRENDER OF LEASE

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior is authorized to accept the surrender of any lease issued pursuant to any of the provisions of the Act of February 25, 1920 (41 Stat, 437; 30 U.S.C., sec.181 and the following), or any amendment thereof, where the surrender is filed in the General Land Office 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 rate 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 Act 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 purpose of suit.

Approved November 28, 1943.

ACT OF JULY 13, 1946

ACT OF JULY 13, 1946

To encourage the protect oil refineries not having their own source of supply for crude oil by extending preference to such refineries in disposing of royalty oil under the Mineral Lands Leasing Act.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 36 of the Act of February 25, 1920 (41 Stat. 451, U.S.C., 1940 edition, title 30, sec. 192), is amended, in order to assist small business enterprise by encouraging the operation of oil refineries not having an adequate supply of crude oil, by adding before the first proviso in the second paragraph thereof the following: “*Provided,* That inasmuch as the public interest will be served by the sale of royalty oil to refineries not having their own source of supply for crude oil, the Secretary of the Interior, when he determines that sufficient supplied of crude oil and not available in the open market to such refineries in the sale of oil under the provisions of this section, for processing or use in such refineries and not for resale in kind, and in so doing may sell to such refineries at private sale at not less than the market price any royalty oil accruing or reserved to the United States under leases issued pursuant to this Act, as amended: *Provided further,* That in selling such royalty oil and Secretary of the Interior may at his discretion prorate such oil amount such refineries in the area in which the oil is produced.”

Sec. 36

OIL REDINERY PREFERENCES

Approved July 13, 1946.

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

To amend the Mineral Leasing Act of February 25, 1920, as amended, in order to.

Promote the development of oil and gas on the public domain, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1 of the Act of February 25, 1920 (41 Stat. 437; 30 U.S.C., sec. 181 and the following), as amended be amended to read as follows:

Sec. 1

“That deposits of coal, phosphate, sodium, potassium, oil, oil shale, or gas, and lands containing such deposits owned by the United States, including those in national forest, but excluding lands acquired under the Act known as 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 Act 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 be stock ownership, stock holding, or stock control, own any interest in any lease acquired under the provisions of this Act.

“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 Act, 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.”

HELIUM

Sec.2. Section 16 of the Act is amended to read as follows:

“Sec.16. That all leases of lands containing oil or gas, made or issued under the provisions of this Act, shall be subject to the condition that the lessee will, in conducting his exploration 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 Act.”

SEC. 16

PREVENTION OF WASTE

Sec.3. Section 17 of the Act is amended to read as follows:

“Sec.17. All lands subject to disposition under this Act which are known or believed to contain oil or gas deposits may be leased by the Secretary of the Interior. When 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 unit of not exceeding six

Sec. 17

KGS

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

Hundred and forty acres, which shall be as nearly compact in form as possible, upon the payments 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 ½ per centum in amount or value of the production removed or sold from the lease. When the lands to be leased are not within any known geological structure of a producing oil or gas field, the person first making applications for the lease who is qualified to hold a lease under this Act shall be entitled to a lease of such lands without competitive bidding. Such lease shall be conditioned upon the payment by the lessee of a royalty of 12 ½ per centum in amount or value of the production removed or sold from the lease. Leases issued under this section shall be for a primary term of five years and shall continue so long thereafter as oil or gas is produced in paying quantities.

LANDS NOT WITHIN KGS

“Any lease issued under this Act upon which there is production during or after the primary term shall not terminate when such production ceases if diligent drilling operations are in progress on the land under lease during such period of nonproduction.

“Upon the expiration of the primary term of any noncompetitive lease maintained in accordance with applicable statutory requirements and regulations, the record titleholder thereof shall be entitled to a single extension of a lease, unless then otherwise provided by law, for such lands covered by it as are not on the expiration date of the lease within the known geological structure of a producing oil or gas field or withdrawn from leasing under this section. A withdrawal, however, shall not affect the right of an extension if actual drilling operations on such lands were commenced prior thereto and were being diligently prosecuted on such expiration date. No withdrawal shall be effective within the meaning of this section until ninety days after notice thereof shall be mailed, registered mail, to each lessee to be affected by such withdrawal. Such extension shall be for a period of five years and so long thereafter as oil or gas is produced in paying quantities and shall be subject to such rules and regulations as are in force at the expiration of the initial five-year term of the lease. No extension shall be granted unless an application therefore is filed by the record titleholder within a period of ninety days prior to such expiration date. Any noncompetitive lease which is not subject to such extension in whole or in part because the lands covered thereby are within the known geologic structure of a producing oil or gas field at the date of expiration of the primary terms of the lease, and upon which drilling operations are being diligently prosecuted on such expiration date, shall continue in effect for a period of two years and so long thereafter as oil or gas is produced in paying quantities.

NONCOMPETITIVE LEASE

“All leases issued under this section shall be conditioned upon the payment by the lessee in advance of a rental of not less than 25 cents per acre per annum. 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: *Provided*, That in the case of lands not within any known geological structure of a producing oil or gas field, the rentals for the second and third lease years shall be waived unless a valuable deposit of oil or gas be sooner discovered.

“Whenever it appears to the Secretary of the Interior that lands owned by the United States are being drained of oil or gas by wells drilled on adjacent lands, he is hereby authorized and empowered to negotiate agreements whereby the United States, or the United States and its lessees, shall be compensated for such drainage, such agreements to be made with the consent of the lessees affected thereby and the primary terms of any lease for which compensatory-royalty is being paid shall be extended by adding thereto a period equal to the period during which such compensatory royalty is paid.”

Sec.4. The Act is hereby amended by adding a new section to read as follows:

Sec. 17(a)
NEW LEASE
ROYALTY

“Sec.17. (a) The secretary of the Interior shall, upon timely application therefore, issue a new lease in exchange for a twenty-year lease, such new lease to be for a primary terms 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 ½ per centum in amount of value of a production removed or sold from such leases, except that the royalty rate shall be 12 ½ per centum in amount or value of the 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 believe to be within the productive limits of any producing oil or gas deposits, as such productive limits are found by the Secretary to exist on the effective date of this Act, and (2) any production on a lease from an oil or gas deposit which was discovered after may 27, 1941, by a well mined 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, or a lease for which is exchanged, 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 discover.”

Sec.5. The Act is hereby amended by adding a new section to read as follows:

Sec. 17(b)
UNIT PLAN

“Sec.17. (b) 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 o 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 operation 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 lease involved, to establish, alter, change, or revoke frilling, producing, rental, minimum royalty, and royalty requirements of such

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

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 they 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 Act 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 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 vest 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 holding or control under the provisions of any section of this Act.

“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.

POOLING

“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 Act which is 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 oil or gas is discovered under the plan prior to the expiration date of the primary term of such lease. 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 provisions 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 year, 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 and regardless of acreage limitations provided for in this Act, the conservation of natural products or the public convenience or necessity may require it or the interest of the United States may be best subserved thereby.

“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 Act. 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 in produced in paying quantities.”

SUBSURFACE STORAGE OF OIL AND GAS

Sec.6. Section 27 of the Act is amended to read as follows:

“Sec.27. No person, association, or corporation, except as herein provided, shall take or hold coal, phosphate, or sodium lease or permits during the life of such leases in any one State, exceeding in the aggregate acreage two thousand five hundred and sixty acres for each of said minerals; and no person, association, or corporation, except as herein provided, shall take or hold at one time oil or gas leases exceeding in the aggregate fifteen thousand three hundred and sixty acres granted hereunder in any one State. No person, association, or corporation shall take or hold at one time any interest or interest as a member of an association or associations or as a stockholder of a corporation or corporations holding a lease or leases, permit or permits, under the provisions hereof, which, together with the area embraced in any direct holding of a lease of leases, permit or permits, under this Act, or which, together with any other interest or interest as a member of an association or associations or as a stockholder or a corporation or corporations holding a lease or leases, permits or permits, under the provisions thereof for any kind of minerals hereunder, exceeds in the aggregate an amount equivalent to the maximum number of acres of the respective kinds of mineral allowed to any one lessee or permittee under this Act. For the purpose of this Act, no contract for development and operation for any lands leased hereunder, whether or not coupled with an interest in such lease, nor any lease or leases owned in common by two or more persons, shall be deemed to create a separate association under this section between or among such contracting parties, or the person owning such lease or leases in common, but the proportionate interests of each such person shall be charged against the total acreage permitted to be held by such person under this Act: *Provided*, That the total acreage so held in common by two or more persons shall not exceed, in the aggregate, an amount equivalent to the maximum number of acres of the respective kind of minerals allowed to any

Sec. 27

ACREAGE

MAXIMUM ACREAGE

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

one lessee or permittee under this Act. The interest of an options under a nonrenewable option to purchase or otherwise acquire one or more oil or gas lease (whether then or thereafter issued), or any interest therein, geophysical exploration, shall not, prior to the exercise of such option, be a taking or holding or control under the acreage limitation provisions of any section of this Act. No such option shall be entered unto after June 1, 1946, for a period of more than two years, without the prior approval of the Secretary of the Interior, and no person, association, or corporation shall hold at one time such options of more than one hundred thousand acres in any one State: *Provided, however,* That nothing in this section shall be construed to invalidate options take prop to June 1, 1946, and on which such geological or geophysical exploration has been actually made, and which are exercised within two years after the passage of this Act. Each holder of any such option shall file with the Secretary within ninety days after the 30th day of June and the 31st day of December in each year a statement under oath showing as of said dates (1) name of optionor and serial number of lease of application for lease, (2) date and expiration date of each option, (3) number of acres covered by each option, and (4) aggregate number of options held in each State and total acreage subject to said potions in each State. 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 Act, 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 of some part thereof is located or in which the lease owner may be found, except that any ownership or interest forbidden in this Act which may be acquired by descent, will, judgment , or decree may be held for two years and not longer after its acquisitions. Nothing herein contained shall be construed to limit section 18, 18a, 19, and 22 or to prevent any number of lessees under the provisions of this act from combining their several interests so far may be necessary for the purposes of constructing and carrying on the business of a refinery, or of establishing and constructing as a common carrier an pipe line or lines of railroads to be operated and used by them jointly in the transportation of oil from their several wells, or form the wells of other lessees under this Act, or the transportation of coal or to increase the acreage which may be acquired of held under section 17 of this Act: *Provided,* That any combination for such purpose or purposes shall be subject to the approval Secretary of the Interior on application to him for permission to form the same. Except as in this Act provided, if any of the lands or deposits leased under the provisions of this Act 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 anywise controlled by an combination in the form of an unlawful trust, with the consent of the lessee, or form the subject of any contract or conspiracy in restraint

of trade in the mining or selling of coal, phosphate, oil, oil shale, gas, or sodium entered into by the lessee, or agreement or under standing, written, verbal, or otherwise, to which such lessee 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 Act, the lease thereof shall be forfeited by appropriated court proceedings.”

Sec.7. The Act is hereby amended by adding a new section to read as follows:

“Sec.30. (a) Notwithstanding anything to the contrary in section 30 hereof, any oil or gas lease issued under the authority of this Act 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 Act, 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 Act 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 has been executed. The Secretary shall disapprove the assignment or sublease only for the 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 legal subdivision. Upon approval of any assignment or sublease, the assignee or sublessee shall be bound by the terms of the lease to the same extend as if such assignee or sublessee where 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 portion 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 o production, and the segregated lease of any undeveloped lands shall continue in full force and effect for two years and so long thereafter as oil or gas is produced in paying quantities.”

Sec. 30(a)

OIL AND GAS LEASES
ASSIGNED OR SUBLEASED

Sec.8. The Act is hereby amended by adding a new section to read as follows:

“Sec.30. (b) Notwithstanding any provisions to the contrary in section 30 hereof, 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 lese issued under the authority of this A or of any legal subdivision of the area included within any such lease. Such

Sec.30 (b)

RELINQUISHMENTS

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

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 to 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.

Sec. 31

LEASE FORFEITURE AND
CANCELLATION

Sec.9. Section 31 of the Act is amended to read as follows:

“Sec.31. Except as otherwise herein provided, any lease issued under the provisions of this Act 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 Act, of the lease, or of the general regulations promulgated under this Act 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.

“Any lease issued after August 21, 1935, under the provisions of section 17 of this Act shall be subject to cancellation by the Secretary of the Interior after thirty days’ notice upon the failure of the lease to comply with any of the provision of the lease, unless or until the land covered by any such lease is known to contained valuable deposits of oil or gas. 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 lands office for the district in which the land covered by such lease is situated, or in the vent that there is no district land office for such district, then in the post office nearest such lands.”

Sec.10. Section 39 which was added to the Act by the Act of February 9, 1933 (47 Stat.798; 30 U.S.C., sec. 209), is amended to read as follows;

Sec. 39

RENTAL OR ROYALTY
REDUCTION OR
SUSPENSION

“Sec.39. The Secretary of the Interior for the purpose of encouraging the greatest ultimate recovery of coal, oil, or gas in the interest of conservation of natural resources is authorized to waive, suspend, or reduce the rental, or minimum royalty, or reduce the royalty on an entire leasehold, or on any tract or portion thereof segregated for royalty purposes, whenever in his judgment it is necessary to do some in order to promote development, or whenever in his judgment the lease cannot be successfully operated under the terms provided therein. In the event the Secretary of the Interior, in the interest of conservation, shall direct or shall assent to the suspension of operations and production under any lease granted under the terms of this Act, any payment of acreage rental or of minimum royalty prescribed by such lease likewise shall be suspended during such period of suspension of operations and production; and the term of such lease shall be extended by adding any such suspension period

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

thereto. The provisions of this section shall apply to all oil and gas leases issued under this Act, including those within an approved or prescribed plan for unit or cooperative development and operation.”

Sec.11. Section 5 of the Act approved February 7, 1927 (44 Stat. 1057; 30 U.S.C., sec. 285), is amended to read as follow: Sec. 5

“Sec.5. That the general provisions of sections 26 to88, inclusive, of the Act of February 25, 1920, entitled ‘ An Act to promote the mining of coal, phosphate, oil, oil shale, gas and sodium on the public domain,’ and thirty-seventh section thereof begin amended to include deposits of potassium.”

SECS. 26-38 ARE APPLICABLE

POTASSIUM

Sec.12. From and after the effective date of this Act, the royalty obligation to the united States under all leases requiring payment of royalty in excess of 12 ½ per centum, except leases issued or to be issued upon competitive bidding, is reduced to 12 ½ per centum in amount or value of production removed or sold from said lease 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 the effective date of this Act, 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 a lease, and which is determined by the Secretary to be a new deposits; 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 agreements. And which is determined by the Secretary to be a new deposits, 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.

Sec.13. 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, but the Secretary of the Navy is hereby authorized, with the consent of the President, to enter into agreements such as those provided for in section 17 (b) of the Act of February 25, 1920, as mended by this Act, which agreements shall not, unless expressed therein, operate to extend the term of any lease affected thereby.

Sec.14. The Act of July 8, 1940 (54 Stat. 742; 30 U.S.C., sec. 220a); section 1 of the Act of July 29, 1942 (56 Stat. 726; 30 U.S.C., sec. 226b), as amended; and section 2 of the Act of August 21, 1935 (49 Stat. 679; U.S.C., sec 223a), are hereby repealed.

REPEAL

Sec.15. No repeal or amendments made by this Act 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 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.

Approved August 8, 1946.

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

ACT OF MAY 27, 1947

To amend section 35 of the Mineral Leasing Act of February 25, 1920 (41 Stat. 437; 30 U.S.C., sec 191), as amended

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 35 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 (41 Stat. 437; 30 U.S.C., sec. 191), as amended and reenacted to read as follows:

Sec. 35

PUBLIC LAND MONEYS
PAYMENT TO STATES

“Sec.35. All money received from sales, bonuses, royalties, and rentals of public lands under the provisions of this Act shall be paid into the Treasury of the United States; 37 ½ per centum thereof shall be paid by the Secretary of ht treasury after the expiration of each fiscal year to the State or the Territory of Alaska within the boundaries of which the leased lands or deposits are or were located; said moneys to be used by such State, Territory, or subdivisions thereof for the construction and maintenance of public roads or for the support of public schools or other public educational institutions, as the legislature of the State or Territory may direct; and, excepting those from Alaska, 52 ½ per centum thereof shall be paid into, reserved and appropriated, as a part of the reclamation fund created by the Act of Congress known as the Reclamation Act; approved June 17, 1902: *Provided,* That all moneys which may accrue to the United States under the provisions of this Act from lands within the naval petroleum reserves shall be deposited in the Treasury as “miscellaneous receipts”, as provided by the Act of June 4, 1920 (41 Stat. 813), as amended June 30, 1938 (52 Stat. 1252.34 U.S.C., sec. 524). All moneys received under the provisions of this Act not otherwise disposed of by this section shall be credited to miscellaneous receipts. Nothing herein contained shall be construed to affect the disposition of proceeds or income derived by the United States from mineral school sections in the Territory of Alaska as provided fro in the Act of March 4, 1915 (38 Stat. 1214, 1215; 48 U.S.C., sec. 353), as amended.”

Approved May 27, 1947.

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

Mineral Leasing Act for Acquired Lands

MINERAL LEASING ACT FOR ACQUIRED LANDS

ACT OF AUGUST 7, 1949

ACT OF AUGUST 7, 1947

To promote the mining of coal, phosphate, sodium, potassium, oil, oil shale, gas, and sulfur on lands acquired by the United States.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the “Mineral Leasing Act for Acquired Lands”.

Sec.2. AS used in this Act “United States” included Alaska. “Acquired lands” or “lands acquired by the United States” includes all lands theretofore or hereafter acquired by the United States to which the “mineral leasing laws” have not been extended, including such lands acquired under the provisions of the Act of March 1, 1911 (88 Stat. 961, 16 U.S.C., sec. 552). “Secretary” mean the Secretary of the Interior. “Mineral leasing laws” shall mean the Act of October 20, 1914 (38 Stat, 741, 48 U.S.C., sec. 432); the Act of February 25, 1920 (41 Stat. 437, 30 U.S.C., sec.181); the Act of April 17, 1926 (44 Stat. 301, 30 U.S.C., sec. 271); the Act of February 7, 1927 (44 Stat. 1057, 30 U.S.C., sec 281), and all Acts heretofore or hereafter enacted which are amendatory or of supplementary to any of the foregoing Acts. “Lease” include “prospecting permit” unless the context otherwise requires.

Sec.3. Except where lands have been acquired by the United States for the development of the miner deposits, by foreclosure or other-wise for resale, or report as surplus pursuant to the provisions of the Surplus Property Act of October 3, 1944 (50 U.S.C., sec. 1611 and the following), all deposits of coal, phosphate, oil, oil shale, gas, sodium, potassium, and sulfur which are owned or may hereafter be acquired by the United States and which are within the lands acquired by the United States (exclusive of such deposits in such acquired lands as are (a) situated within incorporated cities, towns and villages, national parks or monuments, (b) set apart for military or naval purposes, or (c) tidelands or submerged lands) may be leased by the Secretary under the same conditions as contained in the leasing provisions of the mineral leasing laws, subject to the provision hereof. The provision of the Act of April 17, 1926 (44 Stat. 301), as heretofore or hereafter amended, shall apply to deposits of sulfur covered by this Act wherever situated. No mineral deposits covered by this section shall be leased except with the consent of the head of the executive department, independent establishment, or instrumentality having jurisdiction over the lands containing such deposit, or holding a mortgage or deed of trust secured by such lands which is unsatisfied of record, and subject to such conditions as that official may prescribe of record, to insure the adequate utilization of the lands for the primary purpose for which they have been acquired or are being administered: *Provided,* That nothing in this Act is intended, or shall be construed, to apply to or in any manner affect any mineral rights, exploration permits, leases or conveyances nor minerals that are or may be in any tidelands; or submerged lands; or in lands underlying the three mile zone or belt involved in the case of the United States of America against the State of California now pending on application for rehearing in the Supreme Court of the United States; or in lands underlying such three mile zone or belt, or the continental shelf, adjacent or littoral to any part of the land within the jurisdiction to of the United States of America.

ACQUIRED LANDS LEASING

Sec.4. Nothing herein contained shall be deemed or construed to (a) amend, modify, or change any existing law authorizing or required the sale of acquired lands, or (b) empower any commission, bureau, or agency of the Government to make a reservation of the minerals in the sale of any acquired lands: *Provided*, That any such sale or conveyance of lands shall be made by the agency having jurisdiction thereof, subject to any lease theretofore made, covering the mineral deposits underlying such lands: *Provided further*, That nothing in this Act is intended, or shall be construed to affect in any manner any provision of the Act of June 30, 1938 (32Stat. 1252), amending the Act of June 4, 1920 (41 Stat. 813).

MINERAL DEPOSIT OWNERSH

Sec.5. Where the United States does not own all of the mineral deposits under any lands sought to be leased and which are affected by this Act, the Secretary is authorized to lease the interest of the United States in any such mineral deposits when, in the judgment of the Secretary, the public interest will be best served thereby: subject, however to the provisions of section 3 hereof. Where the United States does not own any interest or owns less than a full interest in the minerals that may be produced from any lands sought to be leased, and which are or will be affected by this Act and where, under the provisions of its acquisition, the United States is to acquire all or any part of such mineral deposits in the future, the secretary may lease any interest of the United States then owned or to be acquired in the future in the same manner as provided in the preceding sentence.

Sec.6. All receipts derived from leases issued under the authority of this Act shall be paid into the same funds or accounts in the Treasury and shall be distributed in the same manner as prescribed for other receipts from the lands affected by the lease, the intention of this provision being that this Act shall not affect the distribution of receipts pursuant to legislation applicable to such lands: *Provided, however*, That receipts from leases or permits for minerals in lands set apart for Indian use, including lands the jurisdiction of which has been transferred to the Department of the Interior by the Executive order for Indian use, shall be deposited in a special fund in the Treasury until final disposition thereof by the Congress.

RECEIPTS FROM LEASE

Sec.7. Upon request by the Secretary, the heads of all executive departments, independent establishments, or instrumentalities having jurisdiction over any of the lands referred to in section 2 of this Act shall furnish to the Secretary the legal description of all of such lands, and all pertinent abstracts, title papers, and other documents in the possession of such agencies concerning the status of the title of the United States to the mineral deposits that may be found in such lands.

LEGAL DESCRIPTION OF
ACQUIRED LANDS

Abstracts, title papers, and other documents furnished to the Secretary under this section shall be recorded promptly in the Bureau of Land Management in such form as the Secretary shall deem adequate for their preservation and use in the administration of this Act, whereupon the originals shall be returned promptly to the agency from which they were received. Duly authenticated copied of any such abstract, title papers, or other documents may, however, be furnished to the Secretary, in lieu of the originals, in the discretion of the agency concerned.

Sec.8. Nothing contained in this Act shall be construed to affect the rights of the State or other local authorities to exercise any right which they may have with respect to properties covered by leases issued under this Act, 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.

BLM RECORDATION

Sec.9. Nothing in this Act shall affect any rights acquired by any leases of lands subject to this Act under the law as it existed prior to the effective date of this Act, and such rights shall be governed by the law in effect at the time of their acquisition; but any person qualified to hold a lease who, on the date of this Act, had pending an application for an oil and gas lease for any lands subject to this Act which on the date the application was filed was not situated within the known geologic structure of a producing oil or gas field, shall have a preference right over others to a lease of such lands without competitive bidding. Any person holding a lease on lands subject hereto, which lease was issued prior to the effective date of this Act, shall be entitled to exchange such lease for a new lease issued under the provision of this Act, at any time prior to the expiration of such existing lease.

Sec.10. The Secretary of the Interior is authorized to prescribe such rules and regulations as are necessary and appropriate to carry out the purposes of this Act, which rules and regulations shall be the same as those prescribed under the mineral leasing laws to the extent that they are applicable.

Approved August 7, 1947.

ACT OF JUNE 1, 1948

ACT OF JUNE 1, 1948

To amend the Mineral Leasing Act of February 25, 1920. to permit the exercise of certain options on or before August 8, 1950

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the second proviso of section 27 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 20, 1920, as amended (U.S.C., 1946 edition, title 30, sec. 184), is hereby amended by striking out “within two years after the passage of this Act” and inserting in lieu thereof “on or before August 8, 1950.”

Sec. 27

ON OR BEFORE AUG. 8, 1950

Approved June 1, 1948.

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

To amend the Mineral Leasing Act of February 25, 1920, and the Potassium Act of February 7, 1927, in order to promote the development of certain minerals on the public domain; and for other purpose.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 2 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 (41 Stat. 438, 30 U.S.C., secs. 201 and 202), is amended to read as follows:

“Sec.2. (a) The Secretary of the Interior is authorized to divide any of the coal lands or the deposits of coal, classified and unclassified, owned by the United States, outside of the Territory of Alaska, into leasing tracts of forty acres each, or multiples thereof, and in such form as, in his opinion, will permit the most economical mining of the coal in such tracts, but in no case exceeding two thousand five hundred and sixty acres in any one leasing tracts, and thereafter he shall, in his discretion, upon the request of any qualified applicant or on his own motion, from time to time, offer such lands of deposits of coal for leasing, and shall award leases thereon by competitive bidding or by such other methods as he may by general regulations adopt, to any qualified applicant. He is hereby authorized, in awarding leases for coal lands improved and occupied or claimed in good faith, prior to February 25, 1920, to consider the recognized equitable rights of such occupants of claimants. No complete lease of coal shall be approved or issued until after the notice of the proposed offering for lease had been given in a newspaper of general circulation in the county in which the lands are situated in accordance with regulations prescribed by the Secretary.

Sec. 2

COAL LEASING TRACTS
ACREAGE

“(b) Where prospecting or exploratory work is necessary to determine the existence or workability of coal deposits in any unclaimed, undeveloped area, the Secretary of the Interior may issue, to applicants qualified under this Act, prospecting permit for a term of two years, for not exceeding two thousand five hundred and sixty acres; and if within said period of two periods thereafter the permittee shows to the Secretary that the Land contains coal in commercial quantities, the permittee shall be entitled to a lease under this Act for all or part of the land in his permit.

PROSPECTING PERMITS

“Any coal prospecting permit issued under this section may be extended by the Secretary for a period of two years, if he shall find that the permittee shall been unable, with the exercise of reasonable diligence, to determine the existence of workability of coal deposits in the area covered by the permit and desire to prosecute further prospecting or exploration, or for other reasons in the opinion of the Secretary warranting such extension.

“(c) No company or corporation operating a common-carrier railroad shall be given or hold a permit or lease under the provision of this Act for any coal deposits except for its own use for railroad purposes and such limitations of use shall be expressed in all permits and leases issued to such companies or corporations; and no such

RAILROADS

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

company or corporation shall receive or hold under permit or lease more than ten thousand two hundred and forty acres in the aggregate nor more than one permit or lease for each two hundred mile so its railroad lines served or to be served from such coal deposits exclusive of spurs or switches and exclusive of branch lines built to connect the operated mainly by power produced otherwise than by steam.

“Nothing in this section shall preclude such a railroad of less than two hundred miles in length from securing one permit or lease thereunder but no railroad shall hold a permit or lease for lands in any State in which it does not operate main or branch lines.”

“Sec.9. The Secretary of the Interior is authorized to lease to any applicant qualified under this Act, thought advertisement, competitive bidding, or such other methods as he may be general regulations adopt, any phosphate deposits of the Untied States, and lands containing judgment the public interest will be best served thereby. The lands shall be leased under such terms and conditions as are herein specified, in units reasonably compact in form of not to exceed two thousand five hundred and sixty acres.”

Sec. 9

PHOSPHATE

Sec.3. Section 10 of the Act (41 Stat. 440, 30 U.S.C., sec. 212) is amended to read as follows:

“Sec.10. Each lease shall describe the leased lands by the legal subdivisions of the public-land surveys. All leases shall be conditioned upon the payment to the United States of such royalties as may be specified in the lease, which shall be sized by the Secretary of the Interior in advance of offering the same, at to less than 5 per centum of the gross value of the output of the phosphates or phosphate tock associated or related minerals. Royalties shall be due and payable as specified in the lease either monthly or quarterly on the last day of the month next following the month or waurter in which the minerals are sold or removed from the leased land. Each lease shall provide for the payment of a rental payable at the date of the lease and annually thereafter which shall be not less than 25 cents per acre for the first year, 50 cents per acre for the second and third years, respectively, and \$1 per acre thereafter, during the continuance of the lease. The rental paid for any year shall be credited against the royalties for that year. Lease shall be for a term of twenty years and so long thereafter as the lessee complied with the terms and conditions of the lease and upon the further conditions thereof may be made therein as may be prescribed by the Secretary of the Interior unless otherwise provided by law at the expiration of such periods. Leases shall be conditioned upon a minimum annual production of the payment of a minimum royalty in lieu thereof, except when production is interrupted by strikes, the elements, or casualties not attributable to the lessee. The Secretary of the Interior may

Sec.10

LEASE DESCRIPTIONS

ROYALTY

LEASE TERM

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

Permit suspension of operations under any such leases when marketing conditions are such that the lease cannot be operated except at a loss.”

Sec.4. Section 11 of the Act (41 Stat. 440, 30 U.S.C., sec. 218) is hereby amended to read as follows:

“Sec.11. Any lease to develop and extract phosphates, phosphate rock, and associated or related minerals under the provisions of sections 9 to 12, inclusive, of this Act shall provide that the lessee may use so much of any deposit of silica or limestone or other rock situated on any public lands embraced in the lease as may be utilized, in the processing or refining of the phosphates, phosphate rock, and associated or related minerals mined from the lease lands or from other lands upon payments of such royalty as may be determined by the Secretary of the Interior, which royalty may be stated in the lease or, as to the lease already issued, may be provided for in an attachment to the lease to be duly executed by the lessor and the lessee.”

Sec.5. Section 12 of the Act (41 Stat. 441, 30 U.S.C., sec 214) is amended to read as follows:

“Sec.12. the holder of any lease issued under the provisions of section 9 to 23, inclusive, of this Act shall have the right to use so much of the surface of inappropriate and unentered public lands not a part of his lease, not exceeding eight acres in area, as may be determined by the Secretary to be necessary or convenient for this extraction, treatment, and removal of the mineral deposits, but this provision shall not be applicable to national forest lands.”

Sec.6. the first sentence of section 27 of such Act, as amended (41 Stat. 448, 30 U.S.C., sec 184), is amended to read as follows:

“No person, association, or corporation, except as herein provided, shall take or hold coal or sodium leases or permit during the life of such lease in any one State, exceeding in the aggregate acreage five thousand one hundred and twenty acres for each of said minerals: *Provided*, That the Secretary of the Interior may, in his discretion where it is necessary in order to secure the economic mining of sodium compounds leasable under this Act, permit a person, association, or thousand three hundred and sixty acres in any one State. No persons, association, or corporations, except as herein provided, shall take or hold at one time oil or gas leases exceeding in the aggregate fifteen thousand three hundred and sixty acres granted hereunder in any one State; and no person, association, or corporation shall take or hold it one time phosphate leases or permits exceeding in the aggregate five thousand one hundred and twenty acres in any one State, and exceeding in the aggregate ten thousand two hundred and forty acres in the United States.”

Sec.7. The first sentence of section 39 of such Act of February 25, 1920, as amended (47 Stat. 708, 30 U.S.C., sec. 209), is amended to read as follows:

“the Secretary of the Interior, for the purpose of encouraging the greatest ultimate recovery of coal, oil, gas, oil shale, phosphate, sodium, potassium and sulfur, and In the interest of conservation of natural resources, is authorized to waive, suspend, or reduce the rental, or

Sec. 11

PHOSPHATE

ROYALTY

Sec. 12

SURFACE USE

Sec. 27

COAL OR SODIUM
ACREAGE

SODIUM LEASE

Sec. 39

REDUCTION OF ROYALTY

NOTE: Regarding all Mineral Leasing Act Sections noted on this page: SEE footnoted listed under the section number to locate subsequent amendments to each section.

Minimum royalty, or reduce the royalty on an entire leasehold, or on any tract or portion thereof aggregated for royalty purposes, whenever in his judgment it is necessary to do so in order to promote development, or whenever in his judgment the leases cannot be successfully operated under the terms provided therein.”

Sec.8. The Act entitled “an Act to grant extension of time under coal permits”, approved March 9, 1928, as amended (45 Stat. 251, 30 U.S.C., sec. 201a), is hereby repealed.

Sec.9. The second sentence of section 3 of the Act entitled “An Act to promote the mining of potash on the public domain”, approved February 7, 1927, as amended (44 Stat.1057, 30 U.S.C., sec. 283), is amended to read as follows: “Any lease issued under this Act shall be for a term of twenty years and so long thereafter as the lessee complied with the terms and conditions of the lease and upon the further condition that at the end of each twenty-year period succeeding the date of the lease such reasonable adjustment of the terms and conditions thereof may be made therein as may be prescribed by the Secretary of the Interior unless otherwise provided by law at the expiration of such periods. The Secretary of the Interior may permit suspension of operations under any such leases when marketing conditions are such that the leases cannot be operated except at a loss. The Secretary upon application by the lessee prior to the expiration of any existing lease in good standing shall amend such lease to provide for the same tenure and to contain the same conditions, including adjustments at the end of each twenty year period succeeding the date of said lease, as provided for in this Act.”

Sec. 3

20 YEAR LEASE

Approved June 3, 1948.

NOTE: Regarding all Mineral Leasing Act section noted on this page: SEE footnoted listed under the section number to locate subsequent amendments to each section.

ACT OF AUGUST 3, 1950

ACT OF AUGUST 3, 1950

To provide that payment to States under the Oil Land Leasing Act of 1920 shall be made biannually.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 35 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 (30 U.S.C., sec. 191), is hereby amended by striking out “after the expiration of each fiscal year” and inserting in lieu thereof “ as soon as practicable after December 31 and June 30 of each year”.

Sec. 35

DATES

Approved August 3, 1950.

ACT OF AUGUST 12, 1953

ACT OF AUGUST 12, 1953

To amend the mineral leasing laws with respect to their application in the case of pipelines passing through the public domain

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That section 28 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 (30 U.S.C., sec. 185), is amended by inserting after “*Provided,*” the following: “That the common carrier provisions of this section shall not apply to any natural gas pipeline operated by any person subject to regulation under the Natural Gas Act or by any public utility subject to regulation by a State or municipal regulatory agency having jurisdiction to regulate the rate and charges for the sale of natural to consumer within the State or municipality: *Provided further,*”.

Sec. 28

COMMON CARRIER PROVISIONS

Approved August 12, 1953.

NOTE: regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section

To amend the Mineral Leasing Act of February 25, 1920, as amended.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act of February 25, 1920, as amended (30 U.S.C., 226), is further amended as follows:

(1) Strike out the second paragraph of section 17 and insert the following language in lieu thereof:

Sec. 17

“Any leases issued under this Act while is subject to termination by reason of cessation of production shall not terminate if within sixty days after production ceases, reworking or drilling operating are commenced on the land under lease and are thereafter conducted with reasonable diligence during such period of nonproduction. No lease issued under the provision of this Act shall expire because operations or production is suspended under any order, or with the consent, of the Secretary of the Interior. No lease issued under the provisions of this Act 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, but not less than sixty days after the notice by registered mail, within which to place such well on a producing status: *Provided*, That after such status is established production shall continue on the leases premises unless and until suspension of production is allowed by the Secretary of the Interior under the provisions of this Act.”

LEASE TERMINATION

REASONABLE DILIGENCE

(2) Strike out the third paragraph of section 17 and insert in lieu thereof:

“Upon the expiration of the initial five-year term of any noncompetitive lease 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 covered by it as are not on the expiration date of the lease withdrawn from leasing under this section. A withdrawal, however, shall not affect the right to an extension if actual drilling operations on such lands were commenced prior to such withdrawal becoming effective and were being diligently prosecuted on such expiration date. No withdrawal shall be effective within the meaning of this section until ninety days after notice thereof shall be sent by registered mail to each lessee to be affected by such withdrawal. A noncompetitive lease, as to lands not within the known geologic structure of a producing oil or gas field, shall be extended for a period of two years and so long thereafter as oil or gas is produced in paying quantities. Any noncompetitive lease extended under this paragraph shall be subject to the rules and regulations in force at the expiration of the initial five-year terms of the lease. No extension shall be granted, however, unless within a period

Sec. 17

NONCOMPETITIVE LEASE

WITHDRAWAL

NOTE: Regarding all Mineral Leasing Act section noted on this page: SEE footnoted listed under the section number to locate subsequent amendments to each section.

of ninety days prior to such expiration date an application therefore 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.”

(3) Strike out the fifth paragraph of section 17 and insert the following language in lieu thereof:

“Whenever it appears to the Secretary of the Interior that the lands owned by the United States are being drained of oil or gas by wells drilling on adjacent lands, he is hereby authorized and empowered to negotiate agreements whereby the United States, or the United States and its lessees, shall be compensated for such drainage, such agreements to be made with the consent of the lessees affected thereby, and the primary term including any extension thereof of any lease for which compensatory royalty is being paid shall be extended for the period of one year from discontinuance of such payment and so long thereafter as oil or gas is produced in paying quantities: *Provided*, That the Secretary of the Interior 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.”

(4) Strike out the second sentence of the fourth paragraph of section 17 (b) and insert in lieu thereof the following language: “Any other lease issued under any section of this Act which has heretofore or may hereafter be committed of any such plan that contains a general provision for allocation of oil or gas, shall continue in force and affect 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 terms of such lease. Any lease hereafter committed to any such plan embracing lands that are impart within an 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 nay 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.”

(5) Strike out the words “and regardless of acreage limitations provided for in this Act” in the fifth paragraph of section 17 (b) and insert the following sentence at the end of the paragraph: “All leases operated under such approved operating, drilling, or development contract and interest thereunder, shall be excepted in determining holding or control under the provisions of any section of this Act.”

(6) Strike out the least sentence of section 30 (a) and insert the following in lieu thereof: “Assignments under this section may also be made of parts of leases which are in their extended terms because of any provision of this Act. The segregated lease of any underdeveloped lands shall continue in full force and effect for two years and so long thereafter as oil or gas is produced in paying quantities.

Sec. 17

DRAINAGE

Sec. 17 (b)

PLANS

PAYING QUANTITIED

Sec. 17 (b)

APPROVED CONTRACTS

Sec. 30 (a)

SEGREGATED LEASE

NOTE: regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section

Sec. 31

(7) Insert the following sentence immediately after the second paragraph of section 31: “Notwithstanding the provisions of this section, however upon failure of a lease to pay rental on or before the anniversary date of the lease, for any lease on which there is not 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 net official working day and shall be considered as timely made.”

FAILURE TO PAY RENTAL

PAYMENT DUE DATE

Approved July 20, 1954.

ACT OF AUGUST 2, 1954

ACT OF AUGUST 2, 1954

To amend section 27 of the Mineral Leasing Act of February 23, 1920, as amended, in order to promote the development of oil and gas on the public domain.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 27 of the Act of February 25, 1920, as amended (30 U.S.C. 184), is further amended as follows:

(1) Strike out all of the language preceding the semicolon of the second sentence of section 27, and insert the following in lieu thereof: “No person, association, or corporation, except as herein provided, shall take or hold at one time oil or gas leases exceeding in the aggregate forty-six thousand and eighty acres granted hereunder in any one State, except that in the Territory of Alaska no person, association, or corporation, except as herein provided, shall take or hold at one time oil or gas leases exceeding in the aggregate one hundred thousand acres granted hereunder;”.

Sec. 27

ACREAGE

ALASKA ACREAGE

(2) Strike out sentence 5 and 6 of section 27 and insert the following in lieu thereof: “The interest of an option under a nonrenewable option to purchase or otherwise acquire or more oil or gas leases (whether then or thereafter issued), or any interest therein, shall not, prior to the exercise of such option, be a taking or holding or control under the acreage limitations provisions of any section of this Act. No such option shall be entered into for a period of more than three years, without the prior approval of the Secretary of the Interior, and no person, association, or corporation shall hold at one time such options of more than two hundred thousand acres in any one State.”

Sec. 27

NONRENEWABLE OPTIONS

Approved August 2, 1954.

NOTE: regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section

ACT OF JULY 10, 1957

Excerpts

Sec.2. Section 35 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 (30 U.S.C/ 191), is hereby amended by inserting immediately before the colon preceding the fist proviso thereof the following: “, and of those from Alaska 52 ½ per centum thereof shall be paid to the Territory of Alaska for disposition by the Legislature of the Territory of Alaska”.

Sec. 35
ALASKA

Approved July 10, 1957.

NOTE: Other sections not included.

ACT OF JULY 3, 1958

Excerpts

To provide for the leasing of oil and gas deposits in lands beneath nontidal navigable waters in the Territory of Alaska, and for other purposes.

OIL AND GAS LEASING
NONTIDAL NAVIAGEL
WATERS IN ALASKA

Be it enacted by the Senate and House of Representatives of the Untied States of America in Congress assembled,

DEFINITIONS

Section 1. That, when used in this Act—

(a) the term “lands beneath nontidal navigable waters in the Territory of Alaska” means (1) all lands within the boundaries of the Territory of Alaska which are covered by nontidal waters that are navigable under the laws of the United States , up to the ordinary high-water mark as heretofore or hereafter modified by accretion, erosion, and reliction. For the purposes of this definition and this Act, streams shall be “nontidal” at all points upstream from a line connecting the headlands at the mouth or mouths of such streams.

(b) The term “Mineral Leasing Act” means the Act of February 25, 1920 (41 Stat. 437; 30 U.S.C. 181 et seq.), and all Acts heretofore or hereafter enacted which are amendatory thereof or supplementary thereto:

(c) The term “Secretary” means the Secretary of the Interior.

Sec.2. All deposits of oil and gas owned or hereafter acquired by the United States in lands beneath nontidal navigable waters in the Territory of Alaska, together with the lands containing those deposits, may be leased and otherwise administered, treated and dealt with by the Secretary under and pursuant to the provisions of the Mineral Leasing Act which are applicable to oil and gas deposits generally and the lands containing such deposits owned by the United States in the Territory of Alaska and all such provisions of the Mineral Leasing Act shall be applicable to deposits of oil and gas owned to hereafter acquired by the United States in lands beneath nontidal navigable waters in the Territory of Alaska, except as otherwise provided in this Act.

NOTE: regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

within the boundaries described in the lease (or application or offer) any lands

beneath nontidal navigable waters in the Territory of Alaska not within any known geological structure of a producing oil or gas field on the date of the application or offer for any such lease was filed with the Bureau of Land Management, the lessee (or applicant or offeror) shall, upon application filed while such lease (or application or offer) is still in effect but not more than one year after the date of approval of this Act and under regulations to be prescribed by the Secretary, have a preference right to have included within such lease (or application or offer) such lands beneath nontidal navigable waters in the Territory of Alaska. For boundaries described in the lease (or application of offer) even though it is excluded from such description by general terms which exclude all described lands that are or may be situated beneath navigable waters.

Sec.10. Section 22 of the Act of February 25, 1920 (41 Stat, 440), is amended to read as follows:

“Sec.22. That any bona fide occupant or claimant of oil or gas bearing lands in the Territory of Alaska, who, or whose predecessors in interest, prior to withdrawal land complied otherwise with the requirements of the mining laws, but had made no discovery of oil or gas in wells and who prior to withdrawal had made substantial improvements for the discovery of oil or gas on or for each location or had prior to the passage of this Act expended not less than \$250 in improvements on or for each location shall be entitled, upon relinquishment or surrender to the United States within one year from the date of this Act, or within six months after final denial or withdrawal of application for patent, to a lease or leases, under this Act covering such lands, not exceeding five leases in number and not exceeding an aggregate of one thousand two hundred and eighty acres in each: *Provided*, That the annual lease rentals for lands in the Territory of Alaska not within any known geological structure of a producing oil or gas sold or removed from such lands shall be identical with those prescribed for such leases covering similar lands in the States of the United States, except that leases which may issue pursuant to applications or offers to lease such lands, which applications or offers were filed prior to and were pending on May 3, 1958, shall require the payment of 25 cents per acre as lease rental for the first year of such leases; but the aforesaid exception shall not apply in any way to royalties to be required under leases which may issue pursuant to offers or application filed prior to May 3, 1958.

“The Secretary of the Interior shall neither prescribe nor approve any cooperative or unit plan of development or operation nor any operating, drilling, or development contract establishing different royalty or rental rates for Alaska lands than for similar lands within the sates of the United States.

“No claimant for a 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.”

Approved July 3, 1958.

Sec. 22

BONA FIDE OCCUPANT OR CLAIMANT. OIL AND GAS. ALASKA.

RENTAL

ROYALTY

UNIT PLAN

FRAUD

NOTE: Other sections not included.

NOTE: regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

To amend section 27 of the Mineral Leasing Act of February 25, 1920, as amended, in order to promote the development of coal on the public domain.

COAL

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 27 of the Act of February 25, 1920, as amended (41 Stat. 448, 30 U.S.C. 184), is further amended by deleting from the first sentence thereof the words “coal or” and “for each of said minerals”, and by inserting at the beginning of said section the following:

SEC. 27

“No person, association, or corporation, except as herein provided, shall take or hold coal leases or permits during the life of such lease in any one States exceeding an aggregate of ten thousand two hundred and forty acres: *Provided,* That a person, association or corporation may apply for coal leases or permits for acreage in addition to said ten thousand two hundred and forty acres, which application or applications shall be in multiples of forty acres, not exceeding a total of five thousand one hundred twenty additional acres in such State, and shall contain a statement that the granting of a lease for such additional lands is necessary for the person, association, or corporation to carry on business economically and is in the public interest. On the filing of said application, the coal deposits in such lands covered thereby shall be temporarily set aside and withdrawn from all terms of disposal under this Act. The Secretary of the Interior shall, after posting notice of the pending application in the local land office, conduct public hearing on said application or applications for additional acreage. After such public hearings, to such extend as he finds to be in the public interest and necessary for the applicant in order to carry on business economically, the Secretary of the Interior may, under such regulations as he may prescribe, permit such persons, association, or corporation to take or hold coal leases or permits for an additional aggregate acreage for not more than five thousand one hundred and twenty acres in such State. The Secretary may, in his own discretion or whenever sufficient public interest is manifested, reevaluate the lessee’s or permittee’s need for all or any part of the land permit or permits covering all or any part of the additional acreage, if he finds that such cancellation is in the public interest or that the coal deposits in the additional acreage are no longer necessary for the lessee or permittee to carry on business economically or if the lessee or permittee had divested himself of all or any part of the original ten thousand two hundred and forty acres or no longer had facilities which in the Secretary’s opinion enable him to exploit the deposits under lease or permit. No assignment, transfer, or sale of any part of the additional acreage may be made without the approval of the Secretary.”

ACREAGE

PUBLIC HEARING

ADDITIONAL ACREAGE
NEEDS EVALUATION

CANCELLATION OF LEASES
OR PERMITS

Approved August 21, 1958.

NOTE: regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

ACT OF SEPTEMBER 9, 1959

Excerpt

To repeal the Act of October 20, 1914 (38 Stat. 741), as amended (48 U.S.C., secs. 432-452), and for other purposes.

Sec.2. The first sentence of section 2 of the Act of February 25, 1920 (41 Stat. 437, 438), as amended (30 U.S.C., sec. 201), is further amend by the deletion of words “outside of the Territory of Alaska.”
Approved September 9, 1959.

Sec. 2

Alaska

NOTE: Section 1 not included.

ACT OF SEPTEMBER 21, 1959

CANCELLATION OR FORFEITURE

To amend the Mineral Leasing Act of February 25, 1920.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 27 of the Mineral Leasing Act of February 25, 1920 (41 Stat. 437, 448), as amended (30 U.S.C., sec. 184), is further amended by the inserting, immediately after the sixteenth sentence, of the following: “ The right of cancellation or forfeiture for violation of the provisions of this Act shall not apply so as to affect adversely the title or interest of a bona fide purchaser in any lease, options for a lease, or interest in a lease acquired in conformity with the acreage limitations of this Act from any other person, association or corporation whose holding, or the holdings of a predecessor in title, including the original lessee of the United Sates, may have been canceled or forfeited, or may be subject to cancellation of forfeiture for any such violations. Any person, associations or corporation who is a party to any proceedings with respect to a violation of any provisions of this Act shall have the right to be dismissed as such a party upon showing that the person, association or purchaser without violating any provisions of this Act. If during any such proceedings with respect violation of any provisions of this Act a party to those proceedings files with the Secretary of the Interior thereunder or if such rights are suspended by order of the Secretary pending a decisions in such proceedings, he shall, if he is found in such proceedings not in violation of such provisions, have the right to have his interest extended for a period of time equal to the period between the filing of the waiver or the order of suspension by the Secretary and the final decisions, without the payment of rental.”

Sec. 27

CANCELLATION OR FIREFEITURE
BONA FIDE PURCHASER

Sec.2. The right granted by the second and third sentences of the amendment contained within section 1 of this Act shall apply with respect to any proceeding now pending or initiated after the date of enactment of this Act.

RIGHT TO EXTEND INTEREST

Sec. 1 APPLIED TO
PENDING PROCEEDINGS

NOTE: regarding all Mineral Leasing Act sections noted on this page: SEE footnot listed under the section number to locate subsequent amendments to each section.

ACT OF MARCH 18, 1960

To authorize the issuance of prospecting permits for phosphate in lands belonging to the United States.

PHOSPHATE

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That (a) section 9 of the Mineral Leasing Act of February 25, 1920 (41 Stat, 437, 440), as amended (30 U.S.C. 211), is further amended by the insertion of an (a) at the beginning of the section and by the addition of the two following subsections:

Sec. 9

“(b) Where prospecting or exploratory work is necessary to determine the existence or workability of phosphate deposits in any unclaimed, undeveloped area, the Secretary of the Interior is authorized to issue, to any applicant qualified under this Act, a prospecting permit which shall give the exclusive right to prospect for phosphate deposits, including associated minerals, for a period of two years, for not more than two thousand five hundred and sixty acres; and if prior to the expiration of the permit the permittee shows to the Secretary that valuable deposits of phosphate have been discovered within the area covered by his permit, the permittee shall be entitled to a lease for any or all of the land embraced in the prospecting permit.

PHOSPHATE

PHOSPHATE PERMIT

“(c) Any phosphate permit issued under this section may be extended by the Secretary for such an additional period, not in excess of four years, as he deems advisable, if he finds that the permittee has been unable, with reasonable diligence, to determine the existence or workability of phosphate deposits in the area covered by the permit and desires to prosecute further prospecting or exploration, or for other reasons warranting such an extension in the opinion of the Secretary.”

EXTENSION OF PERMIT

“(b) Section 12 of the Mineral Leasing Act (41 Stat, 437, 441), as amended (30 U.S.C., sec. 214), is further amended by the insertion of the words “or permit” immediately after the word “lease” wherever it appears.

Sec. 12

“(c) The ninth sentence of section 27 of the Mineral Leasing Act (41 Stat. 437, 448), as amended (30 U.S.C., sec. 184), is further amended by the insertion of the words “or permits” immediately after the words “phosphate leases”.

INCLUDES PERMITS

Sec. 27

INCLUDES PERMITS

Approved March 18, 1960.

ACT OF JUNE 11, 1960

Number (21) Only

(21) The third sentence in the third paragraph of section 17 of the Mineral Lands Leasing Act of February 25, 1920, as amended by the Act of July 20, 1954 (68 Stat, 584; 30 U.S.C. 226), is amended by inserting “or by certified mail,” immediately following “registered mail.”

Sec. 17

CERTIFIED MAIL

NOTE: regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

Sec.204. (a) In any case where it shall appear to the satisfaction of the Secretary of the Interior that any person has made a payment under any statute relating to the sale, entry, lease, use, or other disposition of the public lands which is not required, or is in excess of the amount required, by applicable law and the regulations issued by the Secretary, the Secretary, upon application or otherwise, may cause a refund to be made from applicable funds.

UNREQUIRED PAYMENTS

Sec.303. Any moneys collected under this Act in connection with lands administered under the Act of August 28, 1937 (50 Stat. 874; 43 U.S.C. 1181a, and the following), shall be expended for the benefit of such land only. If any portion of a deposit or amount forfeited under this Act is found by the Secretary to be in excess of the cost of doing the work authorized under this, the amount in excess shall be transferred to miscellaneous receipts.

MONEY FORFEITED

Approved July 14, 1960.

MINERAL LEASING ACT REVISION OF 1960

ACT OF SEPTEMBER 2, 1960

To amend the Mineral Leasing Act of February 25, 1920.

Be it enacted by the Senate and House of Representatives of the United States of American in Congress assembled, That this Act may be cited as the “Mineral Leasing Act Revision of 1960”.

Sec.2. Section 17, 17 (a), and 17 (b) 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 mended (30 U.S.C. 226, 226d, and 115e) are further amended to read as follows:

Sec. 17, 17 (a), 17 (b)

“Sec.17. (a) All lands subject to disposition under this Act which are known or believed to contain oil or gas deposits may be leased by the Secretary.

KGS

“(b) 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 maybe be fixed in the lease, which shall be not less than 12 ½ per centum in amount or value of the production removed or sold from the lease.

COMPETITIVE BIDDING

“(c) If the lands to be leased are not within any known geological structure of a producing oil or gas field, the person first making application for the lease who is qualified to hold a lease under this Act 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 ½ per centum in amount or value of the production removed or sold from the lease.

NOT WITHIN KGS

FIRST QUALIFIED APPLICANT

“(d) All leases issued under this section shall be conditioned upon payment by the lessee of a rental of not less than 50 cents per acres 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.

RENTALS

“(e) 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. Each such lease shall continue so long after its primary terms 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 operations, actual drilling are being diligently prosecuted at the time shall be extended for two years and so long thereafter as oil or gas is produced in paying quantities.

COMPETITIVE LEASES:
5 YEARS
NONCOMPETITIVE LEASES:
10 YEARS

“(f) No lease issued under this section which is subject to termination because of cessation of production shall be terminated for this because 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

TERMINATION

60 DAYS

NOTE: regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

PAYING QUANTITIES

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 is paying quantities shall expire because the lease fails to produce the same unless the lessee is allowed a reasonable time, which shall not be 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 establish, production is discontinued on the lease premises without permission granted by the Secretary under the provisions of this Act.

60 DAYS

“(g) 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 mad 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 a period during which such compensatory royalty is paid and for the period of one year from discontinuance of such payment and so long thereafter as oil or gas is produced in paying quantities. 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.

DRAINAGE

“(h) 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 7 of the Multiple Mineral Development Act of August 13, 1954 (68 Stat. 706), as amended (30 U.S.C. 527), whether such filing occur prior to enactment of the Mineral Leasing Act Revision of 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.

CONFLICTING UNPATENTED
MINING CLAIMS

“(i) The Secretary of the Interior shall, upon timely application therefore, issue a new lease in exchange for any lease issued for a term of twenty years, or any renewal thereof, of 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 ½ per centum in amount or value of a production removed or sold from such leases, except that the royalty rate shall be 12 ½ 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 anme, 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

SUSPENSION OF LEASE

ISSUANCE OF NEW LEASES

TERMS OF LEASES

ROYALTY

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 deposits 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 discover or was included in a duly executed and filed application for the approval of such plan at the time of discovery.

UNIT PLAN

“(j) 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 than subject to any cooperative or unit plan of development or operation), lessees thereof and their representatives may unit with each other, or jointly or separately with other, 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 of advisable in the public interest. The Secretary is thereunto authorized, in his discretion, with the consent of the holders of leases involved, to establish, after, changed, 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 provided that oil and gas leases hereafter issued under this Act 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 proceeding paragraph which included 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 provision of any section of this Act.

PLANS EXCEPTED IN
DETERMINATION OF HOLDINGS
OR CONTROL

“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

POOLING

COMMUNITIZATION

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 each such lease committed thereto.

LEASE CONTINUATION UNDER
UNIT PLAN

“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 Act 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 terms 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 operations, 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 be continue in effect for the original term thereof, but not less than two years, and so long thereafter as oil or gas is produced in paying quantities.

PAYING QUANTITIES

NONUNITIZED LAND LEASES

“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 person, association, or corporation whenever, in his discretion, the conservation of natural products of the public convenience or necessity may require it or the interest of the United States may be best subserved thereby. All leases operated under such approved operation, drilling, or development contracts, and interest, thereunder, shall be excepted in determining holding or control under the provisions of this Act.

SEC’Y. APPROVE CONTRACTS

“The Secretary of the Interior, to avoid waste or to promote conservation of natural resources, may authorized the subsurface storage of oil or gas, whether or not produced from federally owned lands, in lands leased or subject to lease under this Act. 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

SUBSURFACE STORAGE OF
OIL OR GAS

prescribed in the lease when such stored oil or gas is produced in conjunction with oil or gas not previously provided. 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 in produced in paying quantities.”

Sec.3. Section 27 of said Act, as amended (30 U.S.C. 184), is further amended to read as follows:

“Sec.27. (a) (1) no person, association, or corporation, except as otherwise provided in the subsection, shall take, hold, own or control at one time, whether acquired directly from the Secretary under this Act or otherwise, coal leases pr permits on an aggregate of more than ten thousand two hundred and forty acres in any one State.

“(2) A person, association, or corporation may apply for coal leases or permits for acreage in addition to that which is permissible under paragraph (1) of this subsection, but the additional acreage shall not exceed five thousand one hundred and twenty acres, in any one State. Each application shall be for forty acres or multiple thereof and shall contain a statement that the granting of a lease or permit for the additional lands in necessary to enable the applicant to carry on business economically and that it is believed to be in the public interest. On the filing of such an application, the coal deposits in the lands covered by it shall be temporarily set aside and withdrawn from all forms of disposal under this Act. The Secretary shall, after posting notice of the pending application in the local land office, conduct public hearing on it. After such hearing the Secretary may, under such regulations as he may prescribe and to such extent as he finds to be in the public interest and necessary to enable the applicant to carry on business economically, permit the applicant to take and hold coal leases or permits for additional acreage as hereinbefore provided. The Secretary may, in his own discretion or whenever sufficient public interest is manifested, reevaluate the lessee’s or permittee’s need for all or any part of the additional acreage and may cancel any lease or permit covering all or any part of such acreage if he finds that cancellation in the public interest of that the coal deposits in said acreage are not longer necessary for the lessee or permittee to carry on business economically or that the lessee or permittee has divested himself of all or any part of his first ten thousand two hundred and forty acres or no longer has facilities which, in the Secretary’s opinion, enable him to exploit the deposits under lease or permits. No assignment, transfer, or sale of any part of the additional acreage may be made without the approval of the Secretary.

“(b) (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 Act 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 Act, permit a person, association, or corporation to take or hold sodium leases or permits on up to fifteen thousand three hundred and sixty acres in any one State.

Sec. 27

ACREAGE

COAL LEASES ACREAGE

RE-EVALUATE NEED FOR
ADDITIONAL ACREAGE

CANCELLATIONS

SODIUM LEASE ACREAGE

NOTE: regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

“(c) No person, association, or corporation shall take, hold, own, or control at one time, whether acquired directly from the Secretary under this Act or otherwise, phosphate leases or permits on an aggregate of more than ten thousand two hundred and forty acres in the United States.

PHOSPHATE ACREAGE

“(d) (1) No person, association or corporation, except as otherwise provided in this Act, shall take, hold, own or control at one time, whether acquired directly from the Secretary under this Act or otherwise, oil or gas leases (including options for such leases or interests therein) on land held under the provisions of this Act exceeding in the aggregate two hundred forty-six thousand and eighty acres in any one State other than Alaska. 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 limits 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 principle southern mouth.

ACREAGE

ALASKA ACREAGE

“(2) No person, association, or corporation shall take, hold, own, or control at one time options to acquire interest in oil or gas leases under the provisions of this Act 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 renewal 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 options 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 share a 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 interest may appear. In any case in which an assignment is made of a part of a lessee’ 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 of 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

ACREAGE

OPTIONS

ASSIGNMENT OF INTEREST

interest and obligations of the parties thereto shall be subscribed by all parties to the options of 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 of 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 a for said 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 matter 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 option are applicable, and his interest and obligations under each such option. The failure of the holder of an option so to file shall render the option unenforceable by him. The unenforceability 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.

FILING

“(e) (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 Act 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 lease, options, or permits for any kind of minerals, exceeds in aggregate an amount equivalent to the maximum number of acres of the respective kinds of mineral allowed to any one lessee, optionee, or permittee under this Act, except that no person shall be charged with his pro rata share of any acreage holding of any association or corporation unless he is the beneficial owner of more than 10 per centum of the stock or other instrument of ownership or control of such association or corporation, and except that within three years after the enactment of the Mineral Leasing Act Revision of 1960 no valid option in existence prior to the enactment of said Act held by a corporation or association at the time of enactment of said Act 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 at such corporation or association under the provisions of this Act.

INTEREST IN LEASES

“(2) No contract for development and operation of any lands leased under this act, 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 part shall be charged against the total acreage permitted to be held, owned or controlled by such party under this Act. The total acreage so held, owned, or controlled in common by two or more parties shall not exceed, in the aggregate, an amount equivalent tot the maximum number of acres of the respective kinds of mineral allowed to any one lessee, optionee, or permittee under this Act.

INTEREST IN LEASE

“(f) Nothing contained in subsection (e) of this section shall be construed (i) to limit section 18, 19, and 22 of this Act or (ii), subject to the approval of the Secretary, to prevent any number of lessees under this Act from combining their several interest 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 use by them jointly in the transportation of oil from their several wells or from the wells of other lessees under this Act or in the transportation of coal or (iii) to increase the acreage which may be taken, held, owned, or controlled under section 27 of this Act.

COMBINIGN LEASE INTEREST

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

OWNERSHIP OR INTEREST FORBIDDEN

“(h) (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 Act, the lease may be cancelled, 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 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.

CANCELLATION OR FORFEITURE FOR VIOLATION

“(2) The right to cancel or forfeit for violation of any of the provisions of this Act shall not apply so as to affect adversely the title or interest of a bona fie 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 holding of a 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 State) may have been canceled for forfeited or may be or may have been subject to cancellation of 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 interest 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

BONA FIDE PURCHASER

SELL TO HIGHEST RESPONSIBLE
QUALIFIED BIDDER

by the Secretary to the highest responsible qualified bidder by competitive bidding under general regulations subject to all outstanding valid interest therein and valid options pertaining thereto. Likewise if, in any such proceeding, less than the whole interest in a lease, interest, options, or permit is canceled or forfeited to the Government, the partial interest 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.

SELL BY APPROPRIATE
METHOD

“(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) 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 Act, whether imitated 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 provision of this Act. No hearing upon any such showing shall be required unless the Secretary present prima facie evidence indicating a possible violation of the Mineral Leasing Act on the part of the alleged bona fide purchaser.

HEARING
PRIMA FACIE EVIDENCE

“(j) If during any such proceeding, a part thereto files with the Secretary a waiver of his rights under his leases (including particularly, where applicable, rights to drill and to assign) or if such rights suspended by the Secretary pending a decision in the proceedings, whether initiated prior to enactment of this Act 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 of the revocation of the waiver or suspension.

PAYMENT SUSPENSION

“(k) Except as otherwise provided in this Act, if any lands or deposits subject to the provision of this Act 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 lessees, optionee, or permittee, or from the subject of any contract of conspiracy in restraint of trade in the mining or selling of coal, phosphate, oil, oil shale, native asphalt, solid and semisolid bitumen, bituminous rock, gas, 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 part, 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 Act, the leases, options, or permit shall be forfeited by appropriate court proceedings.”

UNLAWFUL TRUST

Sec.4 (a) Upon the expiration of the initial five-year term of any noncompetitive oil or gas lease which was issued prior to enactment of this Act 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 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.

WITHDRAWAL

(b) As to lands not within the known geologic structure of a producing oil or gas filed, 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.

LANDS NOT WITHIN KGS
NONCOMPETITIVE LEASE
EXTENSION

(c) Any noncompetitive oil and 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 therefore 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.

SUBJECT TO RULES AND REGS.

(d) Any lease issued prior to the enactment of the Mineral Leasing Act revision of 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 operations, 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.

UNIT PLAN

Sec.5. the Act of February 25, 1920, as amended (30 U.S.C. 181 and the following), is amended by adding a section 42 thereto a read as follows:

“Sec.42. 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 enactment of the Mineral Leasing Act Revision of 1960 shall be maintained unless the same be commenced or taken within ninety days after such enactment.”

Sec.42 ADDED
ACTION CONTESTING
SEC'Y. DECISIONS

Sec.6. The last sentence of section 30(a) of the Act of February 25, 1920, as amended (30 U.S.C. 187a), is amended to read as follows:

Sec. 30(a)

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

SEGREGATION BY ASSIGNMENT
OF LEASE

“Upon the segregation by an assignment of a lease issued after the effective date of the Mineral Leasing Act Revision of 1960 and held beyond its primary terms 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.”

The provisions of this section 6 shall not be applicable to any lease issued prior to the effective date of this Act.

Sec.7. (a) Section 1 of the Act of February 25, 1920, as amended (30 U.S.C. 181), section 21 of said Act (30 U.S.C. 241), and section 34 of said Act (30 U.S.C. 182) are amended by the insertion of the words “native asphalt, solid and semisolid bitumen, and bituminous rock (including oil-impregnated rock or sand from which oil is recoverable only by special treatment after the deposit is mined or quarried)” immediately after the words “oil shale,” in the first sentence of each section. Section 21 of said Act (30 U.S.C. 241) is further amended by striking out the period at the end of the last sentence and adding these words “except that with respect to leases for native asphalt, solid and semisolid bitumen, and bituminous rock (including oil-impregnated rock or sand from which oil is recoverable only by special treatment after the deposit is mined or quarried) no person, association, or corporation shall acquire or hold more than seven thousand six hundred eighty acres in any one State without respect of the number of leases.”

(b) Section 21 of said Act is further amended by inserting the designation (a) immediately after the term “section 21” and by adding two new subsections to read as follows:

“(b) In an offer for a lease under the provision of this section for deposits other than oil shale is bases upon a mineral location, the validity of which might be questioned because the claim was based on a placer location rather than on a lode location, or vice versa, the offeror shall have a preference right to a lease if the offer is filed not more than one year after the enactment of the Mineral Leasing Act Revision of 1960.

“(c) With respect to 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) a lease under the multiple use principle may issue notwithstanding the existence of an outstanding lease issued under any other provision of this Act.”

Sec.8. No amendment made by this Act shall affect any valid right in existence on the effective date of the Mineral Leasing Act Revision of 1960.

Approved September 2, 1960.

Sec.1

COAL-RELATED PRODUCTS

ACREAGE

Sec.21

LEASE OFFER OTHER THAN
OIL SHALE

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnote listed under the section number to locate subsequent amendments to each section.

ACT OF OCTOBER 15, 1962

To amend the Mineral Leasing Act of February 25, 1920.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 31 of the Mineral Leasing Act of February 25, 1920 (41 Stat. 450), as amended (30 U.S.C. 188), is further amended by designating the first paragraph thereof as subsection “(a)”, the second paragraph as subsection “(b)”, and adding two new subsections to read as follows:

Sec. 31

“(c) Where any lease has been terminated automatically by operation of law under this section for failure to pay rental timely and it is shown to the satisfaction of the Secretary of the Interior that the failure to pay timely the lease rental was justifiable or not due to a lack of reasonable diligence, he in his judgment may reinstate the lease subject to the following conditions:

FAILURE TO PAY TIMELY

“(1) A petition for reinstatement, together with the required rental, for any lease (a) terminated prior to the effective date of this Act must be filed with the Secretary of the Interior within one hundred and eighty days after the effective date of this Act;

REINSTATEMENT

“(2) no valid lease has been issued affecting any of the lands in the terminated lease prior to the filing of the petition for reinstatement.

“(d) Where, in his judgment of the Secretary of the Interior, drilling operations were being diligently conducted on the last day if the primary terms of the lease, and, except for nonpayment of rental, the lease would have been entitled to extension of his lease, pursuant to section 4(d) of the Act of September 2, 1960 (74 Stat. 790), 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 section (c) are satisfied.”

EXTENSION EXCEPT FOR RENTAL NONPAYMENT

Sec.2. nothing in this Act 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.

Approved October 15, 1962.

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

ACT OF AUGUST 31, 1964

To amend section 27 of the Mineral Leasing Act of February 25, 1920, as amended, in order to promote the development of coal on the public domain and for other purposes.

ACT OF AUGUST 31, 1964

COAL

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection (a) (1) of section 27 of the Act of February 25, 1920, as amended (30 U.S.C. 184), is further amended to read as follows:

“(a) (1) No person, association, or corporation shall take, hold, own, or control at one time, whether acquired directly from the Secretary under this act or otherwise, coal leases or permits on an aggregate of more than forty-six thousand and eighty acres in any one State.”

Sec. 27

ACREAGE

Sec.2. (a) Subsection (a) of section 2 of the Act of February 25, 1920, as amended (30 U.S.C. 201 (a)), is further amended by the deletion from the first sentence of the words “but in no case exceeding two thousand five hundred and sixty acres in any one leasing tract.”.

Sec. 2 (a)

ACREAGE

(b) Subsection (b) of section 2 of the Act of February 25, 1920, as amended (30 U.S.C. 201(b)), is further amended by changing the words “two thousand five hundred and sixty acres” in the first sentence thereof to “five hundred one hundred and twenty acres”.

(c) For the purpose of more properly conserving the natural resources of any coalfield or prospective coal area, or any part or zone thereof, lessees and permittees and their representatives any enter into a contract with each other or others for collective prospecting, development, or operation of such field or prospective coal area, or any part or zone thereof, whenever determined and certified by the Secretary of the Interior to be in the public interest. A contract approved hereunder shall not provide for an apportionment of production or royalties among the separate tracts comprising the contract area, but may provide for the commingling of production with appropriate allocation to the tracts from which produced. No withstanding any provision of this section to the contrary, the Secretary may, with the consent of the lessees or permittees involved, establish, alter, change, or revoke mining, producing, rental, minimum royalty, and royalty applicable to such leases or permits or contract. The Secretary I authorized to enter into a contract with a single lessee or permittee embracing his leases or permits. The Secretary may authorize the consolidation of separate Federal permits of leases into a lesser number of permits or leases, or into a single permit or lease.

COLLECTIVE PROSPECTING
DEVELOPMENT OR OPERATION

CONTRACT

COMMINGLING OF PRODUCTION

(d) Coal leases and permits operated under a contract approved or executed by the Secretary pursuant to subsection (c) of this section may be excepted from limitations on maximum holding or control imposed by this Act if the Secretary finds that such exception is otherwise consistent with the public interest.

EXCEPTIONS FROM LIMITATIONS

Approved August 31, 1964.

ACT OF SEPTEMBER 6, 1966

Schedule of Laws Repealed

ACT OF SEPTEMBER 6, 1966

Sec. 38 REPEALED

Date	Chapter	Section	Statutes At Large	
			Volume	Pages
1920 Feb. 25	23.....	38.....	41	451

ACT OF MAY 12, 1970

To authorize the Secretary of the Interior to prevent terminations of oil and gas leases on causes where there is a nominal deficiency in the rental payment, and to authorize him to relocate under some conditions oil and gas leases terminated by operation of law for failure to pay rental timely.

OIL AND GAS

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 31 (b) of the mineral Leasing Act of 1920 (41 Stat. 450), as amended (30 U.S.C. 188 (b)), is amended by changing the period at the end thereof to a colon and adding the following: “*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 regulations, 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 is found to be in error resulting in a deficiency sent to him by the Secretary.”

Sec. 31(b)

LEASE RENTAL PAYMENTS

Sec.2. Section 31 (c) of the Mineral Leasing Act of 1920 (41 Stat. 450), as amended (30 U.S.C. 188 (c)), is amended to read as follows:

Sec. 31 (c)

“(c) 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 —

AUTOMATIC TERMINATIONS

PAYMENT WITHIN 20 DAYS OF ANNIVERSARY DATE

“(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

REINSTATEMENT

“(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 terminations; 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.”

Approve May 12, 1970.

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section

GEOTHERMAL STEAM ACT OF 1970

GEOTHERMAL STEAM ACT OF 1970

ACT OF DECEMBER 24, 1970

December 24, 1970

To authorize the Secretary of the Interior to make disposition of geothermal steam and associated geothermal resources, and for other purposes.

GEOTHERMAL

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Geothermal Steam Act of 1970".

Sec.2. As used in this Act, the term—

- (a) "Secretary" means the Secretary of the Interior;
- (b) "geothermal leases" means a lease issued under authority of this act;
- (c) "geothermal steam and associated geothermal resources" means (i) all products of geothermal processes, embracing indigenous steam, hot water and hot brines; (ii) steam and other gases, hot water and hot brines resulting from water, gas, or other fluids artificially introduced into geothermal formations; (iii) heat or other associated energy found in geothermal formations; and (iv) any byproduct derived from them;
- (d) "byproduct" means any mineral or minerals (exclusive of oil, hydrocarbon gas, and helium) which are found in solution or in association with geothermal steam and which have a value of less than 75 per centum of the value of the geothermal steam or are not, because of quantity, quality, or technical difficulties in extraction and production, of sufficient value to warrant extraction and production by themselves;
- (e) "known geothermal resources area" means an area in which the geology, nearby discoveries, competitive interest, or other indicia would, in the opinion of the Secretary, engender a belief in men who are experienced in the subject matter that the prospects for extraction of geothermal steam or associated geothermal resources are good enough to warrant expenditures of a money for that purpose.

Sec.3. Subject to the provisions of section 15 of this Act, the Secretary of the Interior may issue leases for the development and utilization of the geothermal steam and associated geothermal resources (1) in lands administered by him, including public, withdrawn, and acquired lands, (2) in any national forest or other lands administered by the Department of Agriculture through the Forest Service, including public, withdrawn, and acquired lands, and (3) in lands which have been conveyed by the United States subject to a reservation to the United States of the geothermal steam and associated geothermal resources therein.

ISSUANCE OF GEOTHERMAL LEASES

Sec.4. If lands to be leased under this Act are within any known geothermal resources area, they shall be leased to the highest responsible qualified bidder by competitive bidding under regulations formulated by the Secretary. If the lands to be leased are within any known geothermal resources area, the qualified person first making application for the lease shall be entitled to a lease of such lands without competitive bidding. Notwithstanding the foregoing, at any time

KNOWN GEOTHERMAL RESOURCES AREA
COMPETITIVE BIDS
HIGHEST RESPONSIBLE
QUALIFIED BIDDER

NOTE: Regarding all Mineral Leasing Act section noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

within one hundred and eighty days following the effective date of this Act:

(a) with respect to all lands which were on September 7, 1965, subject to valid leases or permits issued under the Mineral Leasing Act of February 25, 1920, as amended (30 U.S.C. 181 et seq.), or under the Mineral Leasing Act of Acquired Lands, as amended (30 U.S.C. 351, 358), or to existing mining claims located on or prior to September 7, 1965, the lessees or permittees or claimants of their successors in interest who are qualified to hold geothermal leases shall have the right to convert such lease or permits or claims to geothermal leases covering the same lands;

(b) where there are conflicting claims, leases, or permits therefore embracing the same land, the person who first was issued a lease or permit, who first recorded the mining claim shall be entitled to first consideration;

(c) with respect to all lands which were on September 7, 1965, the subject of application for leases or permits under the above Act, the applicants may convert their applications to applications for geothermal leases having priorities dating from the time of filing of such applications under such Acts;

(d) no person shall be permitted to convert mineral leases, permits, applications therefore, or mining claims for more than 10, 240 acres; and

(e) the conversion of leases, permits, and mining claims and applications for leases and permits shall be accomplished in accordance with regulations prescribed by the Secretary. No right to conversion to a geothermal lease shall accrue to any person under this section unless such person shows to the reasonable satisfaction of the Secretary that substantial expenditures for the explorations, development, or production of geothermal steam have been made by the applicant who is seeking conversion, on the lands for which a lease is sought on or adjoining, adjacent, or nearby Federal or non-Federal lands.

(f) with respect to land within any known geothermal resources area and which are subject to a right to conversion to a geothermal lease, such lands shall be leased by competitive bidding: *Provided*, That, the competitive geothermal lease shall be issued to the person owning the right to conversion to a geothermal lease if he makes payment of an amount equal to the highest bona fide bid for the competitive geothermal lease, plus the rental for the first year, within thirty days after he received written notice from the Secretary of the amount of the highest bid.

Sec.5. Geothermal leases shall provide for—

(a) a royalty of not more than 10 per centum or more than 15 per centum of the amount of value of steam, or any other form of heat or energy derived from production under the lease and sold or utilized by the lessee or reasonably susceptible to sale or utilization by the lessee;

(b) a royalty of not more than 5 per centum of the value of any byproduct derived from production under the lease and sold or utilized or reasonably susceptible of sale or utilization by the

lessee, except that as to any byproduct which is a mineral named in section 1 of the Mineral Leasing Act of February 25, 1920, as amended (30 U.S.C. 181), the rate of royalty for such mineral shall be the same as that provided in that Act and the maximum rate of royalty for such mineral shall not exceed the maximum royalty applicable under that Act;

Sec. 1

ROYALTY

(c) payment in advance of an annual rental of not less than \$1 per acre or fraction thereof for each year of the lease. If there is no well on the leased lands capable of producing geothermal resources in commercial quantities, the failure to pay rental on or before the anniversary date shall terminate the lease by operation of law: *Provided, however,* That whenever the Secretary discovers that the rental payment due under a lease is paid timely but the amount of the payment is deficient because of an error or other reason and the deficiency is nominal, as determined by the Secretary pursuant to regulations prescribed by him, he shall notify the lessee of the deficiency and such lease shall not automatically terminate unless the lessee fails to pay the deficiency within the period prescribed in the notice: *Provided further,* That where any lease has been terminated automatically by operation of law under this section for failure to pay rental timely and it is shown to the satisfaction of the Secretary of the Interior that the failure to pay timely the lease rental was justifiable or not due to a lack of reasonable diligence, he in his judgment may reinstate the lease if –

TIMELY PAID BUT DEFICIENT

(1) a petition for reinstatement together with the required rental, is filed with the Secretary of the Interior; and

(2) no valid lease has been issued affecting any of the lands in the terminated lease prior to the filing of the petition for reinstatement; and

(d) a minimum royalty of \$2 per acre of fraction thereof in lieu of rental payable at the expiration of each lease year for each producing lease, commencing with the lease year beginning on or after the commencement of production in commercial quantities. For the purpose of determining royalties hereunder the value of any geothermal steam and byproduct used by the lessee and not sold and reasonably susceptible of sale shall be determined by the Secretary, who shall take into consideration the cost of exploration and production and the economic value of the resource in terms of its ultimate utilization.

MINIMUM ROYALTY

Sec.6. (a) Geothermal leases shall be for a primary term of ten years. If geothermal steam is produced or utilized in commercial quantities within this term, such lease shall continue for so long thereafter as geothermal steam is produced or utilized in commercial quantities, but such continuation shall not exceed an additional forty years.

(b) If at the end of such forty years, steam is produced or utilized in commercial quantities and the lands are not needed for other purposes, the lessee shall have a preferential right to renewal of such lease for a second forty-year term in accordance with such terms and conditions as the Secretary deems appropriate.

10 YEAR PRIMARY LEASE
COMMERCIAL QUANTITIES
UNIT PLAN

(c) Any lease for land on which, or for which under an approved cooperative or unit plan of development or operation, actual drilling

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

operations were commenced prior to the end of its primary terms and are being diligently prosecuted at the time shall be extended for five years and so long thereafter but no more than thirty-five year, as geothermal steam is produced or utilized in commercial quantities. If, at the end of such extended term, steam is being produced or utilized in commercial quantities and the lands are not needed for other purposes, the lessee shall have a preferential right to a renewal of such lease for a second term in accordance with such terms and conditions as the Secretary deems appropriate.

(d) For purposes of subsection (a) of this section, production or utilization of geothermal steam in commercial quantities shall be deemed to include the completion of one or more wells producing or capable of producing geothermal steam in commercial quantities and a bona fide sale of such geothermal steam for delivery to or utilization by a facility or facilities not yet installed but schedule for installation not later than fifteen years from the date of commencement of the primary term of the lease.

(e) Leases which have extended by reasons of production, or which have produced geothermal steam, and have been determined by the Secretary to be incapable of further commercial production and utilization of geothermal steam may be further extended for a period of not more than five years from the date of such determination but only for so long as one or more valuable byproducts are produced in commercial quantities. If such byproducts are leasable under the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351-358), and the leasehold is primarily valuable for the production thereof, the lessee shall be entitled to convert his geothermal lease to a mineral lease under, a subject to all the terms and conditions of, such appropriate Act upon application at any time before expiration of the lease extension by reason of byproduct production. The lessee shall be entitled to locate under the mining laws all minerals which are not leasable and which would constitute a byproduct if commercial production or utilization of geothermal steam continued. Any such converted lease or the surface of any mining claim located for geothermal byproducts mineral affecting lands withdrawn or acquired in aid of a function of a Federal department or agency, including the Department of the Interior, shall be subject to such additional terms and conditions as may be prescribed by such department or agency with respect to the additional operations or effects resulting from such conversion upon adequate utilization of the lands for the purpose for which they are administered.

(f) Minerals locatable under the mining laws of the united States in land subject to a geothermal lease issued under the provisions of this Act which are not associated with the geothermal steam and associated geothermal resources of such lands as defined in section 2 (c) herein shall be locatable under said mining laws in accordance with the principles of the Multiple Mineral Development Act (68 Stat. 708; found in 30 U.S.C. 521 et seq.).

COMMERICAL QUANTITY

EXTENSIONS

CONVERSION TO
MINERAL LEASE

LOCATABLE MINERALS

Sec.7. A geothermal lease shall embrace a reasonably compact area of not more than two thousand five hundred and sixty acres, except where a departure there from is occasioned by an irregular subdivision or subdivisions. No person, association, or corporation, except as otherwise provided in this Act, shall take, hold, own, or control at one time, whether acquired directly from the Secretary under this Act or otherwise, any direct or indirect interest in Federal geothermal leases in any one States exceeding twenty thousand four hundred and eighty acres, including leases acquired under the provisions of section 4 of this Act.

ACREAGE

At any time after fifteen years from the effective date of this Act the Secretary, after public hearings, may increase this maximum holding in any one State by regulations, not to exceed fifty-one thousand two hundred acres.

INCREASED ACREAGE

Sec.8. (a) The Secretary may readjust the terms and conditions, except as otherwise provided herein, of any geothermal lease issued under this Act at not less than ten-year intervals beginning ten years after the date the geothermal steam is produced, as determined by the Secretary. Each geothermal lease issued under this Act shall provide for such readjustment. The Secretary shall give notice of any proposed readjustment of terms and conditions, and, unless the lessee files with the Secretary objection to the proposed terms or relinquishes the lease within thirty days after receipt of such notice, the lessee shall conclusively be deemed to have agreed with such terms and conditions. If the lessee files objections, and no agreement can be reached between the Secretary and the lessee within a period of not less than sixty days, the lease may be terminated by either part.

ADJUSTMENT OF LEASE TERMS
OR CONDITIONS

(b) The Secretary may readjust the rentals and royalties of any geothermal lease issued under this Act at not less than twenty-year intervals beginning thirty-five years after the date geothermal steam is produced, as determined by the Secretary. In the event of any such readjustment neither the rental nor royalty may be increased by more than 50 per centum. Each geothermal lease issued under this act shall provide for such readjustment. The Secretary shall give notice of any proposed readjustment of rentals and royalties, and, unless the lessee files with the Secretary objection to the proposed rentals and royalties or relinquishes the lease within thirty days after receipts of such notice, the lessee shall conclusively be deemed to have agreed with such terms and conditions. If the lessee files objects, and no agreement can be reached between the Secretary and the lessee within a period of not less than sixty days, the lease may be terminated by either party.

ADJUSTMENT OF RENTALS
OR ROYALTIES

(c) Any readjustment of the terms and conditions as to use, protection, or restoration off the surface of any lease of lands withdrawn or acquired in aid of a function of a Federal department or agency other than the Department of the Interior may be made only upon notice to, and with the approval of, such department or agency.

SURFACE USE

Sec.9. If the production, use, or conversion of geothermal steam is susceptible of producing a valuable byproduct or byproducts, including commercially demineralized water for beneficial uses in accordance

BYPRODUCTS INCLUDING WATER

with applicable State water laws, the Secretary shall require substantial beneficial production or use thereof unless, in individual circumstances he modifies or waives this requirement in the interest of conservation of natural resources or for other reasons satisfactory to him. However, the production or use of such byproducts shall be subject to the rights of the holders of preexisting leases, claims, or permits covering the same land or the same minerals, if any.

Sec.10. The holder of any geothermal lease at any time may make and file in the appropriate land office a written relinquishment of all rights under such lease of any legal subdivision of the area covered by such lease. Such relinquishment shall be effective as of the date of its filing. 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 surety or 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, or from the continued obligation, on accordance with the applicable lease terms and regulations, (1) to make payment of all accrued rentals and regulations, (2) to place all wells on the relinquished lands in conditions for suspension or abandonment, and (3) to protect or restore substantially the surface and surface resources.

RELINQUISHMENT OF RIGHTS

Sec.11. The Secretary, upon application by the lessee, may authorize the lessee to suspend operations and producing lease and he may, on his own motion, in the interest of conservation suspend operations on any lease but in either case he may extend the lease term for the period of any suspension, and he may waive, suspend, or reduce the rental or royalty required in such lease.

SUSPENSION OF LEASES

Sec.12. Leases may be terminated by the Secretary for any violation of the regulations or lease terms after thirty days notice provided that such violation is not corrected within the notice period, or in the event the violation is such that it cannot e corrected within the notice period then provided that lessee had not commenced in good faith within said notice period to correct such violation and thereafter to proceed diligently to correct such violation. Lessee shall be entitled to a hearing on the matter of such claimed violation or propose termination of lease if request for a hearing is made to the Secretary within the thirty-day period after notice. The period for correction of violation or commencement to correct such violation of regulations or of lease terms, as aforesaid, shall be extended to thirty days after the Secretary decision after such hearing if the Secretary shall find that a violation exists.

TERMINATION OF LEASES

Sec.13. The Secretary may waive, suspend, or reduce the rental or royalty for any lease or portion thereof in the interest of conservation and to encourage the greatest ultimate recovery of geothermal resources, if he determines that this is necessary to promote development or that the lease cannot be successfully operated under the lease terms.

ROYALTY REDUCTION

Sec.14. Subject to the other provisions of this Act, a lessee shall be entitled to use so much of the surface of the land covered by this geothermal lease as may be found by the Secretary to be necessary for the production, utilization, and conservation of geothermal resources.

SURFACE USE

Sec.15. (a) Geothermal leases for land withdrawn or acquired in aid of functions of the Department of the Interior may be issued only under such terms and conditions as the Secretary may prescribe to insure adequate utilization of the lands for the purposes for which they were withdrawn or acquired.

WITHDRAWN OR ACQUIRED
LANDS

(b) Geothermal leases for lands withdrawn or acquired in aid for functions of the Department of Agriculture may be issued only with consent of, and subject to such terms and conditions as may be prescribed by, the head of that Department to insure adequate utilization of the lands for the purpose for which they were withdrawn or acquired. Geothermal leases for lands to which section 234 of the Federal Power Act, as amended (16 U.S.C. 818), is applicable, may be issued only with the consent of, and subject to, such terms and conditions as the Federal Power Commission may prescribe to insure adequate utilization of such lands for power and related purposes.

(c) Geothermal leases under this Act shall not be issued for lands administered in accordance with (1) the Act of August 25, 1916 (39 Stat. 535), as amended or supplemented, (2) for lands within a national recreation area, (3) for lands in a fish hatchery administered by the Secretary, wildlife refuge, wildlife range, game range, wildlife management area, waterfowl production area, or for lands acquired or reserved for the protection and conservation of fish and wildlife that are threatened with extinction, (4) for tribally of individually owned Indian trust or restricted lands, within or without the boundaries of Indian reservations.

LANDS UNAVAILABLE FOR
GEOTHERMAL LEASING

Sec.16. Leases under this Act may be issued only to citizens of the United States, associations of such citizens, corporations organized under the laws of the United States of any State or the District of Columbia, or governmental units, including, without limitations, municipalities.

OWNERS OF LEASES

Sec.17. Administration of this Act shall be under the principles of multiple use of lands and resources, and geothermal leases shall, insofar as feasible, allow for coexistence of other leases of the same lands for deposits of minerals under the laws applicable to them, for the location and production of claims under the mining laws, and for other uses of the areas covered by them. Operations under such other leases or for such other uses, however, shall not unreasonably interfere with or endanger operations under any leases so issued unreasonably interfere with or endanger operations under any lease, license, claim, or permit issued pursuant to the provisions of any other Act.

MULTIPLE USE

Sec.18. For the purpose of properly conserving the natural resources of any geothermal pool, field, or like area, or any part thereof, 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 operations of such pool, field, or like area, or any part thereof, whenever this is determined and certified by the Secretary to be necessary or advisable in the public interest. The Secretary may in his discretion and with the consent of the holders of lease involved, establish, alter change, revoke, and make such regulations with reference to such leases in connection with the institution and operations of any such cooperative or unit plan as he may deem necessary or proper to secure reasonable protection of the

UNIT PLAN

public interest. He may include in geothermal leases 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 such plan may, in the discretion of the Secretary, provide for vesting in the Secretary or any other person, committee, of Federal or State agency designated therein, authority 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 for the purposes of section 7 of this Act.

POOLING

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 with determined by the Secretary to being the public interest, and operations or production pursuant to such an agreement shall be deemed to be operations or production as to each lease committed thereto.

The Secretary is hereby authorizes, on such conditions as he may prescribe, to approve operating, drilling, or development contracts made by one or more lessees of geothermal 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 or the interests of the United States may be best served thereby. All leases operated under such approved operating, drilling, or development contracts, and interest thereunder, shall be excepted in determining holding or control under section 7 of this Act.

CONTRACTS

Sec.19. Upon request of the Secretary, other Federal departments and agencies shall furnish him with any relevant data then in their possession or knowledge concerning or having bearing upon fair and adequate charges to be made for geothermal steam produced or to be produced for conversion to electric power or other purposes. Data given to any department or agency as confidential under law shall not be furnished in any fashion which identifies or tends to identify the business entity whose activities are the subject of such data or the person or persons who furnished such information.

FAIR AND ADEQUATE CHARGES

Sec.20. All moneys received under this Act from public lands under this jurisdiction of the Secretary shall be disposed of in the same manner as moneys received from the sale of public lands. Moneys received under this Act from other lands shall be disposed of in the same manner as other receipts from such lands.

DISPERSAL OF MONEYS RECEIVED

Sec.21. (a) Within one hundred and twenty days after the effective date of this Act, the Secretary shall cause to be published in the Federal Register a determination of all lands which were included within any known geothermal resources area on the effective date of the Act. He shall likewise publish in the Federal Register from time to time his determination of other known geothermal resources areas

KNOWN GEOTHERMAL RESOURCES AREA LSIT

specifying in each case the date the lands were included in such area and

(b) Geothermal resources in lands the surface of which has passed from Federal ownership but in which the minerals have been reserved to the United States shall not be developed or produced except under geothermal leases made pursuant to this Act. If the Secretary of the Interior finds that such development is imminent, or that production from a well heretofore drilled on such lands is imminent, he shall so report to the Attorney General, and the Attorney General is authorized and directed to institute an appropriate proceedings in the United States district court of the district in which such lands are located, to quiet the title of the United States in such resources, and if the court determines that the reservation of minerals to the United States in the lands involved included the geothermal resources, to enjoin their production otherwise than under the terms of this Act: *Provided*, That upon an authoritative judicial determination that federal mineral reservation does not include geothermal steam and associated geothermal resources the duties of the Secretary of the Interior to report and of the Attorney General to institute proceedings, as hereinbefore set forth shall cease.

Sec.22. Nothing in this Act shall constitute an express or implied claim or denial on the part of the Federal Government as to its exemption from State water laws.

Sec.23. (a) All leases under this Act shall be subject to the condition that the lessee will, in conducting his exploration, development, and producing operations, use all reasonable precautions to prevent waste of geothermal steam and associated geothermal resources developed in the lands leased.

(b) Rights to develop and utilize geothermal steam and associated geothermal resources underlying lands owned by the United States may be acquired solely in accordance with the provisions of this Act.

Sec.24. The Secretary shall prescribe such rules and regulations as he may deem appropriate to carry out the provisions of this Act. Such regulations may include, without limitation, provisions for (a) the prevention of waste, (b) development and conservation of geothermal and other natural resources, (c) the protection of the public interest, (d) assignment, segregation, extension of terms, relinquishment of leases, development contracts, unitization, pooling, and frilling agreements, (e) compensatory royalty agreements, suspension of operations or production, and suspension or reduction or rentals or royalties, (f) the filing of surety bonds to assure compliance with the terms of the lease and to protect surface use and resources, (g) use of the surface by a lessee of the lands embraced in his lease, (h) the maintenance by the lessee of an active development program, and (i) protection of water quality and other environmental qualities.

Sec.25. As to any land subject to geothermal leasing under section 3 of this Act, all laws which either (a) provide for the disposal of land by patent or other form of conveyance or by grant or by operations of law subject to a reservation of any mineral or (b) prevent or restrict the disposal of such land because of the mineral character of the land, shall hereafter be deemed to embrace geothermal steam and associated geothermal resources as a substance which either must be reserved or

MINERAL RESERVATION

DISPERSAL OF MINERAL
LANDS

must prevent or restrict the disposal of such lands, as the case may be. This section shall not be construed to affect grants, patents, or other forms of conveyances made prior to the date of enactment of this Act.

Sec.26. The first two clauses in section 11 of the Act of August 13, 1954 (68 Stat. 708, 716), are amended to read as follows:

“As used in this Act ‘mineral leasing laws’ shall mean the Act of February 25, 1920 (41 Stat. 437); the Act of April 17, 1926 (44 Stat. 301); the Act of February 7, 1927 (44 Stat. 1057); Geothermal Steam Act of 1970, and all Acts heretofore or hereafter enacted which are amendatory of or supplementary to any of the foregoing Acts; ‘Leasing Act minerals’ shall mean all minerals which, upon the effective date of this Act, are provided in the mineral leasing laws to be disposed of thereunder and all geothermal steam and associated geothermal resources which, upon the effective date of the Geothermal Steam Act of 1970, are provided in that Act to be disposed of thereunder;”.

INCLUDED GEOTHERMAL
RESOURCES IN THE ACT
OF 2/25/20

Sec.27

The United States reserves the ownership of and the right to extract under such rules and regulations as the Secretary may prescribe oil, hydrocarbon gas and helium from all geothermal steam and associated geothermal resources produced from lands leased under this Act in accordance with presently applicable laws: *Provided*, That whenever the right to extract oil, hydrocarbon gas, and helium from geothermal steam and associated geothermal resources produced from such lands is exercised pursuant to this section, it shall be exercised so as to cause no substantial interference with the production of geothermal steam and associated geothermal resources from such lands.

UNITED STATES RESERVATION

Approved December 24, 1970.

TRANS-ALASKA PIPELINE AUTHORIZATION ACT

TRANS-ALASKA PIPELINE
AUTHORIZATION ACT

November 16, 1973

ACT OF NOVEMBER 16, 1973

To amend section 28 of the Mineral Leasing Act of 1920, and to authorize a trans-Alaska oil pipeline, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I

Sec.101. Section 28 of the Mineral Leasing Act of 1920 (41 Stat. 449), as amended (30 U.S.C. 185), is further amended to read as follows:

Sec. 28

“Grant of Authority

GRANT OF AUTHORITY

“Sec.28. (a) Rights-of-way through any Federal lands may be granted by the Secretary of the Interior or appropriate agency head for pipeline purposes for the transportation of oil, natural gas, synthetic liquid or gaseous fuels, or any refined product produced therefrom to any applicant possessing the qualifications provided in section 1 of this Act, as amended, in accordance with the provisions of this section.

“Definitions

DEFINITIONS

“(b) (1) For the purposes of this section ‘Federal lands’ means all lands owned by the United States except lands in the National Park System, lands held in trust for the Indian or Indian tribe, and lands on the Outer Continental Shelf. A right-of-way through a Federal reservation shall not be granted if the Secretary or agency head determines that it would be inconsistent with the purposes of the reservation.

“(2) ‘Secretary’ means the Secretary of the Interior.

“(3) ‘Agency head’ means the head of any Federal department or independent Federal office or agency, other than the Secretary of the Interior, which has jurisdiction over Federal lands.

“Inter-Agency Coordination

INTER-AGENCY COORDINATION

“(c) (1) Where the surface of all of the Federal lands involved in a proposed right-of-way or permit is under the jurisdiction of one Federal agency, the agency head, rather than the Secretary, is authorized to grant or renew the right-of-way or permit for the purposes set forth in this section.

“(2) Where the surface of the Federal lands involved is administered by the Secretary or by two or more Federal agencies, the Secretary is authorized, after consultation with the agencies involved, to grant or renew rights-of-way or permits through the Federal lands involved. The Secretary may enter into interagency agreements with all other Federal agencies having jurisdiction over Federal lands for the purpose of avoiding duplications, assigning responsibility, expediting

NOTE: Regarding all Mineral Leasing Act section noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

review of rights-of-way or permit applications, issuing joint regulations, and assuring a decision based upon the comprehensive review of all factors involved in any right-of-way or permit applications. Each agency head shall administer and enforce the provisions of this section, appropriate regulations, and the terms and conditions of rights-of-way or permits insofar as they involve Federal lands under the agency head's jurisdiction.

WIDTH LIMITATIONS

“Width Limitations

“(d) the width of right-of-ways shall not exceed fifty feet plus the ground occupied by the pipeline (that is, the pipe and its related facilities) unless the Secretary or agency head finds and records the reason for his finding, that in his judgment a wider right-of-way is necessary for operations and maintenance after construction, or to protect the environment or public safety. Related facilities include but are not limited to valves, pump stations, supporting structures, bridges, monitoring and communication devices, surge and storage tanks, terminals, roads, airstrips and campsites, and they need not necessarily be connected or contiguous to the pipe and may be the subject of separate rights-of-way.

“Temporary Permits

TEMPORARY PERMITS

“(e) A right-of-way may be supplemented by such temporary permits for the use of Federal lands in the vicinity of the pipeline as the Secretary or agency head finds are necessary in connection with construction, operations, maintenance, or termination of the pipeline, or to protect the natural environment or public safety.

“Regulatory Authority

REGULATORY AUTHORITY

“(f) Rights-of-way or permits granted or renewed pursuant to this section shall be subject to regulations promulgated in accord with the provisions of this section and shall be subject to such terms and conditions as the Secretary or agency head may prescribe regarding extent, duration, survey, location, construction, operations, maintenance, use, and termination.

“Pipeline Safety

PIPELINE SAFETY

“(g) The Secretary or agency head shall impose requirements for the operations of the pipeline and related facilities in a manner that will protect the safety of workers and protect the public from sudden ruptures and slow degradation of the pipeline.

“Environmental Protection

ENVIRONMENTAL PROTECTION

“(h) (1) Nothing in this section shall be construed to amend, repeal, modify, or change in any way the requirements of section 102 (2) (c) of any other provision of the National Environmental Policy Act of 1969 (Public Law 91-190, 83 Stat, 852).

“(2) The Secretary or agency head, prior to granting a right-of-way or permit pursuant to this section for a new project which may have a significant impact on the environment, shall require the applicant to submit a plan of construction, operation, and rehabilitation for such right-of-way or permit which shall comply with this section. The Secretary or agency head shall issue regulations or impose stipulations which shall include, but shall not be limited to: (A) requirements for restoration, revegetation, and curtailment of erosion of the surface of the land; (B) requirements to insure that activities in connection with the right-of-way or permit will not violate applicable air and water quality standards nor related facility siting standards established by or pursuant to law; (C) requirements designed to control or prevent (i) damage to the environment (including damage to fish and wildlife habitat), (ii) damage to public or private property, and (iii) hazards to public health and safety; and (D) requirements to protect the interests of individuals living in the general area of the right-of-way or permit who rely on the fish, wildlife, and biotic resources of the area for subsistence purposes. Such regulations shall be applicable to every right-of-way or permit granted pursuant to this section, and may be made applicable by the Secretary or agency head to existing rights-of-way or permits, or rights-of-way or permits to be renewed pursuant to this section.

“Disclosure

DISCLOSURE

“(i) If the applicant is a partnership, corporation, association, or other business entity, the Secretary or agency head shall require the applicant to disclose the identity of the participants in the entity. Such disclosure shall include where applicable (1) the name and address of each partner, (2) the name and address of each shareholder owning 3 per centum or more of the shares, together with the number and percentage of any class of voting shares of the entity which such shareholder is authorized to vote, and (3) the name and address of each affiliate of the entity together with, in the case of an affiliate controlled by the entity, the number of shares and the percentage of any class of voting stock of that affiliate owned, directly or indirectly, by that entity, and, in the case of an affiliate which controls that entity, the number of shares and the percentage of any class of voting stock of that entity owned, directly or indirectly, by the affiliate.

“Technical and Financial Capability

TECHNICAL AND FINANCIAL CAPABILITY

“(j) The Secretary or agency head shall grant or renew a right-of-way or permit under this section only when he is satisfied that the applicant had the technical and financial capability to construct, operate, maintain, and terminate the project for which the right-of-way or permit is requested in accordance with the requirements of this section.

PUBLIC HEARINGS

“Public Hearings

“(k) The Secretary or agency head by regulation shall establish procedures, including public hearing where appropriate, to give Federal, States, and local government agencies the public adequate notice and an opportunity to comment upon right-of-way applications filed after the date of enactment of this subsection.

REIMBURSEMENT OF COSTS

“Reimbursement of Costs

“(l) The applicant for a right-of-way or permit shall reimburse the United States for administrative and other cost incurred in processing the application, and the holder of a right-of-way or permit shall reimburse the United States for the costs incurred in monitoring the construction, operation, maintenance, and termination of any pipeline and related facilities on such right-of-way or permit area and shall pay annually in advance the fair market rental value of the right-of-way or permit as determined by the Secretary or agency head.

BONDING

“Bonding

“(m) Where he deems it appropriate the Secretary or agency head may require a holder of a right-of-way or permit to furnish a bond, or other security, satisfactory to the Secretary or agency head to secure all or any of the obligations imposed by the terms and conditions of the right-of-way or permit or by any rule or regulation of the Secretary or agency head.

DURATION OF GRANT

“Duration of Grant

“(n) Each right-of-way or permit granted or renewed pursuant to this section shall be limited to a reasonable term in light of all circumstances concerning the project, but in no event more than thirty years. In determining the duration of a right-of-way the Secretary or agency head shall, among other things, take into consideration the cost of the facility, its useful life, and any public purposes it serves. The Secretary or agency head shall renew any right-of-way, in accordance with the provisions of this section, so long as the project is in commercial operation and is operated and maintained in accordance with all of the provisions of this section.

“Suspension or Termination of Right-of-Way

SUSPENSION OR TERMINATION OF RIGHT-OF-WAY

“(o) (1) Abandonment of a right-of-way or noncompliance with any provision of this section may be grounds for suspension or termination of the right-of-way if (A) after due notice to the holder of the right-of-way, (B) a reasonable opportunity to comply with this section, and (C) an appropriate administrative proceedings pursuant to title 5, United States Code, section 554, the Secretary or agency head determines that any such ground exists and that suspension or termination is justified. No administrative proceeding shall be required where the right-of-way by its terms provided that it terminates on the occurrence of a fixed or agreed upon conditions, event, or time,

“(2) If the Secretary or agency head determines that an immediate temporary suspension of activities within a right-of-way or permit area is necessary to protect public health or safety or the environment, he may abate such activities prior to an administrative proceeding.

“(3) Deliberate failure of the holder to use the right-of-way for the purpose for which it was granted or renewed for any continuous two-year period shall constitute a rebuttable presumption of abandonment of the right-of-way: *Provided*, That where the failure to use the right-of-way is due to circumstances not within the holder’s control the Secretary or agency head is not esquires to commence proceedings to suspend or terminate the right-of-way.

“Joint Use of Right-of-Way

JOINT USE OF
RIGHT-OF-WAYS

“(p) In order to minimize adverse environmental impacts and the proliferation of separate rights-of-way across Federal lands, the utilization of rights-of-way in common shall be requires to the extend practical, and each right-of-way or permit shall reserve to the Secretary or agency head the right to grant additional rights-of-way or permits for compatible uses on or adjacent to rights0ofway or permit area granted pursuant to this section.

“Statutes

STATUTES

“(q) No rights-of-way for the purposes provided for in section shall be granted or renewed across Federal lands except under and subject to the provisions, limitations, and conditions of this section. Any application for a right-of-way filed under any other law prior to the effective date of this provision may, at the applicant’s option, be considered as an application under shit section. The Secretary or agency head any require the applicant to submit any additional information he deems necessary to comply with the requirements of this section.

“Common Carriers

COMMON CARRIERS

“(r) (1) Pipeline and related facilities authorized under this section shall be constructed, operated, and maintained as common carriers.

“(2) (A) The owners or operators of pipelines subject to this section shall accept, convey, transport, or purchases without discrimination all oil or gas delivered to the pipeline without regard to whether such oil or gas was produced on Federal or non-Federal lands.

“(B) In the case of oil or gas produced from Federal lands or from the resources on the Federal lands in the vicinity of the pipeline, the Secretary may, after a full hearing with due notice thereof to the interested parties and a proper finding of facts, determine the proportionate amounts to be accepted, conveyed, transported or purchased.

“(3) (A) The common carrier provisions of this section shall not apply to any natural gas pipeline operated by any person subject to regulations under the Natural Gas Act or by any public utility subject to regulation by a State or municipal regulatory agency having jurisdiction to regulate the rates and charges for the sale of natural gas to consumers within the State or municipality.

“(B) Where natural gas not subject to State regulatory or conservation laws governing its purchases by pipelines is offered for sale, each such pipeline shall purchase, without discrimination, any such natural gas produced in the vicinity of the pipeline.

“(4) The Government shall in express terms reserve and shall provide in every lease of oil lands under this Act that the lessee, assignee, or beneficiary, if owner or operator of a controlling interest in any pipeline or of any company operating the pipeline which may be operated accessible to the oil derived from lands under such lease, the oil of the Government or of any citizen or company not the owner of any pipeline operating a lease or purchasing gas or oil under the provisions of this Act.

“(5) Whenever the Secretary has reason to believe that any owner or operator subject to this section is not operating any oil or gas pipeline in complete accord with its obligations as a common carrier hereunder, he may request the Attorney General to prosecute an appropriate proceeding before the Interstate Commerce Commission or Federal Power Commission or any appropriate State agency or the United States district court for the district in which the pipeline or any part thereof is located, to enforce such obligation or to impose any penalty provided therefore, or the Secretary may, by proceeding as provided in this section, suspend, or terminate the said grant of right-of-way for noncompliance with the provisions of this section.

“(6) The Secretary or agency head shall require, prior to granting or renewing a right-of-way, that the applicant submit and disclose all plans, contracts, agreements, or other information or material which he deems necessary to determine whether a right-of-way shall be granted or renewed and the terms and conditions which should be included in the right-of-way. Such information may include, but is not limited to: (A) conditions for, and agreements among owners or operators, regarding the addition of pumping facilities, looping, or otherwise increasing the pipeline or terminal’s throughput capacity in response to actual or anticipated increases in demand; (B) conditions for adding or abandoning intake, offtake, or storage points for facilities; and (C) minimum shipment or purchase tenders.

“Right-of-Way Corridors

RIGHT-OF-WAY CORRIDORS

“(s) In order to minimize adverse environmental impact and to prevent the proliferation of separate rights-of-way across Federal lands, the Secretary shall, in consultation with other Federal and State agencies, review the need for a national system of transportation and utility corridors across Federal lands and submit a report of his findings and recommendations to the Congress and the President by July 1, 1975.

“Existing Rights-of-Way

EXISTING RIGHTS-OF-WAY

“(t) The Secretary or agency head may ratify and confirm any right-of-way or permit for an oil or gas pipeline or related facility that was granted under any provision of law before the effective date of this subsection, if it is modified by mutual agreement to comply to

the extent practical with the provisions of this section. Any action taken by the Secretary or agency head pursuant to this subsection shall not be considered a major Federal action requiring a detailed statement pursuant to section 102(2)(C) of the National Environmental Policy Act of 1970 (Public Law 90-190; 42 U.S.C. 4321).

“Limitations on Export

LIMITATIONS ON EXPORTS

“(u) Any domestically produced crude oil transported by pipeline over rights-of-way granted pursuant to section 28 of the Mineral Leasing Act of 1920, except such crude oil which is either exchanged in similar quantity for convenience or increased efficiency of transportation with persons or the government of an adjacent foreign state, or which is temporarily exported for convenience or increased efficiency of transportation with persons or the government of an adjacent foreign state, or which is temporarily exported for convenience or increased efficiency of transportation across parts of an adjacent foreign state and reenters the United States, shall be subject to all of the limitations and licensing requirements of the Export Administration Act of 1969 (Act of December 30, 1960; 83 Stat, 841) and, in addition, before any crude oil subject to this section may be exported under the limitations and licensing requirements and penalty and enforcement provisions of the export Administration Act of 1969 the President must make and publish an express finding that such exports will not diminish the total quantity or quality of petroleum available to the untied States, and are in the national interest and are in accord with the provisions of the Export Administration Act of 1969: *Provided*, That the President shall submit reports to the Congress containing findings made under this section, and after the date of receipt of such report Congress shall have a period of sixty calendar day, thirty days of which Congress must have a been in session, to consider whether exports under the terms of this section are in the national interest. If the Congress within this time period passes a concurrent resolution of disapproval stating disagreement with the President’s finding concerning the national interest, further exports made pursuant to the aforementioned Presidential finding shall cease.

“State Standards

STATE STANDARDS

“(v) The Secretary or agency head shall take into consideration and to the extent practical comply with State standards for right-of-way construction, operation, and maintenance.

“Reports

REPORTS

“(w) (1) The secretary and other appropriate agency heads shall report to the House and Senate Committees on Interior and Insular Affairs annually on the administration of this section and on the safety and environmental requirements imposed pursuant thereto.

“(2) The Secretary or agency head shall notify the House and Senate Committees on Interior and Insular Affairs promptly upon receipt of an application for a right-of-way for a pipeline twenty-four inches or more in diameter, and no right-of-way for such a pipeline shall be granted until sixty days (not counting days on which the

House or Representatives of the Senate has adjourned for more than three days) after a notice of intention to grant the right-of-way, together with the Secretary's or agency head's detailed findings as to terms and conditions he proposes to impose, had been submitted to such committees, unless each committee by resolution waives the waiting period.

“(3) Periodically, but at least once a year, the Secretary of the Department of Transportation shall cause the examination of all pipelines and associated facilities on Federal lands and shall cause the prompt reporting of any potential leaks or safety problems.

“(4) The Secretary of the Department of Transportation shall report annually to the President, the Congress, the Secretary of the Interior, and the Interstate Commerce Commission any potential dangers of or actual explosions, or potential or actual spillage of Federal lands and shall include in such report a statement of corrective action taken to prevent such explosion or spillage.

“Liability

LIABILITY

“(x) (1) The Secretary or agency head shall promulgate regulations and may impose stipulations specifying the extent to which holders of rights-of-way and permits under this Act shall be liable to the United States for damage or injury incurred by the United States in connection with the right-of-way or permit. Where the right-of-way or permit involved lands which are under the exclusive jurisdiction of the Federal Government, the Secretary or agency head shall promulgate regulations specifying the extent to which holders shall be liable to their parties for injuries incurred in connection with the right-of-way or permit.

“(2) The Secretary or agency head may, by regulation or stipulation, impose a standard of strict liability to govern activities taking place on a right-of-way or permit area which the Secretary or agency head determines, in his discretion, to present a foreseeable hazard or risk of danger to the United States.

“(3) Regulations and stipulations pursuant to this subsection shall not impose strict liability for damage or injury resulting from (A) an act of war, or (B) negligence of the United States.

“(4) Any regulation or stipulation imposing liability without fault shall include a maximum limitation on damages commensurate with the foreseeable risks or hazards presented. Any liability for damage or injury in excess of this amount shall be determined by ordinary rules of negligence.

“(5) The regulations and stipulations shall also specify the extent to which such holders shall indemnify or hold harmless the United States for liability, damage, or claims arising in connection with the right-of-way or permit.

“(6) Any regulation or stipulation promulgated or impose pursuant to this section shall provide that all owners of any interest in, and affiliates or subsidiaries of any holder of, a right-of-way or permit shall be liable to the United States in the event that a claim for damage or injury cannot be collected from the holder.

“(7) in any case where liability without fault is impose pursuant to this subsection and the damage involved were caused by the negligence of a third party, the rules of subrogation shall apply in accordance with the law of the jurisdiction where the damage occurred.

“Antitrust Laws

ANTITRUST LAWS

“(y) The grant of a right-of-way or permit pursuant to this section shall grant no immunity from the operation of the Federal antitrust laws.”

NOTE: Subsequent Titles are not included.

ACT OF APRIL 32, 1976

excerpt only

Sec.6. The following provisions of law are amended by deleting “December” and “June”, wherever they appear, and inserting “March” and September”, respectively, in lieu thereof—

(2) section 35 of the Act of February 25, 1920, as amended (30 U.S.C. 191); and

Sec. 35

FEDERAL COAL LEASING
AMENDMENTS ACT OF 1975 **

MONTH CHANGES

**Title changed to:
FEDERAL COAL LEASING
AMENDMENTS ACT OF 1976
By Act of 10/30/78 at p. 113 this text.

August 4, 1976

To amend the Mineral Leasing Act of 1920, and for other purposes.

ACT OF AUGUST 4, 1976

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the “Federal Coal Leasing Amendments Act of 1975”.

(b) Except as otherwise expressly provided, whenever this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision of the Mineral Land Leasing Act, the reference shall be considered to be made to a section or other the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain” (41 Stat. 437).

Sec.2. The first sentence of section 2(a) of the Miner al Lands Leasing Act (30 U.S.C. 201(a)) is amended to read as follows:

Sec .2(a)
COAL LEASING TRACTS

“(1) The Secretary of the Interior is authorized to divide any lands subject to this Act which have been classified for coal leasing into leasing tracts of such size as he finds appropriate and in the public interest and which will permit the mining of all coal which can be economically extracted in such tract and thereafter he shall, in his discretion, upon the NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE later such la footnotes listed under the section number to locate subsequent amendments than 50 pe to each section.

shall be leased under a system of deferred bonus payment. Upon default or cancellation of any coal lease for which bonus payment due, any unpaid remainder of the bid shall be immediately payable to the Untied States. A reasonable number of leasing tracts shall be reserved and offered for lease in accordance with this section to public bodies, including, Federal agencies, rural electric cooperatives, or nonprofit corporations controlled by any of such entities: *Provided*, That the coal so offered for lease shall be for use of such entity or entities in implementing a definite plan to produce energy for the their own use or for sale to their members or customers (except for short-term sales to others). No bid shall be accepted which is less than the fair market value, as determined by the Secretary, of the coal subject to the lease. Prior to his determination of the fair market value of the coal subject to the lease, the Secretary shall give opportunity for the consideration to public comments to the fair market value. Nothing in this section shall be construed require the Secretary to make public his judgment as to the fair market value of the coal to be leased, or the comments he received thereon prior to the issuance of the lease”.

COMPETITIVE BIDDING

PUBLIC BODIES

FAIR MARKET VALUE

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

Sec.3. The last sentence of section 2(a) of the Mineral Land Leasing Act (30 U.S.C. 201 (a)) is amended to read as follows:

“(2) (A) The Secretary shall not issue a lease or leases under the terms of this Act to any person, association, or corporation, or any subsidiary, affiliate, or persons controlled by or under common control with such person, association, or corporation, where any such entity holds a lease or leases issued by the United States to coal deposits and has held such lease or leases for a period of ten years when such entity is not, except as provided for in section 7 (b) of this Act, producing coal from a lease deposits in commercial quantities. In computing the ten-year period referred to in the proceeding sentence, periods of time prior to the date or enactment of the Federal Coal Leasing Amendments Act of 1975 shall not be counted.

“(B) Any lease proposal which permits surface coal mining within the boundaries of a National Forest which the Secretary proposes to issue under this Act shall be submitted to the Governor of each State within which the coal deposits subject to such lease are located. No such lease may be issued under this Act before the expiration of the sixty-day period beginning on the date of such submission. If any Governor to whom a proposed lease was submitted under this subparagraph objects to the issuance of such lease, such lease shall not be issued before the expiration of the six-month period beginning on the date the Secretary is notified by the Governor of such objection. During such six-month period, the Governor may submit to the Secretary a statement of reasons why such lease should not be issued and the Secretary shall, on the basis of such statement, reconsider the issuance of such lease.

“(3) (A) (i) No lease shall be held unless the lands containing the coal deposits have been included in a comprehensive land-use plan and such sale is compatible with such plan. The Secretary of the Interior shall prepare such land-use plans on lands under his responsibility where such plans have not been previously prepared. The Secretary of the Interior shall inform the Secretary of Agriculture of substantial development interest in coal leasing on lands within the National Forest System. Upon receipt of such notification from the Secretary of the Interior, the Secretary of Agriculture shall prepare a comprehensive land-use plan for such areas where such plans have not been previously prepared. The plan of the Secretary of Agriculture shall take into consideration the proposed coal development in these lands: *Provided*, That where the Secretary of the Interior finds that because of non-Federal interest in the surface or because the coal resources are insufficient to justify the preparation cost of a Federal containing the coal deposits have been included in either a comprehensive land-use plan prepared by the State within which the lands are located or a land use analysis prepared by the Secretary of the Interior.

“(ii) In preparing such lands-use plans, the Secretary of the Interior, in the case of lands within the National Forest system, the Secretary of Agriculture, or in the case of a finding by the Secretary of the Interior that because of non-Federal interests in the surface of insufficient Federal coal, no Federal comprehensive land-use plans can be appropriately prepared, the responsible State entity shall consult with appropriate State agencies and local governments and the general proposed plans prior to their adoption, if request by any person having an interest which is, or may be, adversely affected by the adoption of such plans.

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

Sec. 2 (a)
LEASING ISSUING RESTRICTION

10 YEAR NON-PRODUCTION

PRIOR DATES NOT COUNTED
NATIONAL FOREST

GOVERNOR OBJECTIONS

LAND-USE PLAN

PUBLIC HEARINGS

“(iii) Leases covering lands the surface of which is under the jurisdiction of any Federal agency other than the Department of the Interior may be issued only upon consent of the other Federal agency and upon such conditions as it may prescribe with respect to the use and protection of the nonmineral interest in those lands.

“(B) Each land-use plan prepared by the Secretary (or in the case of lands within the National Forest System, the Secretary of Agriculture pursuant to subparagraph (A)(i)) shall include an assessment of the amount of coal deposits in such land, identifying the amount of such coal which is recoverable by deep mining operations and the amount of such coal which is recoverable by surface mining operations.

DESCRIPTION OF LAND-USE
PALN

“(C) Prior to issuance of any coal lease, the Secretary shall consider effects which mining of the proposed lease might have on an impacted community or area, including, but not limited to, impacts on the environment, on agricultural and other economic activities, and on public services. Prior to issuance of a lease, the Secretary shall evaluate and compare the effects of recovering coal by deep mining, by surface mining, and by any other method to determine which method or methods or sequence of methods achieves the maximum economic recovery of the coal within the proposed leasing tract. This evaluation and comparison by the Secretary shall be in writing but shall not prohibit the issuance of a lease; however, no mining operating plan shall be approved which is not found to achieve the maximum economic recovery of the coal within the tract. Public hearings in the area shall be held by the Secretary prior to the lease sale.

CONSIDERATION OF IMPACTED
AREA

“(D) No lease sale shall be held until after the notice of the proposed offering for lease has been given once a week for three consecutive weeks in a newspaper of general circulation in the county in which the lands are situated in accordance with regulations prescribed by the Secretary.

NOTICE OF PROPOSED OFFERING
FOR LEASE
COMPLIANCE REQUIREMENTS

“(E) Each coal lease shall contain provisions requiring compliance with the Federal Water pollution Control Act (33 U.S.C. 1151-1175) and the Clean Air Act (42 U.S.C. 1857 and following).”.

Sec.4. Subject to valid existing rights, section 2(b) of the Mineral Lands Leasing Act (30 U.S.C. 201(b)) is amended to read as follows:

Sec. 2(b)

“(b) (1) The Secretary may, under such regulations as he may prescribe, issue to any person an exploration license. No person may conduct coal exploration for commercial purpose for any coal on lands subject to this Act without such an exploration license. Each exploration license shall be for a term of not more than two years and shall be subject to a reasonable fee. An exploration license shall confer no right to a lease under this Act. The issuance of exploration licenses shall not preclude the Secretary from issuing coal leases at such times and locations and to such persons as he deems appropriate. No exploration license will be issued for any land on which a coal lease has been issued. A separate exploration license will be required for exploration in each State. An application for an exploration license shall identify general areas and probable methods of exploration. Each exploration license shall contain such reasonable conditions as the Secretary may require, including conditions to insure the protection of the environment, and shall be subject to all applicable Federal, State, and local laws and regulations. Upon violation of any such conditions or laws the Secretary may revoke the exploration license.

EXPLORATION LICENSE

TERM

NOT FOR LEASED LANDS

“(2) A license may not cause substantial disturbance to the natural land surface. He may not remove any coal for sale but may remove reasonable amount of coal from the lands subject to this Act included under his license for analysis and study. A license must comply with all applicable rules and regulations for the Federal agency having jurisdiction over the surface of the lands subject to this Act.

LICENSE RESTIRCTIONS

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

exploration licenses covering lands the surface of which is under the jurisdiction of any federal agency other than the Department of the Interior may be issued only upon such conditions as it may prescribe with respect to the use of protection of the nonmineral interest in those lands.

“(3) The licenses shall furnish to the Secretary copies of all data (including, but not limited, to geological, geophysical, and core drilling analyses) obtained during such exploration. The Secretary shall maintain the confidentiality of all data so obtained until after the area involved have been leased or until such time as he determines the making the data available to the public would not damage the competitive position of the license, whichever comes first.

CONFIDENTIAL DATE
SUBMISSION

“(4) Any person who willfully conducts coal exploration for commercial purposes on lands subject to this Act without an exploration license issued hereunder shall be subject to a fine of not more than \$1,000 for each day of violation. All data collected by said person on any Federal lands as a result of such violation shall be made immediately available to the Secretary, who shall make the data available to the public as soon as it is practicable. No penalty under this subsection shall be assessed unless such person is given notice and opportunity for a hearing with respect to such violation.”.

VIOLATIONS

Sec.5. (a) Subject to valid existing rights, subsection 2(c) and 2(d) of the Act of August 31, 1964 (78 Stat. 710; 30 U.S.C. 2001-1) are hereby repealed.

Sec. 2(c) REPEALED
Sec. 2(d) REPEALED

(b) Section 2 of the Mineral Lands Leasing Act is amended by the addition of the following new subsection at the end thereof:

“(d) (1) The Secretary, upon determining that maximum economic recovery of the coal deposit or deposits is served thereby, may approve the consolidation of coal leases into a logical mining unit. Such consolidation may only take place after a public hearing, if request by any person whose interest is or may be adversely affected. A logical mining unit is an area of land in which the coal resources can be developed in an efficient, economical, and orderly manner as a unit with due regard to conservation of coal reserves and other resources. A logical mining unit consist of one or more Federal leaseholds, and may include interviewing or adjacent lands in which the untied States does not own the coal resources, but all the land in a logical mining unit must be under the effective control of a single operator, be able to be developed and operated as a single operation and be contiguous.

CONSOLIDATION INTO LOGICAL
MINING UNITES (LMU)

DESCRIPTION OF LMU

“(2) After the Secretary has approved the establishment of a logical mining unit any mining plan approved for that unit must require such diligent development, operation, and production that the reserves of the entire unit will be mined within a period established by the Secretary which shall not be more than forty years.

40 YEARS MINING PERIOD

“(3) In approving a logical miming unit, the Secretary may provide, among other things, that (i) diligent development continuous operations, and production on any Federal lease or non-federal land in the lease in that logical mining unit, and (ii) the rentals and royalties for all Federal leases in a logical miming unit may be combined, and advanced royalties paid for any lease within a logical mining unit may be credited against such combined royalties.

ROYALTY

“(4) Leases issued before the sate of enactment of this act may be included with the consent of all lessees in such logical mining unit, and if, so included, shall be subject to the provisions of this section.

AMENDING LEASE

PRIOR LEASES

“(5) Leases issued before the date of enactment of this Act may be included with the consent of all lessees in such logical mining unit, and, if so included shall be subject to the provisions of this section.

“(6) By regulation the Secretary may require a lessee under this Act to form a logical miming unit, and may provide for determination for participating acreage within a unit.

REQUIRING LMU

ACREAGE

“(7) No logical mining unit shall be approved by the Secretary if the total acreage (both Federal and non-Federal) of the unit would exceed twenty-five thousand acres.

“(8) Nothing in this section shall be construed to waive the acreage limitations for coal leases contained in section 27(a) of the Mineral Lands Leasing Act (30 U.S.C. 184 (a)).”.

Sec. 27(a) not waived

Sec.6. Section 7 of the Mineral Lands Leasing Act (30 U.S.C. 207) is amended to read as follows:

Sec. 7
LEASE TERM

“Sec.7. (a) A coal lease shall be for a term of twenty years and for so long thereafter as coal is produced annually in commercial quantities from that lease. Any lease which is not producing in commercial quantities at the end of ten years shall be terminated. The Secretary shall be regulation prescribe annual rental on lease. A lease shall require payment of a royalty in such amounts as the Secretary shall determine of not less than 12 ½ per centum of the value of coal as defined by regulations, except the Secretary may determine a lesser amount in the case of coal recovered by underground mining operations. The lease shall include such other terms and conditions as the Secretary shall determine. Such rentals and royalties and other terms and conditions of the lease will be subject to readjustment at the end of its primary term of twenty years and at the end of each ten-year period thereafter if the lease is extended.

RENTALS
ROYALTY

“(b) Each lease shall be subject to the conditions of diligent development and continued operation of the mine or mines, except where operations under the lease are interrupted by strikes, the elements, or casualties not attributable to the lessee. The Secretary of the Interior, upon determining that the public interest will be served thereby, may suspend the condition of continued operation upon the payment of advance royalties. Such advance royalties shall be no less than production royalty which would otherwise be paid and shall be computed on a fixed reserve to production ration (determined by the Secretary). The aggregate number of years during the period of any lease for which advance royalties may be accepted in lieu of the condition of continued operation shall not exceed ten. The amount of any production royalty paid for any year shall be reduced (but not below 0) by the amount of any advance royalties paid under such lease to the extent that such advance royalties have not been used to reduce production royalties for a prior year. No advance royalty paid during the initial twenty-year term of a lease shall be used to reduce a production royalty after the twentieth year of a lease. The Secretary may, upon six months’ notification to the lessee cease to accept advance royalties in lieu of the requirement of continued operation. Nothing in this subsection shall be construed in affect the requirement contained in the second sentence of subsection (a) relating to commencement of production at the end of ten years.

DILIGENT DEVELOPMENT
CONTINUED OPERATION

ROYALTY REDUCTIONS

“(c) Prior to taking any action on a leasehold which might cause a significant disturbance of the environment, and not later than three years after a lease is issued, the lessee shall submit for the Secretary’s approval an operation and reclamation plan. The Secretary shall approve or disapprove the plan or require that it be modified. Where the land involved is under the surface jurisdiction of another Federal agency, that other agencies must consent to the terms of such approval.”.

Sec. 8A

Sec.7. The Mineral Lands Leasing Act is amended by inserting after section 8 the following new section 8A:

“Sec.8A. (a) The Secretary is authorized and direct to conduct a comprehensive exploratory program designed to obtain sufficient sate and information to evaluate the extent, location, and potential for developing the known recoverable coal resources within the coal lands

COMPREHENSIVE EXPLORATION
PROGRAM

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

subject to this Act. This program shall be signed to obtain the resource information necessary for determining whether commercial quantities of coal are present and the geographical extend to the coal fields and for estimating the amount of such coal which is recoverable by deep mining operations in order to provide a basis for—

“(1) developing a comprehensive land use plan pursuant to section 2:

“(2) improving the information regarding the value of public resources and revenues which should be expected from leasing;

“(3) increasing competition among producers of coal, or products derived from the conversion of coal ,by providing data and information to all potential bidders equally and equitably;

“(4) providing the public with information on the nature of the coal deposits and the associated stratum and the value of the public resources being offered for sale; and

“(5) providing the basis for the assessment of the amount of coal deposits in those lands subject to this Act under subparagraph (B) of section 2 (a) (3).

EXPLORATORY AVITVITIES

“(b) The Secretary, though the United States Geological Survey, is authorized to conduct seismic, geophysical, geochemical, or stratigraphic drilling, or to contract for or purchase the results of such exploratory activities from commercial or other sources which may be needed to implement the provisions of this section.

“(c) Nothing in this section shall limit any person from conducting exploratory geophysical surveys including seismic, geophysical, chemical surveys to the extent permitted by section 2 (b). The information obtained from the exploratory frilling carried out by a person not under contract with the Untied States Government for such drilling prior to award of a lease shall be provided the confidentiality pursuant to subsection (d).

GEOPHYSICAL SURVEY

“(d) The Secretary shall make available to the public by appropriate means all date, information, maps, interpretations, and surveys which are obtained directly by the Department of the Interior or under a service contract pursuant to subsection (b). The Secretary shall maintained a confidentiality of all proprietary date or information purchased from commercial sources while not under contract with the United States Government until after the areas involved have been leased.

PUBLIC RECORDS

“(e) All Federal departments or agencies are authorized and directed to provide the Secretary with any information or data that may be deemed necessary to assist the Secretary in implementing the exploratory program pursuant to this section. Proprietary information or data provided to the Secretary under the provisions of this subsection shall remain confidential for such period of time as agreed to by the head of the department or agency from whom the information is requested. In addition, the Secretary is authorized and directed to utilize the existing capabilities and resources of other Federal departments and agencies by appropriate agreement.

CONFIDENTIALITY

“(f) The Secretary is directed to prepare, publish, and keep current a series of detailed geological, and geophysical maps of, and reports concerning, all coal lands to be offered for leasing under this Act based on data and information compiled pursuant to this section. Such maps and reports shall be prepared and revised at reasonable intervals beginning eighteen months after the date or enactment of this Act. Such maps and reports shall be made available on a continuing basis to any person on request.

“(g) Within six months after the date of enactment of this Act, the Secretary shall develop and transmit to Congress an implantation plan for the coal lands exploration program authorized by this section, including producers for making the data and information available to the public pursuant to subsection (d), and maps and reports pursuant to subsection (f). The implementation plan shall include a projected schedule of exploratory activities and identification of the regions and area which will be explored under the coal lands exploration program during the first five years following the enactment of this section. In addition, the implementation plan shall include estimates of the appropriations and staffing required to implement the coal lands exploration program.

“(h) The stratigraphic drilling authorized in subsection (b) shall be carried out in such a manner as to obtain information pertaining to all recoverable reserves. For the purposes of complying with subsection (a), the Secretary shall require all those authorized to conduct stratigraphic drilling pursuant to subsection (b) to supply a statement of the results of test boring of core sampling including logs of the drill holes; the thickness of the coal seams found; an analysis of the chemical properties of such coal; and an analysis of the strata layers lying above all the seams of coal. All drilling activities shall be conducted using the best current technology and practices.”.

Sec.8. The Mineral Lands Leasing Act is further amended by adding after section 8A the following new section 8B:

Sec. 8B
REPORT

“Sec.8B. Within six months after the end of each fiscal year, the Secretary shall submit to the Congress a report on the leasing and production of coal lands subject to this Act during such fiscal year; a recommendations to the Congress for improvements in management, environmental safeguards, and amount of production in leasing and mining operations on coal lands subject to this Act.

Each submission shall also contain a report by the Attorney General of the Untied States on competition in the coal and energy industries, including an analysis of whether the antitrust provisions of this act and the antitrust laws are effective in preserving or promoting competition in the coal or energy industry.”.

Sec. 35

Sec.9. (a) Section 35 of the Mineral Lands Leasing Act, as amended (30 U.S.C. 191) is further amended by deleting “52 ½ per centum thereof shall be paid into, reserved” and inserting in lieu thereof: “40 per centum thereof shall be paid into, reserved”, and is further amended by striking the period at the end of the provision and inserting in lieu thereof the following language: “: *Provided further.* That an additional 12 ½ per centum of all moneys received from sales bonases, royalties, and rentals of public lands under the provisions of this Act and the Geothermal Steam Act of 1970 shall be paid by the Secretary of the Treasury as soon as practicable after December 30 and June 30 of each year to the State within the boundaries of which the leased lands or deposits are or were located; said additional 12 ½ per centum of all moneys paid to any State on or after January 1, 1976, shall be used by such State and its subdivisions of the State socially or economically impacted by development of minerals leased under this Act of (1) planning, (2) construction and maintenance of public facilities, and (3) provisions of public services: *Provided farther,* That such funds now held or to be received, by the State of Colorado and Utah separately from the Department of the Interior oil shale test leases known as ‘C-A’; ‘C-B’; ‘U-A’ and ‘U-B’ shall be used by such State and subdivision as the legislature of each State may direct

DISPERSAL OF MONEY

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

giving priority to those subdivisions socially or economically impacted by the development of mineral leased under this Act for (1) planning, (2) construction and maintenance for public facilities, and (3) provision of public services.”.

(b) In the first sentence of section 35 of the Mineral Lands Leasing Act, before the words “shall be paid into the Treasury of the United States” insert “and the Geothermal Steam Act of 1970, notwithstanding the provisions of section 20 thereof,”; before the words “from lands within the naval petroleum reserves” insert “and the Geothermal Steam Act of 1970”; and in, the second sentence, before the words “not otherwise disposed of” insert “and the Geothermal Steam Act of 1970”.

Sec. 35

ADDING GEOTHERMAL

Sec.10. The Director of the Office of Technology Assessment is authorized and directed to conduct a complete study of coal leases entered into by the United States under section 2 of this Act of February 25, 1920 (commonly known as the Mineral Lands Leasing Act). Such study shall include an analysis of all mining activities, present and potential value of said coal leases, receipts of the Federal Government from said leases, and recommendations as to the feasibility of the use of deep mining technology in said leased area. The Director shall submit the results of his study to the Congress within one year after the date of enactment of this Act.

STUDY

Sec.11. (a) Section 27 (a) (1) of the Mineral Lands Leasing Act (30 U.S.C. 184 (a) (1)), is amended to read as follows:

Sec. 27 (a) (1)

“(1) No person, association, or corporation, or any subsidiary, affiliate, or person 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 Act or otherwise, coal leases or permits on an aggregate of more than forty-six thousand and eighty acres in any one State and in no case greater than an aggregate of one hundred thousand acres in the United States: *Provided*. That in no case shall such persons, 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 one hundred thousand acres within the United States.”.

ACREAGE

(b) Subject to valid existing rights, sections 27 (a) (2) of the Mineral Lands Leasing Act (30 U.S.C. 184 (a) (2)) is hereby repealed:

Sec. 12 (a) Section 3 of the Mineral Leasing Act for Acquired Lands (30 U.S.C. 352) is amended by striking out “(h) set apart for military or naval purposes, or (c)” and insert in lieu thereof “of (b)”.

Sec. 27 (a) (2) REPEALED

(b) Such section 3 is further amended by inserting the following after the first sentence thereof: ‘Coal or lignite under acquired lands set apart for military or naval purposes may be leased by the Secretary with the concurrence of the Secretary of Defense, to a governmental entity (including any corporation primarily acting as an agency or instrumentality of a State) which produces electrical energy for sale to the public if such governmental entity is located in the State in which such lands are located.’.

Sec.3

LEASING MILITARY OR NAVAL LANDS

Sec.13. (a) Subject valid existing rights, section 4 of the Mineral Lands Leasing Act (30 U.S.C. 204) is hereby repealed.

Sec. 4 REPEALED

(b) Subject to valid existing rights, section 3 of the Mineral Lands Leasing Act (30 U.S.C. 203) is amended to read as follows:

Sec. 3

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

“Sec.3. Any person, association, or corporation holding a lease of coal lands or coal deposits under the provisions of this Act may with the approval of the Secretary of the Interior, upon a finding by him that it would be in the interest of the United States, secure modifications of the original coal lease by including additional coal lands or coal deposits contiguous to those embraced in such lease, but in no event shall the total area added by such modifications to an existing coal lease exceed one hundred sixty acres, or add acreage larger than that in the original lease. The Secretary shall prescribe terms and conditions which shall be consistent with this Act and applicable to all of the acreage in such modified leases.”.

Sec. 3

MODIFYING COAL LEASES

Sec.14. Section 39 of the Mineral Lands Leasing Act (30 U.S.C. 209) is amended by adding the following sentence at the end thereof” “Nothing in this section shall be construed as granting to the Secretary the authority to waive, suspend, or reduce advance royalties.”.

Sec. 39

ROYALTY

Sec. 27

Sec.15. Section 27 of the Mineral Lands Leasing Act of 1920 (30 U.S.C. 184) is amended by adding at the end of thereof the following new subsection:

“(1)(1) AT each stage in the formulation of promulgation of rules and regulations concerning coal leasing pursuant to this Act, and at each stage in the issuance, renewal, and readjustment of coal leases under this Act, 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 Act 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 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 the Administrative Procedures Act and finds therein that such issuance, renewal, or readjustment is necessary to effectuate the purposes of this Act, that it is consistent with the public interest, and that there are no reasonable alternatives consistent with this Act, the antitrust laws, and the public interest.

NOTIFYING ATTORNEY GENERAL
REGARDING LEASES

“(3) Nothing in this Act 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.

NO IMMUNITY

“(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;

ANTITRUST LAW

“(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;

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

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

MINING RESTRICTIONS

Sec.16. Nothing in this Act, of the Mineral Lands Leasing Act and the Mineral Leasing Act for Acquired Lands which are amended by this Act, shall be construed as authorizing coal mining on any area of the National Park System, the National Wildlife Refuge System, the National Wilderness Preservation System, the National System of Trails, and the Wild and Scenic Rivers System, including study rivers designated under section 5 (a) of the Wild and Scenic Rivers Act.

ACT OF SEPTEMBER 28, 1976

ACT OF SEPTEMBER 28, 1976

Title III

TITLE III- STATES OIL SHALE FUNDS

Sec.301. Section 35 of the Act of February 25, 1920 (41 Stat, 450), as amended by striking the period at the end of the proviso and inserting in lieu thereof the language as follows: “:And provided further, That all moneys paid to any State from sales, bonuses, royalties, and rentals of oil shale in public lands may be used by such State and its subdivision for planning construction, and maintenance of public facilities, and provisions of public services, as the legislature of the State may direct giving priority to those subdivisions of the States socially or economically impacted by the development of the resource.”.

Sec. 35

STATE USE OF MONEY
OIL SHALE

Approved September 28, 1976.

NOTE: Other titles not included.

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

FEDERAL LAND POLICY AND MANAGEMENT ACT

October 21, 1976

Excerpts from Title III

MINERAL REVENUES

Sec.317. (a) Section 35 of this Act of February 25, 1920 (41 Stat, 437, 450; 30 U.S.C. 181, 191), as amended is further amended to read as follows: "All money received from sales, bonuses, royalties, and rentals of the public lands under the provisions of this Act and Geothermal Steam Act of 1970, notwithstanding the provisions of section 20 thereof, shall be paid into the Treasury of the United States; 50 per centum thereof shall be paid by the Secretary of the Treasury as soon as practicable after March 31 and September 30 of each year to the State other than Alaska within the boundaries of which the leased lands or deposits are or were located; said moneys paid to any of such States on or after January 1, 1976, to be used by such State and its subdivisions, as the legislature of the State may direct giving priority to those subdivisions of the State socially or economically impacted by development of minerals leased under this act for (i) planning, (ii) construction and maintenance of public facilities, and (iii) provision of public service, and excepting those from Alaska, 40 per centum thereof shall be paid into, reserved, appropriated, as part of the reclamation fund created by the Act of Congress known as the Reclamation Act, approved June 17, 1902, and of those from Alaska as soon as practicable after March 31 and September 30 of each year, 90 per centum thereof shall be paid to the State of Alaska for disposition by the legislature thereof: *Provided*, That all moneys which may accrue to the United States under the provisions of this Act and the Geothermal Seam Act of 1970 from lands within the naval petroleum reserves shall be deposited in the Treasury as 'miscellaneous receipts', as provided by the Act of June 4, 1920 (41 Stat. 813), as amended June 30, 1938 (52 stat. 1252). All moneys received under the provisions of this Act and the Geothermal Steam Act of 19970 not otherwise disposed of by this section shall be credited to miscellaneous receipts."

(b) Funds now held pursuant to said section 35 by the States of Colorado and Utah separately from the Department of the Interior oil shale test leases known as C-A; C-B; U-A and U-B shall be used by such States and subdivisions as the legislature of each State may direct giving priority to those subdivisions socially or economically impacted by the development of minerals leased under this Act for (1) planning, (2) construction and maintenance of public facilities, and (3) provisions of public services.

(c) (1) the Secretary is authorized to make loans to States and their political subdivisions in order to relieve social or economic impacts occasioned by the development of mineral leased in such States pursuant to the Act of February 25, 1920, as amended. Such loans shall be confined to the uses specified for the 50 per centum of mineral revenues to be received by such States and subdivisions pursuant to section 35 of such Act. All loans shall bear interest at a

FEDERAL LAND POLICY AND MANAGEMENT ACT

ACT OF OCTOBER 21, 1976

Sec. 35

DISPERSAL OF MONEY

COLORADO AND UTAH OIL
SHALE TEST LEASES

RELIEVING SOCIAL OR
ECONOMIC IMPACT

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

rate not to exceed 3 per centum and shall be for such amounts and durations as the Secretary shall determine. The Secretary shall limit the amounts of such loans to all States except Alaska to the anticipated mineral revenues to be received by the recipients of said lands and to Alaska to 55 per centum of anticipated mineral revenues to be received by it pursuant to said section 35 for any prospective 10-year period. Such loans shall be repaid by the loan recipients from mineral revenues to be derived from said section 35 by such recipients, as the Secretary determines.

(2) The Secretary, after consultation with Governors of the affected States, shall allocate such loans among the States and their subdivisions in a fair and equitable manner, giving priority to those States and subdivisions suffering the most severe impacts.

(3) Loans under this subsection shall be subject to such terms and conditions as the Secretary determines necessary to assure that the purpose of this subsection will be achieved. The Secretary shall issue such regulations as may be necessary to carry out the provisions of this section.

NOTE: Other Titles are not included.

ACT OF OCTOBER 30, 1978

ACT OF OCTOBER 30, 1978

To further amend the Mineral Leasing Act of 1920 (30 U.S.C. 201(a)), to authorize the Secretary of the Interior to exchange Federal coal leases and to encourage recovery of certain coal deposits, and for other purposes.

COAL

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) notwithstanding any provisions of law to the contrary and notwithstanding the provisions of section 2(a) (1) of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 201 (a) (1)), the Secretary of the Interior is authorized to issue leases for coal on other Federal lands in the State of Utah to the lease application ranked in preference right lease applications serial numbers U1362, U1363, U1375, U5233, U5235, U5269, and U5237 upon surrender and relinquishment by the application of such preference right lease applications and all rights to lease the lands covered by such applications such surrender and relinquishment to be made in exchange for the lease or leases to be issued by the Secretary.

UTAH PREFERENCE RIGHT
LEASE APPLICANTS

(b) Notwithstanding any provisions of law to the contrary and notwithstanding the provisions of section 2(a) (1) of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 201 (a)(1)), the Secretary of the Interior is authorized to issue leases for coal on other Federal lands in the State of Wyoming to the owner or owners of Federal coal leases serial numbers W0313666, W0111833, W073289, W0312311, and W0313668, B025369, W0256663, W5035, W0322794 covering lands in the State of Wyoming upon the surrender and relinquishment of such leases or portions thereof.

WYOMING SPECIFIC
PROVISIONS

(c) The leases to be issued by the Secretary pursuant to the authority granted by subsections (a) and (b) of this Act and the leases or portions thereof or rights to leases to be exchanged therefore shall be of equal value. If such leases or portions thereof or rights to leases are not of equal value, the Secretary is authorized to receive, or pay out of funds available for that purpose, cash in an amount up to

25 per centum of the value of the coal lease or leases to be issued by the Secretary in order to equalize the value of the lease or leases rights to be exchanged.

(d) Any exchanged leases issued by the Secretary under the authority of this Act shall contain the same terms and conditions as those leases surrendered, or in the case of surrendered lease rights, the same terms and conditions as those to which the lease applicant would be entitled.

(e) This subsection does not require or obligate the Secretary to take any action or to make any commitment to a lessee or lease application with respect to issuance, administration, or development of any lease.

Sec.2. Section 2(a) (1) of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 201 (a) (1)), is further amended by striking the period at the end of the first sentence and inserting in lieu thereof the following: “:Provided, That notwithstanding the competitive bidding requirement of this section, the Secretary may, subject to the conditions which he deems appropriate, negotiate the sale at fair market value of coal the removal of which is necessary and incidental to the exercise of right-of-way permit issued pursuant to title V of the Federal Land Policy and Management Act of 1976.”.

Sec.3. Section 3 of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 203), is further amended by adding after the word “contiguous”, and words “or concerning”, and by deleting the period at the end for the second sentence thereof and adding the following clause: “except that nothing in this section shall require the Secretary to apply the production or mining plan requirements of the section 2(d) (2) and 7 (c) of this Act (30 U.S.C. 201 (d) (2) and 207 (c)). The minimum royalty provisions of section 7(a) of this Act (30 U.S.C. 201(a)) shall not apply to any lands covered by this modified lease prior to a modification until the term of the original lease or extension thereof which became effective prior to the effective date of this Act has expired.”.

Sec.4. Section 37 of the Mineral Leasing Act of 190 (30 U.S.C. 193) is further amended by the addition of the words “except as provided in sections 206 or 209 of the Federal Land Policy and Management Act of 1976 (90 Stat. 2756, 2757-8), and” after “only in form and manner provided in this act,” and before the word “except”.

Sec.5. Section 30 of the Mineral Leasing Act of 1920 (30 U.S.C. 187) is further amended by striking the word “boy” and inserting in lieu thereof “child” and by striking the phrase “or the employment of any girl or woman, without regard to age,”.

Sec.6. (a) The Secretary of the Interior is authorized and directed within nine months of the date of enactment of this Act to evaluate and review the scenic, recreational fish and wildlife, cultural, historic, and other public values of the reservoir if Johnson Country, Wyoming, known as Lake DeSmet and the adjoining and adjacent coal proprietries. The Secretary’s review and evaluation shall be for the purpose of determining whether the Lake DeSmet property shall be acquired for public use and enjoyment by exchanging for Federal coal lands.

(b) If the Secretary determines that the Lake DeSmet property shall be acquired, he is authorized, with the agreement of the owners of the property, to acquire the Lake DeSmet property by exchanging Federal coal lands, interest in Federal coal lands, or Federal coal leases.

(c) The Exchange authorized by this section shall be for equal value. To the extent, if any, the value of the lands or interest exchanged are not equal the difference may be adjusted by the payment of money so long as the payment does not exceed 25 per centum of the total value of the lands of interest transferred out of Federal ownership. In determining the value of the Lake DeSmet property, the Secretary is authorized and directed to included the fair market value of the property, considering the acquisition cost of the lands, the value of the coal deposits, water rights and water resources developments and capital and other appropriate improvements. The exchange of

Sec. 2 (a) (1)

FAIR MARKET VALUE

RIGHT-OF-WAY
PERMITS
Sec .3

ROYALTY

Sec. 37

FLPMA REFERENCE

Sec. 30

LAKE DE SMET

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

such properties shall be carried out expeditiously in accordance with the provisions of this section and other Federal land exchange authority to the extent such authority is applicable and consistent with this section.

(d) The Secretary is authorized to transfer any property acquired pursuant to this section (1) to the appropriate agency in the Department of the Interior for management and administration, of 92) to the State of Wyoming for recreational purposes and fish and wildlife management. Any conveyance to the State of Wyoming shall contain a reservation of all minerals to the United States and shall provided that, if the State ceases to use the property conveyed for fish propagation and wildlife management, title to such property shall revert to the Untied States.

Sec.7. Effective October 1, 1970, there are authorized to be appropriated to the Secretary such sums as are necessary to carry out the purposes of this Act.

Sec.8. The title of the Federal Coal Leasing Amendments of 1975 (Public Law 94-377) is hereby changed to the Federal Coal Leasing Amendments Act of 0976.

CHANG TITLE OF FEDERAL
COAL LEASING AMENDMENTS
ACT OF 1975 TO "1976"

Approved October 30, 1978.

ACT OF NOVEMBER 16, 1981

To facilitate and encourage the production of oil from tar sand and other hydrocarbon deposits.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (1) section 1 (30 U.S.C. 181 section 21 (a) and (c) (30 U.S.C. 241 (a) and (c)), and section 34 (30 U.S.C. 182) of the Mineral Lands Leasing Act of 1920, as amended, are amended by deleting “native asphalt, solid and semisolid bitumen, and bituminous rock (including oil-impregnated rock or sands from which oil or recoverable only by special treatment after the deposit is mined or quarried)” and by inserting in lieu thereof “gilsonite (including all vein-type soil hydrocarbons”,”, except that in the first sentence of section 21(a) the word “and: should be inserted before “gilsonite” and the comma after the parentheses should be eliminated in section 21.

Sec. 21(a) and (c)

GILSONITE

(2) Section 27 (k) of such Act (30 U.S.C. 184(k)) is amended by deleting “native asphalt, solid and semisolid bitumen, bituminous rock,” and by inserting in lieu thereof “gilsonite (including all vein-type solid hydrocarbons),”.

Sec. 27(k)

(3) Section 39 of such Act (30 U.S.C. 209) is amended by inserting “gilsonite (including all vein-type solid hydrocarbons),” after “oil shale”.

Sec. 39

(4) Section 1 of such Act (30 U.S.C. 181) is further amended by adding after the first paragraph the following new paragraphs:

Sec. 1

“The term ‘oil’ shall embrace all nongaseous hydrocarbon substance other than those substances leasable as coal, oil shale, or gilsonite (including all vein-types solid hydrocarbons).

DEFINITIONS

“The term ‘combined hydrocarbon lease’ shall refer to a lease issued in a special tar sand area pursuant to section 17 after the date of enactment of the Combined Hydrocarbon Leasing Act of 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.”.

(5) Section 27(d)(1) of such Act (30 U.S.C. 184(d)(1)) is amended by inserting before the period at the end for the first sentence the following: “*Provided, however,* That acreage held in special tar and sand areas shall not be chargeable against such State limitations.”.

Sec. 27 (d) (1)

STATE ACREAGE LIMITATIONS

(6)(a) Section 17(b) of such Act (30 U.S.C. 184 (d)(1)) is amended by inserting “(1)” after “(b)” and adding a new subsection to read as follows:

Sec. 17(b)

“(2) If the lands to be leased are within a special tar and sand area, they shall be leased to the highest responsible qualified bidder by competitive bidding under general regulation in units of not more than five thousand one hundred and twenty 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. Royalty shall be 12 ½ per centum in amount of value of production removed or sold from the lease,

COMPETITIVE BIDDING
ACREAGE
ROYALTY

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

subject to section 17 (k)(1)(c). 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.”.

Sec. 17 (a)
KGS DELETED

(b) Section 17 (c) of such Act (30 U.S.C. 226(c)) is amended by deleting “within any known geological structure of a producing oil or gas field” and inserting in lieu thereof “subject to leasing under subsection (b),”.

Sec. 17 (e)
LEASE TERM

(c) Section 17(e) of such Act (30 U.S.C. 226(e)) is amended by inserting a period the period at the end of the first sentence the follows: “: *Provided, however,* That competitive leases issued in special tar sand areas shall be for a primary term of ten years.”.

Sec. 39

(7) Section 39 of such Act (30 U.S.C. 209) is amended by adding after the period following the first sentence: “*Provided, however,* That in order to promote development and the maximum production of tar sand, at the request of the lessee, the Secretary shall review, prior to commencement of commercial operations, the royalty rates established in each combined hydrocarbon lease issued in special tar sand areas. For purposes of this section, the term ‘tar sand’ means any consolidated or unconsolidated rock (other than coal, oil shale, or gilsonite) that either: (1) contains a hydrocarbonaceous material with a gas-free viscosity, at original reservoir temperature, greater than 10,000 centipoise, or (2) contains a hydrocarbonaceous material and is produced by mining or quarrying.”.

ROYALTY

(8) Section 17 of such Act (30 U.S.C. 226) is amended by adding at the end thereof the following new subsection:

Sec. 17
CONVERSION OF LEASES

“(k)(1)(A) There owner of (1) an oil and gas lease issued prior to the date of enactment of the Combined Hydrocarbon Leasing Act of 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 convey such lease of claim to a combined hydrocarbons lease for a primary term of ten years upon the filing of an application within two years from the date of enactment of that Act 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 to 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 the effective date of this Act. If any oil and gas lease eligible for conversion under this section would otherwise expire after the date of this Act 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, 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 of disapproved. The Secretary shall act upon a proposed plan of operations within fifteen months of its submittal.

LEASE SUSPENSION

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

“(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, 12 ½ per centum in amount of value of production removed or sold from the lease.

ROYALTY

“(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 the enactment of such Act.”

LESSEE RIGHTS

(9)(a) Section 2 of the Mineral Leasing Act of Acquired Lands (30 U.S.C. 851) is amended by adding at the end thereof: “The term ‘oil’ shall embrace all nongaseous hydrocarbon substance other than those leasable as coal, oil shale, or gilsonite (including all vein-types solid hydrocarbons).”

Sec. 2

DEFINE “OIL”

(b) Section 3 of such Act (30 U.S.C. 352) is amended by inserting “gilsonite (including all vein-type solid hydrocarbons),” after “oil shale”.

Sec. 3

GILSONITE

(10) Nothing in this Act shall affect the taxable status of production from tar sand under the Crude Oil Windfall Profit Tax Act of 1980 (Public Law 96-223), 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 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 provision 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.

Approved November 16, 1981.

NOTE: Regarding all Mineral Leasing Act section noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

ACT OF DECEMBER 30, 1982

Excerpts from Title III

Sec.318 Section 21 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 (41 Stat. 487, as amended; 80 U.S.C. 241), is further amended by adding the following new subsections:

Sec. 21

“(c)(1) The Secretary may within the State of Colorado lease to the holder of the Federal oil shale lease known as the Federal Prototype Tract C-a additional lands necessary for the disposal of oil shale wastes and the materials removed from mined lands, and for the building of plants, reduction works, and other facilities connected with oil shale operations (which lease shall be referred to hereinafter as an ‘offsite lease’). The Secretary may only issue one offsite lease not to exceed six thousand four hundred acres. An offsite lease may not serve more than one Federal oil shale lease and may not be transferred except in conjunction with the transfer of the Federal oil shale lease that it serves.

COLORADO OIL SHALE
FEDERAL PROTOTYPE
TRACT C-a

“(2) The Secretary may issue one offsite lease of not more than three hundred and twenty acres to any person, association or corporation which has the right to develop oil shale on non-Federal lands. An offsite lease serving non-Federal oil shale lands may not serve more than one oil shale operation and may not be transferred except in conjunction with the transfer of non-Federal oil shale land that it serves. Not more than two offsite leases may be issued under this paragraph.

“(3) An offsite lease shall include no rights to any mineral deposits.

“(4) The Secretary may issue offsite leases after consideration of the need for such lands, impacts on the environment and other resource values, and upon a determination that the public interest will be served thereby.

“(5) An offsite lease for lands the surface of which is under the jurisdiction of a Federal agency other than the Department of the Interior shall be issued only with the consent of that other Federal agency and shall be subject to such terms and conditions as it may prescribe.

“(6) An offsite lease shall be for such periods of time and shall include such lands, subject to the acreage limitations contained in this subsection, as the Secretary determines to be necessary to achieve the purposes of which the lease is issued, and shall contain such provisions as he determines are needed for protection of environmental and other resources values.

“(7) an offsite lease shall provide for the payment of an annual rental which shall reflect the fair market value of the rights granted and which shall be subject to such revisions as the Secretary, in his discretion, determines may be needed from time to time to continue to reflect the fair market value.

“(8) An offsite lease may, at the option of the lessee, include provisions for payments in any year which payments shall be credited against any portion of the annual rental for a subsequent year to the extent that such payment is payable by the Secretary of the Treasury under section 35 of this Act to the State within the

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section to locate subsequent amendments to each section.

boundaries of which the leased lands are located. Such funds shall be paid by the Secretary of the Treasury to the appropriate States in accordance with section 35, and such funds shall be distributed by the State only to those counties, municipalities, or jurisdictional subdivision impacted by oil shale development and/or where the lease is sited.”; and

“(9) An offsite lease shall remain subject to leasing under the other provisions of this Act where such leasing would not be incompatible with the offsite lease.

“(d) In recognition of the unique character of oil shale development:

“(1) In determining whether to offer or issue an offsite lease under subsection (c), the Secretary shall consult with the Governor and appropriate State, local, and tribal officials of the State where the lands to be leased are located, and of any additional State likely to be affected significantly by the social, economic, or environmental effects of development under such lease, in order to coordinate Federal and State planning processes, minimize duplication of permits, avoid delays, and anticipate and mitigate likely impacts of development.

“(2) The Secretary may issue an offsite lease under subsection (d) after consideration of (A) the need for leasing, (B) impacts on the environment and other resources values, (C) socioeconomic factors, and (D) information from consultations with the Governors of the affected States.

“(3) Before determining whether to offer an offsite lease under subsection (c), the Secretary shall seek the recommendation of the Governor of the State in which the lands to be leased are located as to whether or not to lease such lands, what alternative actions are available, and what special conditions could be added to the proposed lease to mitigate impacts. The Secretary shall accept the recommendations of the Governor if he determines that they provide for a reasonable balance between the national interest and the State’s interest. The Secretary shall communicate to the Governor, in writing, and publish in the Federal Register the reasons for his determination to accept or reject such Governor’s recommendations.”.

Approved December 30, 1982.

NOTE: Other titles not included

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

FEDERAL OIL AND GAS ROYALTY
MANAGEMENT ACT OF 1982

January 12, 1983

Titles I and IV

FEDERAL OIL AND GAS
ROYALTY MANAGEMENT
ACT OF 1982

ACT OF JANUARY 12, 1983

To ensure that all oil and gas originated on the public lands and on the Outer Continental Shelf are properly accounted for under the direction of the Secretary of the Interior, and for other purposes.

OUTER CONTINENTAL SHELF
AND OIL AND GAS ON PUBLIC
LANDS

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Short Title

Section 1. This Act may be cited as the “Federal Oil and Gas Royalty Management Act of 1982”

TITLE I- FEDERAL ROYALTY MANAGEMENT AND ENFORCEMENT

DUTIES OF THE SECRETARY

FEDERAL ROYALTY
MANAGEMENT AND
ENFORCEMENT

DUTIES OF THE SECRETARY

Sec.101. (a) The Secretary shall establish a comprehensive inspection, collection and fiscal and production accounting and auditing system to provide the capability to accurately determine oil and gas royalties, interest, fines, penalties, fees, deposits, and other payments owned, and to collect and account for such amounts in a timely manner.

(b) The Secretary shall-

(1) establish procedures to ensure that authorized and properly identified representatives of the Secretary will inspect at least once annually each lease site producing or expected to produce significant quantities of oil or gas in any year or which has history of noncompliance with applicable provision of law or regulations; and

(2) establish and maintain adequate programs for the training of all such authorized representatives in methods and techniques of inspection and accounting that will be used in the implementation of this Act.

(cX1) The Secretary shall audit and reconcile, to the extent practicable, all current and past lease accounts for leases of oil or gas and take appropriate actions to make additional collections or refunds as warranted. The Secretary shall conduct audits and reconciliation of lease accounts in conformity with the business practices and recordkeeping system which were required of the lessee by the Secretary for the period covered by the audit. The Secretary shall give priority to auditing those lease accounts identified by a State or Indian tribe as having significant potential for underpayment. The Secretary may also audit accounts and records of selected lessees and operators.

(2) The Secretary may enter into contracts or other appropriate arrangements with independent certified public accountants to undertake audits of accounts and records of any lessee or operator relating to the lease of oil or gas. Selection of such independent certified public accountants shall be by competitive bidding in accordance with the Federal Property and Administrative Services Act of 1974 (41 U.S.C. 252), except that the Secretary may not enter into a contract or other arrangement with any independent certified public accountant to audit any lessee or operator where such lessee or operator is a primary audit client of such certified public accountant.

(3) All books, accounts, financial records, reports, files, and other papers of the Secretary, or used by the Secretary, which are reasonably necessary to facilitate the audits required under this section shall be made available to any period or governmental entity conducting audits under this Act.

DUTIES OF LESSEES, OPERATORS, AND MOTOR VEHICLE TRANSPORTERS

DUTIES OF ...

LESSEE

Sec.102. (a) A lessee—

(1) who is required to make any royalty or other payment under a lease or under the mineral leasing laws, shall make such payments in the time and manner as may be specified by the Secretary; and

(2) Shall notify the Secretary, in the time and manner as may be specified by the Secretary, or any assignment the lessee may have made of the obligation to make any royalty or other payment under a lease or under the mineral leasing laws.

OPERATOR

(b) An operator shall—

(1) develop and comply with a site security plan designed to protect the oil or gas produced or stored on an onshore lease site from theft, which plan shall conform with such minimum standards as the Secretary may prescribe by rule, taking into account the variety of circumstances at lease sites;

(2) develop and comply with such minimum site security measures as the Secretary deems appropriate to protect oil or gas produced or stored on a lease site or on the Outer Continental Shelf from theft; and

(3) not later than the 5th business day after any well begins production anywhere on a lease site or allocated to a lease site or resumes production in the case of a well which has been off of production for more than 90 days, notify the Secretary, in the manner prescribed by the Secretary, of the date on which such production has begun or resumed.

(c)(1) Any person engaged in transporting by motor vehicle any oil from any lease site, or allocated to any such lease site, shall carry, on his person, in his vehicle, or in his immediate control, documentation showing, at a minimum, the amount, origin, and intended first destination of the oil.

TRANSPORTER

(2) Any person engaged in transporting any oil or gas by pipeline from any lease site, or allocated to any lease site, on Federal or Indian lands shall maintain documentation showing, at a minimum, amount, origin, and intended first destination of such oil or gas.

PIPELINE TRANSPORTER

REQUIRED RECORDKEEPING

Sec.103. (a) A lessee, operator, or other person directly involved in developing, producing, transporting, purchasing, or selling oil or gas subject to this Act through the point of first sale or the point of royalty computation, whichever is later, shall establish and maintain records, make any reports, and provide any information that the Secretary may, by rule, reasonably require for the purposes of implementing this Act or determining compliance with rules or orders under this Act. Upon the request of any officer or employee duly designated by the Secretary or any State or Indian tribe conducting an audit or investigation pursuant to this Act, the appropriate records, reports, of information which may be required by this section shall be made available for inspection and duplication by such officer or employee, State or Indian tribe.

(b) Records required by the Secretary with respect to oil and gas leases from Federal or Indian lands or the Outer Continental Shelf shall be maintained for 6 years after the records are generated unless the Secretary notifies the record holder that he has initiated an audit or investigation involving such records and that such records must be maintained for a longer period. In any case when an audit or investigation is under way, records shall be maintained until the Secretary releases the record holder of the obligation to maintain such records.

PROMPT DISBURSEMENT OF ROYALTIES

PROMPT DISBURSEMENT OF ROYALTIES

Sec104. (a) Section 35 of the Mineral Lands Leasing Act of 1920 (approved February 25, 1920; 41 Stat. 437; 30 U.S.C. 191) is amended by deleting “as soon as practicable after March 31 and September 30 or each year” and by adding at the end thereof “Payments to States under this section with respect to any moneys received by the United States, shall be made out not later than the last business day of the month in which such moneys are warranted by the United States Treasury to the Secretary as having a been received, except for any portion of such moneys which is under challenge and placed in a suspense account pending resolution if dispute. Such warrants shall be issued by the United States Treasury not later than 10 day after receipts of such moneys by the Treasury. Moneys places in a suspense account which are determined to be payable to a State which is disputed is resolved. Any such amount places in suspense account pending resolution shall bear interest until the dispute is resolved.”.

Sec. 35

PAYMENT TO STATES

(b) Deposits of any royalty fund derived from the production of oil or gas from, or allocated to, Indian lands shall be made by the Secretary to the appropriate Indian account at the earliest practicable date after such funds are received by the Secretary but in no case later than the last business day of the month in which such funds are received.

(c) The provisions of this section shall apply with respect to payments received by the Secretary after October 1, 1983, unless the Secretary, by rule, prescribed an earlier effective date.

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

EXPLANATION OF PAYMENTS

Sec.105. (a) When any payment (including amounts due from receipts of any royalty, bonus, interest charge, fine, or rental) is made by the United States to a State with respect to any oil or gas lease on Federal lands or is deposited in the appropriate Indian account on behalf of an Indian tribe or Indian allottee with respect of any oil and gas lease on Indian lands, there shall be proved, together with such payment a description of the type of payment being made, the period covered by such payment, the sources of such payment, production amounts, the royalty rate, unit value and such other information as may be agreed upon by the Secretary and the recipient State, Indian tribe, or Indian allottee.

(b) This section shall take effect with respect to payment made after October 1, 1983, unless the Secretary, by rule, prescribes an earlier effective date.

LIABILITIES AND BONDING

LIABILITIES AND BONDING

Sec.106. A person (including any agency or employee of the United States and any independent contractor) authorized to collect, receive, account for, or otherwise handle any moneys payable to, or received by, the Department of the Interior which are derived from the sale, lease, or other disposal of any oil or gas shall be—

- (1) liable to the United States for any losses caused by any intentional or reckless action or inaction of such individual with respect to such moneys; and
- (2) in the case of an independent contractor, required as the Secretary deems necessary to maintain a bond commensurate with the amount of money for which such individual could be liable to the United States.

HEARING AND INVESTIGATIONS

HEARINGS AND INVESTIGATIONS

Sec.107. (a) In carrying out his duties under this Act the Secretary may conduct any investigation or other inquiry necessary and appropriate and may conduct, after notice, any hearing or audit, necessary and appropriate to carrying out his duties under this Act. In connection with any such hearings, inquiry, investigation, or audit, the Secretary is also authorized where reasonably necessary—

- (1) to require by special or general order, any person to submit in writing such affidavits and answers to questions as the Secretary may reasonable prescribe, which submission shall be made within such reasonable period and under oath or otherwise, as may be necessary;
- (2) to administer oaths;
- (3) to require by subpoena the attendance and testimony of witnesses and the production of all books, papers, production and financial records, documents, matter, and materials, as the Secretary may request;

- (4) to order testimony to be taken by deposition before any person who is designated by the Secretary and who has the power to administer oaths, and to compel testimony and the production of evidence in the same manner as authorized under paragraph (3) of this subsection; and
- (5) to pay witnesses the same fees and mileage as are paid in like circumstances in the courts of the United States.

(b) In the case of refusal to obey a subpoena served upon any person under this section, the district court of the United States for any district in which such person is found, resides, or transacts business, upon application by the Attorney General at the request of the Secretary and after notice to such person, shall have jurisdiction to issue an order requiring such person to appear and give testimony before the Secretary or to appear and produce documents before the Secretary. Any failure to obey such order of the court may be punished by such court as contempt thereof and subject to a penalty of up to \$10,000 a day.

INSPECTIONS

INSPECTIONS

Sec.108. (a)(1) On any lease site on Federal or Indian lands, any authorized and properly identified representative of the Secretary may stop and inspect any motor vehicle that he has probable cause to believe is carrying oil from a lease site on Federal or Indian lands or allocated to such a lease site, for the purpose of determining whether the driver of such vehicle has documentation related to such oil as required by law.

(2) Any authorized and properly identified representative of the Secretary, accompanied by any appropriate law enforcement officer, or an appropriate law enforcement officer alone, may stop and inspect any vehicle if he has probable cause to believe the vehicle is carrying oil from a lease site on Federal or Indian lands or allocated to such a lease site. Such inspection shall be for the purpose of determining whether the driver of such vehicle has the documentation required by law.

(b) Authorized and properly identified representatives of the Secretary may without advance notice, enter upon, travel across and inspect lease site on Federal or Indian lands and may obtain from the operator immediate access to secured facilities on such lease sites, for the purpose of making any inspection or investigation for determining whether there is compliance with the requirements of the mineral leasing laws and this Act. The Secretary shall develop guidelines setting forth the coverage and the frequency of such inspections.

(c) For the purpose of making any inspection or investigation under this Act, the Secretary shall have the same right to enter upon or travel across any lease site as the lessee or operator has acquired by purchase, condemnation, or otherwise.

Sec.109. (a) Any person who—

- (1) after due notice of violation or after such violations has been reported under subparagraph (A), fails or refuses to comply with any requirements of this Act, or any mineral leasing law, any rule or regulation thereunder, or the terms of any lease or permit issued thereunder; or
- (2) fails to permit inspection authorized in section 108 or fails to notify the Secretary of any assignment under section 102(a)(92) shall be liable for a penalty of up to \$500 per violation for each day such violation continues, dating from the date of such notice or report. A penalty under this subsection may not be applied to any person who is otherwise liable for violation of a paragraph (1) if:

(A) the violation was discovered and reported to the Secretary or his authorized representative by the liable person and corrected within 20 days after such report or such longer time as the Secretary may agree to; or

(B) after the due notice of violation required in paragraph (1) has been given to such person by the Secretary or his authorized representative, such person has corrected the violation within 20 days of such notification or such longer time as the Secretary may agree to.

(b) If corrective action is not taken within 40 days or a longer period as the Secretary may agree to, after due notice or the report referred to in subsection (a)(1), such person shall be liable for a civil penalty of not more than \$5,000 per violation for each day such violation continues, dating from the date of such notice or report.

(c) Any person who---

- (1) knowingly or willfully fails to make any royalty payment by the date as specified by statute, regulation, order or terms of the lease;
- (2) fails or refuses to permit lawful entry, inspection, or audit; or
- (3) knowingly or willfully fails or refuses to comply with subsection 102(b)(3), shall be liable for a penalty of up to \$10,000 per violation for each day such violation continues.

(d) Any person who—

- (1) knowingly or willfully prepares, maintains, or submits false, inaccurate, or misleading reports, notices, affidavits, records, data, or other written information;
- (2) knowingly or willfully takes or removes, transport, uses or diverts any oil or gas from any lease site without having valid legal authority to do so; or
- (3) purchases, accepts, sells, transports or convey to another any oil or gas knowing or having reason to know that such oil or gas was stolen or unlawfully removed or diverted, shall be liable for a penalty of up to \$25,000 per violation for each day such violation continues.

(e) No penalty under this section shall be assessed until the person charged with a violation has been given the opportunity for a hearing on the record.

(f) The amount of any penalty under this section, as finally determined may be deducted from any sums owing by the United States to the person charged.

(g) On a case-by-case basis the Secretary may compromise or reduce civil penalties under this section.

(h) Notice under this subsection (a) shall be by personal service by an authorized representative of the Secretary or by registered mail. Any person may, in the manner prescribed by the Secretary, designate a representative to receive any notice under this subsection.

(i) In determining the amount of such penalty, or whether it should be remitted or reduced, and in what amount, the Secretary shall state on the record the reasons for his determinations.

(j) Any person who has requested a hearing in accordance with subsection (e) within the time the Secretary has prescribed for such a hearing and who is aggrieved by a final order of the Secretary under this section may seek review of such order in the United States district court for the judicial district in which the violation allegedly took place. Review by the district court shall be only on the administrative record and not de novo. Such an action shall be barred unless filed within 90 days after the Secretary's final order.

(k) If any person fails to pay an assessment of a civil penalty under this Act—

(1) after the order making the assessment has become a final order and if such person does not file a petition for judicial review of the order in accordance with subsection (j), or

(2) after a court in an action brought under subsection (j) has entered a final judgment in favor of the Secretary, the court shall have jurisdiction to award the amount assessed plus interest from the date of the expiration of the 90-day period referred to in subsection (j). Judgment by the court shall include an order to pay.

(l) No person shall be liable for a civil penalty under subsection (a) or (b) for failure to pay any rental for any lease automatically terminated pursuant to section 31 of the Mineral Leasing Act of 1920.

CRIMINAL PENALTIES

CRIMINAL PENALTIES

Sec.110. Any person who commits an act for which a civil penalty is provided in section 109(d) shall, upon conviction, be punished by a fine of not more than \$50,000, or by imprisonment for not more than 2 years, or both.

ROYALTY INTEREST, PENALTIES AND PAYMENTS

ROYALTY INTEREST, PENALTIES AND PYAMENTS

Sec.111. (a) In the case of oil and gas leases where royalty payments are not received by the Secretary on the date that such payments are due, or are less than the amount due, the Secretary shall charge interest of such late payments or underpayments at the rate applicable under section 6621 of the Internal Revenue Code of 1954. In the case of any underpayment of partial payment, interest shall be computed and charged only on the amount of the deficiency and not on the total amount due.

(b) Any payment made by the Secretary to a State under section 35 of the Mineral Lands Leasing Act of 1920 (30 U.S.C. 191) and any other payment made by the Secretary to a State from any oil or gas royalty, received by the Secretary which is not paid on the date required under section 35 shall include an interest charge computed at the rate applicable under section 6621 of the Internal Revenue Code of 1954.

Sec. 35

INTEREST ON LATE
ROYALTY PAYMENT

(c) all interest charges collected under this Act or under other applicable laws because of nonpayment, late payment or underpayment of royalties due and owing an Indian tribe or an Indian allottee shall be deposit to the same account as the royalty with respect to which such interest is paid.

(d) Any deposit of royalty fund made by the Secretary to any Indian account which is not made by the date required under subsection 104(b) shall include an interest charge computed at the rate applicable under section 6621 of the Internal Revenue Code of 1954.

(e) Notwithstanding any other provision of law, no State will be assessed for any interest or penalties found to be due against the Secretary for failure to comply with the Emergency Petroleum Allocation Act of 1973 or regulation of the Secretary of Energy thereunder concerning crude oil certification or pricing with respect to crude oil taken by the Secretary in kind as royalty. Any State share of an overcharge, resulting from such failure to comply, shall be assessed against moneys found to be due and owing to such State as a result of audits of royalty accounts for transaction which took place prior to the date of the enactment of this Act except that if found due and owing to any State, the State shall be assessed the balance of that State's share of the overcharged.

(f) Interest shall be charged under this section only for the number of days a payment is late.

(g) The first sentence of section 35 of the Act of February 25, 1920 is amended by inserting "including interest charges collected under the Federal Oil and Gas Royalty Management Act of 1982" between "royalties" and "and".

Sec. 35

ADD FOGRMA

INJUNCTION AND SPECIFIC ENFORCEMENT AUTHORITY

INJUNCTION AND SPECIFIC
ENFORCEMENT AUTHORITY

Sec.112. (a) In addition to any other remedy under this Act or any mineral leasing law, the Attorney General of the United States or his designee may bring a civil action in a district court of the United States, which shall have jurisdiction over such actions—

- (1) to restrain any violation of this Act; or
- (2) to compel the taking of any action required by or under this Act or any mineral leasing law of the United States

(b) A civil action described in subsection (a) may be brought only in the United States district court for the judicial district wherein the act, omission, or transaction constituting a violation under this Act or any other mineral leasing law occurred, or wherein the defendant is found or transact business.

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

REWARDS

Sec.113. Where amounts representing royalty or other payments owed to the United States with respect to any oil and gas lease on Federal lands or the Outer Continental Shelf are recovered pursuant to any action taken by the Secretary under this Act as a result of information provided to the Secretary by any person, the Secretary is authorized to pay to such person an amount equal to not more than 10 percent of such recovered amounts. The preceding sentence shall not apply to information provided by an officer or employees of the United States, an officer or employee of a State or Indian tribe acting pursuant to a cooperative agreement or delegation under this Act, or any person acting pursuant to a contract authorized by this Act.

NONCOMPETITIVE OIL AND GAS LEASE TOYALTY RATES

Sec.114

The Secretary is directed to conduct a through study of the effects of a change in the royalty rate under section 17(c) of the Mineral Leasing Act of 1920 on: (a) the exploration, development, or production oil or gas; and (b) the overall revenues generated by such change. Such study shall be completed and submitted to Congress within six months after the date of enactment of this Act.

REWARDS

NONCOMPETITIVE OIL AND GAS LEASE ROAYLTY RATES

TITLE IV— REINSTATEMENT OF LEASES AND CONVERSION
OF UNPATENTED OIL PLACR CLAIMS

AMENDMENT OF MINERAL LANDS LEASING ACT OF 1920

AMENDMENT OF MINERAL
LANDS LEASING ACT OF 1920

Sec.401. Section 31 of the Mineral Lands Leasing Act of 1920 (30 U.S.C. 188) is amended by redesignating subsection (d) as subsection (j) and by inserting after subsection (c) the following new subsections:

Sec. 31

LEASE TERMINATION

“(d)(1) Where any oil and gas lease issued pursuant to section 17(b) or section 17(c) of this Act 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 produce in paying quantities. In any case where a lease is reinstated under this subsection and the Secretary finds that the reinstatement of such else (A) occurs after the expiration of the primary term of 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 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 prior to enactment of the Federal Oil and Gas Royalty Management Act of 1982:

“(i) the lessee tendered rental prior to enactment of such Act and the final determination that the lease terminated was made by the Secretary or court less than three years before enactment of such Act, and

“(ii) a petition for reinstatement together with the required back rental and royalty accruing from the date of termination, is filed with the Secretary on or before the one hundred and twentieth day after enactment of such Act, or

“(B) with respect to any lease that terminated under subsection (b) of this section on or after enactment of the Federal Oil and Gas Royalty Management Act of 1982, a petition for reinstatement together with the required back rental and royalty accruing from the date of termination is filed on or before the earlier of—

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

“(i) sixty 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) fifteen months after termination of the lease.

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

LEASE REINSTATEMENT

“(1) no valid lease, whether still in existence or not, shall have been issued affecting any of lands covered by the terminated lease prior to the filing of such petition: *Provided, however,* That after receipts 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 regulation issued by him;

BACK RENTALS

“(2) payment of back rentals and either the inclusion in a reinstated lease issued pursuant to the provisions of section 17(b) of this Act of requirement for future rentals at a rate of not less than \$10 per acre per year, or the inclusion in reinstated lease issued pursuant to the provisions of section 17(c) of this Act 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;

BACK RENTALS

“(3)(A) payment of back royalties and the inclusion in a reinstated lease issued pursuant to the provisions of section 17(b) of this Act of a requirement for future royalties at a rate of not less than 16 2/3 percent computed on a sliding scale based upon the average production per well per day, at a rate which shall not be less than 4 percentage points greater than the competitive royalty schedule then in force and used for royalty determination for competitive lease 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:

ROYALTY RATE

“(B) payment of back royalties and inclusion in a reinstated lease issued pursuant to the provision of section 17(c) of this Act of a requirement for future royalties at a rate not less than 16 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 condition 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 Interior and Insular Affairs of the House of Representatives and the Committee of Energy and Natural Resources of the Senate at least thirty days in advance of reinstatement. The lease or a reinstated lease shall reimburse the Secretary for the administrative cost 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) 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 require by section 314 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1744), and it is shown to the satisfaction of the Secretary that such failure was inadvertent, justifiable, or not due to a 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 17 (e) of this Act, 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 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 the date of enactment of the Federal Oil and Gas Royalty Management Act of 1982, on or before the one hundred and twentieth day after such date of enactment, or

“(B) with respect to any claim deemed conclusively abandoned after such date of enactment, on or before the one hundred and twentieth day after final notification by the Secretary or a court of competent 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 ½ percent; and

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

“(g)(1) Except as otherwise provided in this section, a reinstated lease shall be treated as a competitive or noncompetitive oil and gas lease in the same manner as the original lease issued pursuant to section 17(b) or 17(c) of this Act.

“(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 17(c) of this Act.

“(h) The minimum royalty provision of section 17(j) and the provisions of section 89 of this Act shall be applicable to leases issued pursuant to subsection (d) and (f) of this section.

“(i)(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 riled 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 on 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 circumstance which could cause undue hardship or premature termination of production; or because of any written action of the United States, its agent 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.”.

Approved January 12, 1983.

**SUBTITLE B—FEDERAL ONSHORE OIL AND GAS
LEASING REFORM ACT OF 1987**

FEDERAL ONSHORE OIL AND
GAS LEASING REFORM ACT
OF 1987

Sec.5101. SHORT TITLE; REFERENCE

(a) *SHORT TITLE.*—This subtitle may be cited as the “Federal Onshore Oil and Gas Leasing Reform Act of 1987”

(b) *REFERENCE.*—Any reference in this subtitle to the “Act of February 25, 1920,” is a reference to the Act of February 25, 1920, entitled “An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain” (30 U.S.C. 181 and following).

Sec.5102. OIL AND GAS LEASING SYSTEM.

(a) *COMPETITIVE BIDDING.*—Section 17(b)(1) of the Act of February 25, 1920 (30 U.S.C. 226(b)(1)), is amended to read as follows:

“(b)(1)(A) All lands to be leased which are not subject to leasing under paragraph (2) 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 the date of enactment of the Federal Onshore Oil and Gas Leasing Reform Act of 1987. Thereafter, the Secretary 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 Interior and Insular Affairs of the United States House of Representatives and Committee on

ACT OF DECEMBER 22, 1987

Sec. 17 (b) (1)
COMPETITIVE BIDDING

ACREAGE

ORAL BIDDING

ROYALTY

LEASE ISSUANCE

NATIONAL MINIMUM
ACCEPTABLE BID

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

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 102(2)(C) of the National Environmental Policy Act of 1969.”.

(b) **NONCOMPETITIVE LEASING**—Section 17(c) of the Act of February 25, 1920 (30 U.S.C. 226(c)), is amended to read as follows:

“(c)(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 Act shall be entitled to a lease of such lands without competitive bidding, upon payment of a nonrefundable 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 91) 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.”.

(c) **RENTALS**—Section 17(d) of the Act of February 25, 1920 (30 U.S.C. 226(d)), is amended to read follows:

“(d) 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 land leased.”.

(d) **NOTICE AND RECLAMATION**—(1) Section 17 of the Act of February 25, 1920 (30 U.S.C. 226), is amended by redesignating subsections (f) through (k) as subsections (i) through (n) and by adding the following new subsections (f) through (h):

“(f) 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 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

Sec. 17 (c)

NON-COMPETITIVE BIDDING

ROYALTY

NO BIDS RECEIVED

Sec. 17 (c)

RENTAL

ROYALTY

REDESIGNATE Sec. 17 (f) through (k) as (i) through (n)

NOTICE OF LEASE MODIFICATION

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

the appropriate local office of the leasing and land management agencies. Such notice shall include the terms of 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) 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 Act, 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 Act may be granted without the analysis and approval by the Secretary of a plan of operations covering proposed surface-disturbing activities within the lease area. The Secretary concerned shall, by rule or regulations, 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, or corporation, during any period in which, as determined by the Secretary of the Interior or Secretary of Agriculture, such entity has failed or requested 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 which 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 Act.

Sec. 17(g) added
SURFACE DISTURBANCE

“(h) 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.”.

(2) Section 31(h) of the Act of February 25, 1920 (30 U.S.C. 188(h)), is amended by striking out “section 17(j)” and substituting “section 17(m)”.
Sec. 5103. assignments.

Sec. 31(h) changed

Sections 30(a) and 30(b) of the Act of February 25, 1920 (30 U.S.C. 187a, 187b), are redesignated as sections 30A and 30B, respectively, and the third sentence of section 30A, as so redesignated, is amended to read as follows: “The Secretary shall disapprove the assignment

Sec. 30(a) and (b)
DISAPPROVAL OF ASSIGNMENT
OR SUBLEASE

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

or sublease only for lack of qualification of the assignee or sublessee or far 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.

Request 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.”.

Sec.5104. LEASE CANCELLATION.

The first sentence of section 31(b) of the Act of February 25, 1920 (30 U.S.C. 188(b)) is amended to read as follows: “Any lease issued after August 21, 1935, under the provisions of section 17 of this Act 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, of the lease is committed to an approved cooperative or unit plan or communitization agreement under section 17(m) of this Act which contains a well capable of production of unitized substances in paying quantities.”.

Sec. 31(b)

CANCELLATION

Sec.5105. ALASKA NATIONAL INTEREST LANDS CONSERVATION ACT.

Section 1008 of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3148) is amended as follows:

(1) Subsections (c) and (e) are deleted in their entirety.

(2) The second sentence of subsection 1008(d) is deleted.

SEC.516. PENDING APPLICATIONS, OFFERS, AND BIDS.

(a) Notwithstanding any other provision of this subtitle 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 shall be processed, and leases shall be issued under the provisions of 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 laws.

PENDING LEASES

(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. IF any such tract does not receive a bid equal to or greater than the national minimum acceptable bid from a responsible qualified bidder than the noncompetitive applications of offers pending for such a tract shall be reinstated

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments to each section.

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.

Sec.5107. REGULATIONS; TEST SALE.

(a) **REGULATIONS.**—The Secretary shall issue final regulations to implement this subtitle within 180 days after the enactment of this subtitle. 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.

(c) **TEST SALE.**—The Secretary may hold one or more lease sale 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.

Sec.5108. ENFORCEMENT.

The Act of February 25, 1920, is amended by inserting after section 40 of the following new section:

“Sec.41. ENFORCEMENT.

Sec. 41 added
VIOLATIONS

“(a) VIOLATIONS.—It shall be unlawful for any person:

“(1) to organize or participate in any scheme, arrangement, plan, or agreement to circumvent or defeat the provisions of this Act or its implementing regulations, or

“(2) to seek to obtain or to obtain any money or property by means of false statements of material facts of by failing to state material facts concerning:

“(A) the value of any lease or portion thereof issued or to be issued under this Act

“(B) the availability of any land for leasing under this Act;

“(C) the ability of any person to obtain lease under this Act; or

“(D) the provisions of this Act and its implementing regulations.

PENALTY

“(b) PENALTY.—Any person who knowingly violates the provisions of subsection (a) of this section shall be punished by a fine of not more than \$500,000, imprisonment for not more than five years, or both.

“(c) CIVIL ACTIONS.—Whenever it shall appear that any person is engaged, or is about to engage, in any act which constitutes or will constitute a violation of subsection (a) of this section, the Attorney General may institute a civil action in the district court of the United States for the judicial district in which the defendant resides or in which the violations occurred or in which the lease or lands involved is located, for a temporary restraining order, injunction, civil penalty of not more than \$100,000 for each violation, or other appropriate remedy, including but not limited to, a prohibition from participation in exploration, leasing, or development of any Federal mineral, or any combination of the foregoing.

CIVIL ACTION

“(d) CORPORATIONS.—(1) Whenever a corporation or other entity is subject to civil or criminal action under this section, or any officer, employee, or agent of such corporation or entity who knowingly authorized, ordered, or carried out the proscribed activities shall be subject to the same action.

CORPORATIONS

“(2) Whenever any officer, employee, or agent of a corporation or other entity is subject to civil or criminal action under this section for activity conducted on behalf of the corporation or other entity, the corporation or other entity shall be subject to the same action unless it is shown that the officer, employee, or agent was acting without the knowledge or consent of the corporation or other entity.

“(e) REMEDIES, FINES, AND IMPRISONMENT.—the remedies, penalties, fines, and imprisonment prescribed in this section shall be concurrent and cumulative and the exercise of one shall not preclude the exercise of others. Further, the remedies, penalties, fines, and imprisonment prescribed in this section shall be in addition to any other remedies, penalties, fines, and imprisonment afforded by any other law or regulations.

REMEDIES, FINES, AND IMPRISONMENT

“(f) STATE CIVIL ACTIONS.—(1) A State may commence a civil action under subsection (c) of this section against any person conducting activity within the State in violation of this section. Civil actions brought by a State shall only be brought in the United States district court for the judicial district in which the defendant resides or in which the violation occurred or in which the lease or lands involved is located. The district court shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to order appropriate remedies and penalties as described in subsection (c) of this section.

STATE CIVIL ACTIONS

“(2) A State shall notify the Attorney General of the United States of any civil action filed by the State under this subsection within 30 days of filing of the action. The Attorney General of the United States shall notify a State of any civil action arising from activity conducted with the State filed by the Attorney General under this subsection within 30 days of filing of the action.

“(3) Any civil penalties recovered by a State under this subsection shall be retained by the State and may be expended in such manner and for such purposes as the State deems appropriate. If a civil action is jointly brought by the Attorney General and a State, by more than one State or by the Attorney General and more than one State, any civil penalties recovered as a result of the joint action shall be shared by the parties bringing the action in the manner determined by the court rendering judgment in such action.

“(4) If a State has commenced a civil action against a person conducting activity within the State in violation of this section, the Attorney General may join in such action but may not institute a separate action arising from the same activity under this section. If the Attorney General has commenced a civil action against a person conducting activity within a State in violation of this section, that State may join in such action but may not institute a separate action arising from the same activity under this section.

“(5) Nothing in this section shall deprive a State of jurisdiction to enforce its own civil and criminal laws against any person who may also be subject to a civil and criminal action under this section.”.

Sec.5109. PAYMENTS TO STATES.

Section 35 of this Act of February 25, 1920 (30 U.S.C. 191) is amended by adding the following at the end thereof: “In determining the amount of payments to States under this section, the amount of such payments shall not be reduced by any administrative or other costs incurred by the United States.”.

Sec.5110. REPORT.

The Secretary shall submit annually for 5 years after enactment of this subtitle to the Congress a report containing appropriate information to facilitate congressional monitoring of this subtitle. 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 non competitive 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 revived by this subtitle with the system in operations prior to the enactment of this subtitle*

Sec.5111.LAND USE STUDY.

The National Academy of Science 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 provision of the Federal Land Policy and Management Act of 1976 (90 Stat. 2743) and the Secretary of Agriculture in accordance with the Forest and Rangeland Renewable Resource Planning Act of 1974 (88 Stat. 476), as amended by the National Forest Management Act of 1976(90 Stat. 2949),

Sec. 35

PAYMENTS TO STATES

REPORTS

And recommend any improvements and 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 consequence 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.

Sec.5112. LANDS NOT SUBJECT TO OIL AND GAS LEASING.

The Act of February 25, 1920, is amended by adding the following at the end thereof;

“SEC.43. LANDS NOT SUBJECT TO OIL AND GAS LEASING.

Sec. 43 added

“(a) PROHIBITION.—the Secretary shall not issue any oil and gas lease under this Act 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 area 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 resources management plan or have been released to use 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 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.”.

Sec.5113. SHORT TITLE.

The Act of February 25, 1920, is amended by inserting after section 43 the following new section:

Sec. 44 added

“Sec.44. SHORT TITLE.

“This Act may be cited as the ‘Mineral Leasing Act.’”.

ACT OF NOVEMBER 15, 1990

To authorize the Secretary of the Interior to reinstate oil and gas lease LA 033164.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That subsection 31(g) of the Mineral Leasing Act, as amended (30 V.S.C. 188(g)), is amended by adding the following:

"(3) Notwithstanding any other provision of law, any lease issued pursuant to section 14 of this Act 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 .subsection 17(c) of this Act (30 V.S.C. 226(c)) 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 14 of the Act shall, upon renewal on or after enactment of this paragraph, continue for twenty years and so long thereafter as oil or gas is produced in paying quantities."

Sec. 2. (a) Notwithstanding any other provision of law, United States oil and gas leases CALA 033164, CAS 019746C, and CAS 021009B shall be eligible for reinstatement under the terms and conditions set forth in subsections 31(c), (d), and (e) of the Mineral Leasing Act, as amended (30 V.S.C. 188 (c), (d), and (e) applicable to leases issued under section 17(c) of the Mineral Leasing Act (30 U.S.C. 226(c)) except, that, upon reinstatement, such lease shall continue for twenty years and so long thereafter as oil or gas is produced in paying quantities.

(b) Within thirty days after the enactment of this Act, the Secretary of the Interior shall give written notice by registered mail to the last lessees of record for the leases listed in subsection (a) of this section that said lessees may petition for reinstatement in accordance with the procedures and conditions in subsections 31 (c), (d), and (e) of the Mineral Leasing Act, as amended (30 U.S.C. 188(c), (d), and (e)). The lessee shall have sixty days from the date of the Secretary's notice to file such petition. If the Secretary determines that the leases listed in subsection (a) of this section qualify for reinstatement pursuant to subsection 31(d) (30 U.S.C.118(d)), in all respects except for compliance with the deadlines imposed by that provision, the Secretary shall reinstate such leases.

Approved November 15, 1990.

NOTE: Regarding all Mineral Leasing Act sections noted on this page: SEE footnotes listed under the section number to locate subsequent amendments in each section.

FOOTNOTES FOR THE MINERAL LEASING ACT OF 1920
and SUBSEQUENT AMENDMENTS

FOOTNOTES FOR SECTION 1: MINERAL LEASING ACT OF 1920:

1. Sec. 1 is made applicable to the Act of 2/7/27, at p. 19 this text.
2. Sec. 1 is amended by the Act of 8/8/46, at p. 40 this text.
3. Sec. 1 is amended by the Act of 9/2/60, at p. 77 this text.
4. Sec. 1 is further amended by the Act of 11/16/81, at p. 114 this text.

FOOTNOTES FOR SECTION 2: MINERAL LEASING ACT OF 1920

5. Sec. 2 is amended by the Act of 6/3/48, at p. 53-54 this text.
6. Sec. 2 (a)-(b) are amended by the Act of 8/31/64, at p. 79 this text.
7. Sec. 2 (a) is amended by the Act of 8/4/76, at p. 100-102 this text.
8. Sec. 2(b) is amended by the Act of 8/4/76, at p. 102-103 this text.
9. Sec. 2(c)-(d) are REPEALED by Act of 8/4/76, at p. 103 this text.
10. Sec. 2 is amended by adding new subsection, 2(d)(1)-(8), by Act of 8/4/76, at p. 103-104 this text.
11. Sec. 2(a) (1) is further amended by 10/30/78, at p. 112 this text.
12. Sec. 2 is amended by addition by the Act of 11/16/81, at p. 116 this text.

FOOTNOTES FOR SECTION 3: MINERAL LEASING ACT OF 1920

13. Sec. 3 is further amended by the Act of 10/30/78, at p. 112 this text.
14. Sec. 3 is amended by the Act of 6/3/48, at p. 56 this text.
15. Sec. 3 is further amended by the Act of 4/21/76, at p. 107-108 this text.
16. Sec. 3 is amended by the Act of 4/21/76, at p. 107-8, this text. NOTE: There are three references to Sec. 3 on page 107.
17. Sec. 3 is amended by the Act of 10/30/78 at p. 112 this text.
18. Sec. 3 is amended by the Act of 11/16/81, at p. 116 this text.

FOOTNOTES FOR SECTION 4: MINERAL LEASING ACT OF 1920

19. Sec. 4 is REPEALED by 4/21/76, at p. 107 this text.

FOOTNOTES FOR SECTION 7: MINERAL LEASING ACT OF 1920

20. Sec. 7 is amended by the Act of 4/21/76, at p. 104 this text.

FOOTNOTES FOR SECTION 8: MINERAL LEASING ACT OF 1920

21. Sec. 8A is inserted after sec. 8 by the Act of 4/21/76, at p. 104-106 this text.
22. Sec. 8B is inserted after sec. 8A by the Act of 4/21/76, at p. 106 this text.

FOOTNOTES FOR SECTION 9: MINERAL LEASING ACT OF 1920

23. Sec. 9 is amended by the Act of 6/3/48, at p. 54 this text.
24. Sec. 9 is amended and new subsections are added by the Act of 3/18/60, at p. 65 this text.

FOOTNOTES FOR SECTION 10: MINERAL LEASING ACT OF 1920

25. Sec. 10 is amended by the Act of 6/3/48, at p. 54-55 this text.

FOOTNOTES FOR SECTION 11: MINERAL LEASING ACT OF 1920

26. Sec. 11 is amended by the Act of 6/3/48, at p. 55 this text.

FOOTNOTES FOR SECTION 12: MINERAL LEASING ACT OF 1920

27. Sec. 12 is amended by the Act of 6/3/48, at p. 55 this text.
28. Sec. 12 is amended by the Act of 3/18/60, at p. 65 this text.

FOOTNOTES FOR SECTION 13: MINERAL LEASING ACT OF 1920

29. Sec. 13 is amended by the Act of 8/21/35, at p. 30-32 this text.
30. Sec. 13 is made applicable to the Act of 7/29/42, at p. 37 this text.

FOOTNOTES FOR SECTION 14: MINERAL LEASING ACT OF 1920

31. Sec. 14 is amended by the Act of 8/21/35, at p. 32-33 this text.

FOOTNOTES FOR SECTION 16: MINERAL LEASING ACT OF 1920

32. Sec. 16 is amended by the Act of 8/8/46, at p. 40 this text.

FOOTNOTES FOR SECTION 17: MINERAL LEASING ACT OF 1920

33. Sec. 17 is amended by the Act of 7/3/30, at p. 22 this text. NOTE: This amendment EXPIRES 1/31/31. See p. 24 this text.
34. Sec. 17 is amended and reenacted by the Act of 3/4/31, at p. 25-26 this text. 33. Sec. 17 is amended by the Act of 8/21/35, at p. 33-35 this text.
35. Sec. 17 as amended in the Act of 8/21/35 (pages 33-35 this text) is applicable to the Act of 1/8/40, at p. 37 this text.
35. Sec. 17 provisions are applied to the Act of 7/29/42, at p. 37 this text.
36. Sec. 17 is amended and new sections, 17(a) and (b) are added, by the Act of 8/8/46, at p. 40-44 this text.
31. Sec. 17 is amended by the Act of 7/29/54, at p. 58-59 this text. NOTE: There are five references to Sec. 17 at these pages.
38. Sec. 17 is amended by the Act of 6/11/60, at p. 65 this text.
39. Sec. 17, 17(a), and 17(b) are amended by the Act of 9/2/60, at p. 67-71 this text.
40. Sec. 17(b), (c), and (e) are amended by the Act of 11/16/81, at p. 114-115 this text.
41. Sec. 17 is amended by adding sec. 17(k) by the Act of 11/16/81, at p. 115-116 this text.
42. Sec. 17(b) (1), (c), and (d) are amended by the Act of 12/21/87, at p. 132-134 this text.

FOOTNOTES FOR SECTION 21: MINERAL LEASING ACT OF 1920

- 43. Sec. 21 is amended and secs. 21(a) and (b) are added by the Act of 9/2/60, at p. 77 this text. NOTE: There are two references to Sec. 21 on this page.
- 44. Sec. 21(a) and (c) are amended by the Act of 11/16/81, at p. 114 this text.
- 45. Sec. 21 is amended by the Act of 12/30/82, at p. 117-118 this text.

FOOTNOTES FOR SECTION 22: MINERAL LEASING ACT OF 1920

- 46. Sec. 22 is amended by the Act of 7/3/58, at p. 62 this text.

FOOTNOTES FOR SECTION 23: MINERAL LEASING ACT OF 1920

- 47. Sec. 23 is amended by the Act of 12/11/28, at p. 20 this text.

FOOTNOTES FOR SECTION 24: MINERAL LEASING ACT OF 1920

- 48. Sec. 24 is amended by the Act of 12/11/28, at p. 20-21 this text.

FOOTNOTES FOR SECTION 27: MINERAL LEASING ACT OF 1920

- 49. Sec. 27 is amended by the Act of 4/30/26, at p. 18-19 this text.
- 50. Sec. 27 is amended by the Act of 7/3/30, at p. 22-24 this text.
- NOTE: This amendment EXPIRES 1/31/31. See p. 24 this text.
- 51. Sec. 27 is amended by the Act of 8/8/46, at p. 44-46 this text.
- 52. Sec. 27 is amended by the Act of 6/3/48, at p. 55 this text.
- 53. Sec. 27 is amended by the Act of 8/2/54, at p. 60 this text.
- 54. Sec. 27 is amended by the Act of 8/21/58, at p. 63 this text.
- 55. Sec. 27 is amended by the Act of 3/18/60, at p. 65 this text.
- 56. Sec. 27 is amended by the Act of 9/2/60, at p. 71-75 this text.
- 57. Sec. 27 is amended by the Act of 8/31/64, at p. 79 this text.
- 58. Sec. 27(a) (1) is amended by the Act of 4/21/76, at p. 107 this text.
- 59. Sec. 27(a) (2) was REPEALED by the Act of 4/21/76, at p. 107 this text.
- 60. Sec. 27 is amended by the Act of 4/21/76, at p. 108 this text.
- 61. Sec. 27(k) is amended by the Act of 11/16/81, see p. 114 this text.
- 62. Sec. 27(d) (1) is amended by the Act of 11/16/81, see p. 114 this text.

FOOTNOTES FOR SECTION 28: MINERAL LEASING ACT OF 1920

- 63. Sec. 28 is amended by the Act of 8/21/35, at p. 35-36 this text.
- 64. Sec. 28 is amended by the Act of 8/12/53, at p. 57 this text.
- 65. Sec. 28 is amended by the Act of 11/16/73, at p. 91-99 this text.

FOOTNOTES FOR SECTION 30: MINERAL LEASING ACT OF 1920

66. Sec. 30(a) and (b) were added by the Act of 8/8/46, at p. 46-47 this text.
67. Sec. 30(a) is amended by the Act of 7/29/54, at p. 59 this index.
68. Sec. 30(a) is amended by the Act of 9/2/60, at p. 76-77 this text.
69. Sec. 30 is amended by Act of 10/30/78, at p. 112 this index.
70. Sec. 30(a) and (b) are amended by the Act of 12/21/87, at p. 134-135 this text.

FOOTNOTES FOR SECTION 31: MINERAL LEASING ACT OF 1920

71. Sec. 31 is amended by the Act of 8/8/46, at p. 47 this text.
72. Sec. 31 is amended by the Act of 7/29/54, at p. 60 this text.
73. Sec. 31 is amended by the Act of 10/15/62, at p. 78 this text.
74. Sec. 31(c) and (d) are added by 10/15/62, at p. 78 this text.
75. Sec. 31(b) and (0) are amended by Act of 5/12/70, at p. 80 this text.
76. Sec. 31 is amended by Act of 1/12/83, at p. 128 this text.
77. Sec. 31(b) is amended by the Act of 12/21/87, at p. 135 this text.

FOOTNOTES FOR SECTION 34: MINERAL LEASING ACT OF 1920

78. Sec. 34 is amended by the Act of 9/2/60, at p. 77 this text.

FOOTNOTES FOR SECTION 35: MINERAL LEASING ACT OF 1920

79. Sec. 35 is amended and reenacted .by the Act of 5/27/47 at p. 49 this text.
 80. Sec. 35 is amended by the Act of 8/3/50, at p. 57 this text.
 81. Sec. 35 is amended by the Act of 7/10/57, at p. 61 this text.
 82. Sec. 35 is amended by the Act of 4/21/76, at p. 100 this text.
 83. Sec. 35 is amended by the Act of 4/21/76, at p. 106 this text.
 84. Sec. 35 is amended by the Act of B/4/76, at p. 107 this text.
 85. Sec. 35 is amended by title III, 9/28/76, at p. 109 this text.
 86. Sec. 35 is amended by the Act of 10/21/76, at p. 110 this text.
 87. Sec. 35 is amended by the Act of 1/12/83, at p. 121 this text.
 88. Sec. 35 is amended by the Act of 1/12/83, at p. 126 this text.
- NOTE: There are two references to Sec. 35 on this page.
89. Sec. 35 is amended by the Act of 12/22/87, at p. 138 this text.

FOOTNOTES FOR SECTION 36: MINERAL LEASING ACT OF 1920

90. Sec. 36 is amended by the Act of 7/13/46, at p. 39 this text.

FOOTNOTES FOR SECTION 37: MINERAL LEASING ACT OF 1920

91. Sec. 37 is amended by the Act of 10/30/78, at p. 112 this text.

FOOTNOTES FOR SECTION 38: MINERAL LEASING ACT OF 1920

92. Sec. 38 was REPEALED by the Act of 9/6/66, at p. 79 this text.

FOOTNOTES FOR SECTION 39: MINERAL LEASING ACT OF 1920

93. Sec. 39 was added by the Act of 2/9/33, at p. 28 this text.
94. Sec. 39 was added by the Act of 2/9/33, at p. 28 this text.
95. Sec. 39 is amended by the Act of 8/8/46, at p. 47-48 this text.

- 96. Sec. 39 is amended by the Act of 6/3/48, at p. 55-56 this text.
- 97. Sec. 39 is amended by the Act of 4/21/76, at p. 108 this text.
- 98. Sec. 39 is amended by the Act of 11/16/81, at p. 114 this text.

FOOTNOTES FOR SECTION 14 (cont'd): MINERAL LEASING ACT OF 1920

- 99. Sec. 14 is amended by the Act of 11/15/90, at p. 140 this text.

FOOTNOTES FOR SECTION 31 (cont'd): MINERAL LEASING ACT OF 1920

- 100. Sec. 31 is amended by the Act of 11/15/90, at p. 140 this text.

SECTION 40:

Added by Act of 6/16/34, at p. 29 this text.

SECTION 41;

Added by Act of 12/21/87, at p. 136 this text.

SECTION 42:

Added by Act of 9/2/60, at p. 76 this text.

SECTION 43:

Added by Act of 12/21/87, at p. 139 this text.

SECTION 44:

Added by Act of 12/21/87, at p. 139 this text.

PUBLIC LAW 97-382—DEC. 22, 1982

MINERALS MANAGEMENT SERVICE

RECEIVED

FEB 10 1983

ROYALTY MANAGEMENT

INDIAN MINERAL DEVELOPMENT
ACT OF 1982

Public Law 97-382
97th Congress

An Act

Dec. 22, 1982
[S. 1894]

To permit Indian tribes to enter into certain agreements for the disposition of tribal mineral resources, and for other purposes.

Indian Mineral
Development
Act of 1982.
25 USC 2101
note.
Definitions.
25 USC 2101.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Indian Mineral Development Act of 1982".

SEC. 2. For the purposes of this Act, the term—

(1) "Indian" means any individual Indian or Alaska Native who owns land or interests in land the title to which is held in trust by the United States or is subject to a restriction against alienation imposed by the United States;

(2) "Indian tribe" means any Indian tribe, band, nation, pueblo, community, rancheria, colony, or other group which owns land or interests in land title to which is held in trust by the United States or is subject to a restriction against alienation imposed by the United States; and

(3) "Secretary" means the Secretary of the Interior.

25 USC 2102.

SEC. 3. (a) Any Indian tribe, subject to the approval of the Secretary and any limitation or provision contained in its constitution or charter, may enter into any joint venture, operating, production sharing, service, managerial, lease or other agreement, or any amendment, supplement or other modification of such agreement (hereinafter referred to as a "Minerals Agreement") providing for the exploration for, or extraction, processing, or other development of, oil, gas, uranium, coal, geothermal, or other energy or nonenergy mineral resources (hereinafter referred to as "mineral resources") in which such Indian tribe owns a beneficial or restricted interest, or providing for the sale or other disposition of the production or products of such mineral resources.

(b) Any Indian owning a beneficial or restricted interest in mineral resources may include such resources in a tribal Minerals Agreement subject to the concurrence of the parties and a finding by the Secretary that such participation is in the best interest of the Indian.

Minerals
Agreement
approval or
disapproval.
25 USC 2103.

SEC. 4. (a) The Secretary shall approve or disapprove any Minerals Agreement submitted to him for approval within (1) one hundred and eighty days after submission or (2) sixty days after compliance, if required, with section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)) or any other requirement of Federal law, whichever is later. Any party to such an agreement may enforce the provisions of this subsection pursuant to section 1361 of title 28, United States Code.

Enforcement.

(b) In approving or disapproving a Minerals Agreement, the Secretary shall determine if it is in the best interest of the Indian tribe or of any individual Indian who may be party to such agreement and shall consider, among other things, the potential economic return to the tribe; the potential environmental, social, and cultural effects on the tribe; and provisions for resolving disputes that may arise

between the parties to the agreement: *Provided*, That the Secretary shall not be required to prepare any study regarding environmental, socioeconomic, or cultural effects of the implementation of a Minerals Agreement apart from that which may be required under section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)).

(c) Not later than thirty days prior to formal approval or disapproval of any Minerals Agreement, the Secretary shall provide written findings forming the basis of his intent to approve or disapprove such agreement to the affected Indian tribe. Notwithstanding any other law, such findings and all projections, studies, data or other information possessed by the Department of the Interior regarding the terms and conditions of the Minerals Agreement, the financial return to the Indian parties thereto, or the extent, nature, value or disposition of the Indian mineral resources, or the production, products or proceeds thereof, shall be held by the Department of the Interior as privileged proprietary information of the affected Indian or Indian tribe.

(d) The authority to disapprove agreements under this section may only be delegated to the Assistant Secretary of the Interior for Indian Affairs. The decision of the Secretary or, where authority is delegated, of the Assistant Secretary of the Interior for Indian Affairs, to disapprove a Minerals Agreement shall be deemed a final agency action. The district courts of the United States shall have jurisdiction to review the Secretary's disapproval action and shall determine the matter de novo. The burden is on the Secretary to sustain his action.

Delegation of authority.

(e) Where the Secretary has approved a Minerals Agreement in compliance with the provisions of this Act and any other applicable provision of law, the United States shall not be liable for losses sustained by a tribe or individual Indian under such agreement: *Provided*, That the Secretary shall continue to have a trust obligation to ensure that the rights of a tribe or individual Indian are protected in the event of a violation of the terms of any Minerals Agreement by any other party to such agreement: *Provided further*, That nothing in this Act shall absolve the United States from any responsibility to Indians, including those which derive from the trust relationship and from any treaties, Executive orders, or agreement between the United States and any Indian tribe.

Liability

Sec. 5. (a) the Secretary shall review, within ninety days of enactment of this Act, any existing Minerals Agreement, which does not purport to be a lease, entered into by any Indian tribe and approved by the Secretary after January 1, 1975, but prior to enactment of this Act, to determine if such agreement complies with the purposes of this Act. Such review shall be limited to the terms of the agreement and shall not address questions of the parties' compliance therewith. The Secretary shall notify the affected tribe and other parties to the agreement of any modifications necessary to bring an agreement into compliance with the purposes of this Act. The tribe and other parties to such agreement shall within ninety days after notice make such modifications. If such modifications are not made within ninety days, the provisions of this Act may not be used as a defense in any proceeding challenging the validity of the agreement.

Review.
25 USC 2104.

(b) The review required by subsection (a) of this section may be performed prior to the promulgation of regulations required under section 8 of this Act and shall not be considered a Federal action

Limitation.
25 USC 2105.

25 USC 2106.

Rules and
regulations.
25 USC 2107.

25 USC 2108.

25 USC 476, 477.

within the meaning of that term in section 102(2)(C) of the National Environmental Protection Act of 1969 (42 U.S.C. 4332(2)(C)).

SEC. 6. Nothing in this Act shall affect, nor shall any Minerals Agreement approved pursuant to this Act be subject to or limited by, the Act of May 11, 1938 (52 Stat. 347; 25 U.S.C. 396a et seq.), as amended, or any other law authorizing the development or disposition of the mineral resources of an Indian or Indian tribe.

SEC. 7. In carrying out the obligations of the United States, the Secretary shall ensure that upon the request of an Indian tribe or individual Indian and to the extent of his available resources, such tribe or individual Indian shall have available advice, assistance, and information during the negotiation of a Minerals Agreement. The Secretary may fulfill this responsibility either directly through the use of Federal officials and resources or indirectly by providing financial assistance to the Indian tribe or individual Indian to secure independent assistance.

SEC. 8. Within one hundred and eighty days of the date of enactment of this Act, the Secretary of the Interior shall promulgate rules and regulations to facilitate implementation of this Act. The Secretary shall, to the extent practicable, consult with national and regional Indian organizations and tribes with expertise in mineral development both in the initial formulation of rules and regulations and any future revision or amendment of such rules and regulations. Where there is pending before the Secretary for his approval a Minerals Agreement of the type authorized by section 3 of this Act which was submitted prior to the enactment of this Act, the Secretary shall evaluate and approve or disapprove such agreement based upon section 4 of this Act, but shall not withhold or delay such approval or disapproval on the grounds that the rules and regulations implementing this Act have not been promulgated.

SEC. 9. Nothing in this Act shall impair any right of an Indian tribe organized under section 16 or 17 of the Act of June 18, 1934 (48 Stat. 987), as amended, to develop their mineral resources as may be provided in any constitution or charter adopted by such tribe pursuant to that Act.

Approved December 22, 1982.

LEGISLATIVE HISTORY—S. 1894:

HOUSE REPORT: No. 97-746 (Comm. on Interior and Insular Affairs).

SENATE REPORT: No. 97-472 (Comm. on Indian Affairs).

CONGRESSIONAL RECORD, Vol. 128 (1982):

June 30, considered and passed Senate.

Aug. 17, considered and passed House, amended.

Dec 8, Senate concurred in House amendment with an amendment.

Dec 10, House concurred in Senate amendments.

Public Law 97-451
97th Congress

An Act

To ensure that all oil and gas originated on the public lands and on the Outer Continental Shelf are properly accounted for under the direction of the Secretary of the Interior, and for other purposes.

Jan. 12, 1983
 [H.R. 5121]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Federal Oil and
 Gas Royalty
 Management
 Act of 1982.

SHORT TITLE AND TABLE OF CONTENTS

SECTION 1. This Act may be cited as the "Federal Oil and Gas Royalty Management Act of 1982".

30 USC 1701
 note.

TABLE OF CONTENTS

Sec. 1. Short title and table of contents.
 Sec. 2. Findings and purposes.
 Sec. 3. Definitions.

TITLE I—FEDERAL ROYALTY MANAGEMENT AND ENFORCEMENT

Sec. 101. Duties of the Secretary.
 Sec. 102. Duties of lessees, operators, and motor vehicle transporters.
 Sec. 103. Required recordkeeping.
 Sec. 104. Prompt disbursement of royalties.
 Sec. 105. Explanation of payments.
 Sec. 106. Liabilities and bonding.
 Sec. 107. Hearings and investigations.
 Sec. 108. Inspections.
 Sec. 109. Civil penalties.
 Sec. 110. Criminal penalties.
 Sec. 111. Royalty interest penalties and payments.
 Sec. 112. Injunction and specific enforcement authority.
 Sec. 113. Rewards.
 Sec. 114. Noncompetitive oil and gas lease royalty rates.

TITLE II—STATES AND INDIAN TRIBES

Sec. 201. Application of title.
 Sec. 202. Cooperative agreements.
 Sec. 203. Information.
 Sec. 204. State suits under Federal law.
 Sec. 205. Delegation to States.
 Sec. 206. Shared civil penalties.

TITLE III—GENERAL PROVISIONS

Sec. 301. Secretarial authority.
 Sec. 302. Reports.
 Sec. 303. Study of other minerals.
 Sec. 304. Relation to other laws.
 Sec. 305. Effective date.
 Sec. 306. Funding.
 Sec. 307. Statute of limitations.
 Sec. 308. Expanded royalty obligations.
 Sec. 309. Severability.

TITLE IV—REINSTATEMENT OF LEASES AND CONVERSION OF UNPATENTED OIL PLACER CLAIMS

Sec. 401. Amendment of Mineral Lands Leasing Act of 1920.

FINDINGS AND PURPOSES

30 USC 1701.

SEC. 2. (a) Congress finds that—

(1) the Secretary of the Interior should enforce effectively and uniformly existing regulations under the mineral leasing laws providing for the inspection of production activities on lease sites on Federal and Indian lands;

(2) the system of accounting with respect to royalties and other payments due and owing on oil and gas produced from such lease sites is archaic and inadequate;

(3) it is essential that the Secretary initiate procedures to improve methods of accounting for such royalties and payments and to provide for routine inspection of activities related to the production of oil and gas on such lease sites; and

(4) the Secretary should aggressively carry out his trust responsibility in the administration of Indian oil and gas.

(b) It is the purpose of this Act—

(1) to clarify, reaffirm, expand, and define the responsibilities and obligations of lessees, operators, and other persons involved in transportation or sale of oil and gas from the Federal and Indian lands and the Outer Continental Shelf;

(2) to clarify, reaffirm, expand and define the authorities and responsibilities of the Secretary of the Interior to implement and maintain a royalty management system for oil and gas leases on Federal lands, Indian lands, and the Outer Continental Shelf;

(3) to require the development of enforcement practices that ensure the prompt and proper collection and disbursement of oil and gas revenues owed to the United States and Indian lessors and those inuring to the benefit of States;

(4) to fulfill the trust responsibility of the United States for the administration of Indian oil and gas resources; and

(5) to effectively utilize the capabilities of the States and Indian tribes in developing and maintaining an efficient and effective Federal royalty management system.

DEFINITIONS

30 USC 1702.

SEC. 3. For the purposes of this Act, the term—

(1) "Federal land" means all land and interests in land owned by the United States which are subject to the mineral leasing laws, including mineral resources or mineral estates reserved to the United States in the conveyance of a surface or nonmineral estate;

(2) "Indian allottee" means any Indian for whom land or an interest in land is held in trust by the United States or who holds title subject to Federal restriction against alienation;

(3) "Indian lands" means any lands or interest in lands of an Indian tribe or an Indian allottee held in trust by the United States or which is subject to Federal restriction against alienation, including mineral resources and mineral estates reserved to an Indian tribe or an Indian allottee in the conveyance of a surface or nonmineral estate, except that such term does not include any lands subject to the provisions of section 3 of the Act of June 28, 1906 (34 Stat. 539);

(4) "Indian tribe" means any Indian tribe, band, nation, pueblo, community, rancheria, colony, or other group of Indi-

ans, including the Metlakatla Indian Community of Annette Island Reserve, for which any land or interest in land is held by the United States in trust or which is subject to Federal restriction against alienation;

(5) "lease" means any contract, profit-share arrangement, joint venture, or other agreement issued or approved by the United States under a mineral leasing law that authorizes exploration for, extraction of, or removal of oil or gas;

(6) "lease site" means any lands or submerged lands, including the surface of a severed mineral estate, on which exploration for, or extraction or removal of oil or gas is authorized pursuant to a lease;

(7) "lessee" means any person to whom the United States, an Indian tribe, or an Indian allottee, issues a lease, or any person who has been assigned an obligation to make royalty or other payments required by the lease;

(8) "mineral leasing law" means any Federal law administered by the Secretary authorizing the disposition under lease of oil or gas;

(9) "oil or gas" means any oil or gas originating from, or allocated to, the Outer Continental Shelf, Federal, or Indian lands;

(10) "Outer Continental Shelf" has the same meaning as provided in the Outer Continental Shelf Lands Act (Public Law 95-372);

(11) "operator" means any person, including a lessee, who has control of, or who manages operations on, an oil and gas lease site on Federal or Indian lands or on the Outer Continental Shelf;

(12) "person" means any individual, firm, corporation, association, partnership, consortium, or joint venture;

(13) "production" means those activities which take place for the removal of oil or gas, including such removal, field operations, transfer of oil or gas off the lease site, operation monitoring, maintenance, and workover drilling;

(14) "royalty" means any payment based on the value or volume of production which is due to the United States or an Indian tribe or an Indian allottee on production of oil or gas from the Outer Continental Shelf, Federal, or Indian lands, or any minimum royalty owed to the United States or an Indian tribe or an Indian allottee under any provision of a lease;

(15) "Secretary" means the Secretary of the Interior or his designee; and

(16) "State" means the several States of the Union, the District of Columbia, Puerto Rico, the territories and possessions of the United States, and the Trust Territory of the Pacific Islands.

43 USC 1801
note.

TITLE I—FEDERAL ROYALTY MANAGEMENT AND ENFORCEMENT

DUTIES OF THE SECRETARY

SEC. 101. (a) The Secretary shall establish a comprehensive inspection, collection and fiscal and production accounting and, auditing system to provide the capability to accurately determine oil and gas royalties, interest, fines, penalties, fees, deposits, and other pay-

Comprehensive
accounting and
auditing.
30 USC 1711.

ments owed and to collect and account for such amounts in a timely manner.

(b) The Secretary shall—

(1) establish procedures to ensure that authorized and properly identified representatives of the Secretary will inspect at least once annually each lease site producing or expected to produce significant quantities of oil or gas in any year or which has a history of noncompliance with applicable provisions of law or regulation, and

(2) establish and maintain adequate programs providing for the training of all such authorized representatives in methods and techniques of inspection and accounting that will be used in the implementation of this Act.

Lease accounts,
audits.

(c)(1) The Secretary shall audit and reconcile, to the extent practicable, all current and past lease accounts for leases of oil or gas and take appropriate actions to make additional collections or refunds as warranted. The Secretary shall conduct audits and reconciliations of lease accounts in conformity with the business practices and record-keeping systems which were required of the lessee by the Secretary for the period covered by the audit. The Secretary shall give priority to auditing those lease accounts identified by a State or Indian tribe as having significant potential for underpayment. The Secretary may also audit accounts and records of selected lessees and operators.

Contract
authority.

(2) The Secretary may enter into contracts or other appropriate arrangements with independent certified public accountants to undertake audits of accounts and records of any lessee or operator relating to the lease of oil or gas. Selection of such independent certified public accountants shall be by competitive bidding in accordance with the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 252), except that the Secretary may not enter into a contract or other arrangement with any independent certified public accountant to audit any lessee or operator where such lessee or operator is a primary audit client of such certified public accountant.

Availability of
Secretary's
material.

(3) All books, accounts, financial records, reports, files, and other papers of the Secretary, or used by the Secretary, which are reasonably necessary to facilitate the audits required under this section shall be made available to any person or governmental entity conducting audits under this Act.

DUTIES OF LESSEES, OPERATORS, AND MOTOR VEHICLE TRANSPORTERS

30 USC 1712.

Sec. 102. (a) A lessee—

(1) who is required to make any royalty or other payment under a lease or under the mineral leasing laws, shall make such payments in the time and manner as may be specified by the Secretary; and

(2) shall notify the Secretary, in the time and manner as may be specified by the Secretary, of any assignment the lessee may have made of the obligation to make any royalty or other payment under a lease or under the mineral leasing laws.

(b) An operator shall—

(1) develop and comply with a site security plan designed to protect the oil or gas produced or stored on an onshore lease site from theft, which plan shall conform with such minimum stand-

ards as the Secretary may prescribe by rule, taking into account the variety of circumstances at lease sites;

(2) develop and comply with such minimum site security measures as the Secretary deems appropriate to protect oil or gas produced or stored on a lease site or on the Outer Continental Shelf from theft; and

(3) not later than the 5th business day after any well begins production anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off of production for more than 90 days, notify the Secretary, in the manner prescribed by the Secretary, of the date on which such production has begun or resumed.

(c)(1) Any person engaged in transporting by motor vehicle any oil from any lease site, or allocated to any such lease site, shall carry, on his person, in his vehicle, or in his immediate control, documentation showing, at a minimum, the amount, origin, and intended first destination of the oil.

(2) Any person engaged in transporting any oil or gas by pipeline from any lease site, or allocated to any lease site, on Federal or Indian lands shall maintain documentation showing, at a minimum, amount, origin, and intended first destination of such oil or gas.

REQUIRED RECORDKEEPING

SEC. 103. (a) A lessee, operator, or other person directly involved in developing, producing, transporting, purchasing, or selling oil or gas subject to this Act through the point of first sale or the point of royalty computation, whichever is later, shall establish and maintain any records, make any reports, and provide any information that the Secretary may, by rule, reasonably require for the purposes of implementing this Act or determining compliance with rules or orders under this Act. Upon the request of any officer or employee duly designated by the Secretary or any State or Indian tribe conducting an audit or investigation pursuant to this Act, the appropriate records, reports, or information which may be required by this section shall be made available for inspection and duplication by such officer or employee, State, or Indian tribe.

(b) Records required by the Secretary with respect to oil and gas leases from Federal or Indian lands or the Outer Continental Shelf shall be maintained for 6 years after the records are generated unless the Secretary notifies the record holder that he has initiated an audit or investigation involving such records and that such records must be maintained for a longer period. In an case when an audit or investigation is underway, records shall be maintained until the Secretary releases the record holder of the obligation to maintain such records.

30 USC 1713.

Record, report or
information
inspection and
duplication.

PROMPT DISBURSEMENT OF ROYALTIES

SEC. 104. (a) Section 35 of the Mineral Lands Leasing Act of 1920 (approved February 25, 1920; 41 Stat. 437; 30 U.S.C. 191) is amended by deleting "as soon as practicable after March 31 and September 30 of each year" and by adding at the end thereof "Payments to States under this section with respect to any moneys received by the United States, shall be made not later than the last business day of the month in which such moneys are warranted by the United States Treasury to the Secretary as having been received, except for

any portion of such moneys which is under challenge and placed in a suspense account pending resolution of a dispute. Such warrants shall be issued by the United States Treasury not later than 10 days after receipt of such moneys by the Treasury. Moneys placed in a suspense account which are determined to be payable to a State shall be made not later than the last business day of the month in which such dispute is resolved. Any such amount placed in a suspense account pending resolution shall bear interest until the dispute is resolved."

Indian land
royalty funds,
deposits.
30 USC 1714.

(b) Deposits of any royalty funds derived from the production of oil or gas from, or allocated to, Indian lands shall be made by the Secretary to the appropriate Indian account at the earliest practicable date after such funds are received by the Secretary but in no case later than the last business day of the month in which such funds are received.

30 USC 1714
note.

(c) The provisions of this section shall apply with respect to payments received by the Secretary after October 1, 1983, unless the Secretary, by rule, prescribes an earlier effective date.

EXPLANATION OF PAYMENTS

30 USC 1715.

SEC. 105. (a) When any payment (including amounts due from receipt of any royalty, bonus, interest charge, fine, or rental) is made by the United States to a State with respect to any oil or gas lease on Federal lands or is deposited in the appropriate Indian account on behalf of an Indian tribe or Indian allottee with respect to any oil and gas lease on Indian lands, there shall be provided together with such payment, a description of the type of payment being made, the period covered by such payment, the source of such payment, production amounts, the royalty rate, unit value and such other information as may be agreed upon by the Secretary and the recipient State, Indian tribe, or Indian allottee.

(b) This section shall take effect with respect to payments made after October 1, 1983, unless the Secretary, by rule, prescribes an earlier effective date.

LIABILITIES AND BONDING

30 USC 1716.

SEC. 106. A person (including any agent or employee of the United States and any independent contractor) authorized to collect, receive, account for, or otherwise handle any moneys payable to, or received by, the Department of the Interior which are derived from the sale, lease, or other disposal of any oil or gas shall be—

(1) liable to the United States for any losses caused by any intentional or reckless action or inaction of such individual with respect to such moneys; and

(2) in the case of an independent contractor, required as the Secretary deems necessary to maintain a bond commensurate with the amount of money for which such individual could be liable to the United States.

HEARINGS AND INVESTIGATIONS

30 USC 1717.

SEC. 107. (a) In carrying out his duties under this Act the Secretary may conduct any investigation or other inquiry necessary and appropriate and may conduct, after notice, any hearing or audit, necessary and appropriate to carrying out his duties under this Act.

In connection with any such hearings, inquiry, investigation, or audit, the Secretary is also authorized where reasonably necessary—

(1) to require by special or general order, any person to submit in writing such affidavits and answers to questions as the Secretary may reasonably prescribe, which submission shall be made within such reasonable period and under oath or otherwise, as may be necessary;

(2) to administer oaths;

(3) to require by subpoena the attendance and testimony of witnesses and the production of all books, papers, production and financial records, documents, matter, and materials, as the Secretary may request;

(4) to order testimony to be taken by deposition before any person who is designated by the Secretary and who has the power to administer oaths, and to compel testimony and the production of evidence in the same manner as authorized under paragraph (3) of this subsection; and

(5) to pay witnesses the same fees and mileage as are paid in like circumstances in the courts of the United States.

(b) In case of refusal to obey a subpoena served upon any person under this section, the district court of the United States for any district in which such person is found, resides, or transacts business, upon application by the Attorney General at the request of the Secretary and after notice to such person, shall have jurisdiction to issue an order requiring such person to appear and give testimony before the Secretary or to appear and produce documents before the Secretary. Any failure to obey such order of the court may be punished by such court as contempt thereof and subject to a penalty of up to \$10,000 a day.

Affidavits.

Subpena.

Depositions.

Refusal to obey
subpena.

INSPECTIONS

SEC. 108. (a)(1) On any lease site on Federal or Indian lands, any authorized and properly identified representative of the Secretary may stop and inspect any motor vehicle that he has probable cause to believe is carrying oil from a lease site on Federal or Indian lands or allocated to such a lease site, for the purpose of determining whether the driver of such vehicle has documentation related to such oil as required by law.

(2) Any authorized and properly identified representative of the Secretary, accompanied by any appropriate law enforcement officer, or an appropriate law enforcement officer alone, may stop and inspect any motor vehicle which is not on a lease site if he has probable cause to believe the vehicle is carrying oil from a lease site on Federal or Indian lands or allocated to such a lease site. Such inspection shall be for the purpose of determining whether the driver of such vehicle has the documentation required by law.

(b) Authorized and properly identified representatives of the Secretary may without advance notice, enter upon, travel across and inspect lease sites on Federal or Indian lands and may obtain from the operator immediate access to secured facilities on such lease sites, for the purpose of making any inspection or investigation for determining whether there is compliance with the requirements of the mineral leasing laws and this Act. The Secretary shall develop guidelines setting forth the coverage and the frequency of such inspections.

30 USC 1718.

(c) For the Purpose of making any inspection or investigation under this Act, the Secretary shall have the same right to enter upon or travel across any lease site as the lessee or operator has acquired by purchase, condemnation, or otherwise.

CIVIL PENALTIES

Noncompliance
with
requirements or
inspections.
30 USC 1719.

SEC. 109. (a) Any person who—

(1) after due notice of violation or after such violation has been reported under subparagraph (A), fails or refuses to comply with any requirement of this Act or any mineral leasing law, any rule or regulation thereunder, or the terms of any lease or permit issued thereunder; or

(2) fails to permit inspection authorized in section 108 or fails to notify the Secretary of any assignment under section 102(a)(2) shall be liable for a penalty of up to \$500 per violation for each day such violation continues, dating from the date of such notice or report. A penalty under this subsection may not be applied to any person who is otherwise liable for a violation of paragraph (1) if:

(A) the violation was discovered and reported to the Secretary or his authorized representative by the liable person and corrected within 20 days after such report or such longer time as the Secretary may agree to; or

(B) after the due notice of violation required in paragraph (1) has been given to such person by the Secretary or his authorized representative, such person has corrected the violation within 20 days of such notification or such longer time as the Secretary may agree to.

(b) If corrective action is not taken within 40 days or a longer period as the Secretary may agree to, after due notice or the report referred to in subsection (a)(1), such person shall be liable for a civil penalty of not more than \$5,000 per violation for each day such violation continues, dating from the date of such notice or report.

(c) Any person who—

(1) knowingly or willfully fails to make any royalty payment by the date as specified by statute, regulation, order or terms of the lease;

(2) fails or refuses to permit lawful entry, inspection, or audit;
or

(3) knowingly or willfully fails or refuses to comply with subsection 102(b)(3),

shall be liable for a penalty of up to \$10,000 per violation for each day such violation continues.

(d) Any person who—

(1) knowingly or willfully prepares, maintains, or submits false, inaccurate, or misleading reports, notices, affidavits, records data, or other written reformation;

(2) knowingly or willfully takes or removes, transports, uses or diverts any oil or gas from any lease site without having valid legal authority to do so; or

(3) purchases, accepts, sells, transports, or conveys to another, any oil or gas knowing or having reason to know that such oil or gas was stolen or unlawfully removed or diverted,

shall be liable for a penalty of up to \$25,000 per violation for each day such violation continues.

False
information.

Stolen or
unlawfully
removed oil and
gas.

(e) No penalty under this section shall be assessed until the person charged with a violation has been given the opportunity for a hearing on the record.

Hearing.

(f) The amount of any penalty under this section, as finally determined may be deducted from any sums owing by the United States to the person charged.

(g) On a case-by-case basis the Secretary may compromise or reduce civil penalties under this section.

(h) Notice under this subsection (a) shall be by personal service by an authorized representative of the Secretary or by registered mail. Any person may, in the manner prescribed by the Secretary, designate a representative to receive any notice under this subsection.

(i) In determining the amount of such penalty, or whether it should be remitted or reduced, and in what amount, the Secretary shall state on the record the reasons for his determinations.

(j) Any person who has requested a hearing in accordance with subsection (e) within the time the Secretary has prescribed for such a hearing and who is aggrieved by a final order of the Secretary under this section may seek review of such order in the United States district court for the judicial district in which the violation allegedly took place. Review by the district court shall be only on the administrative record and not de novo. Such an action shall be barred unless filed within 90 days after the Secretary's final order.

Review of administrative record.

(k) If any person fails to pay an assessment of a civil penalty under this Act—

Failure to pay assessments.

(1) after the order making the assessment has become a final order and if such person does not file a petition for judicial review of the order in accordance with subsection (j), or

(2) after a court in an action brought under subsection (j) has entered a final judgment in favor of the Secretary,

the court shall have jurisdiction to award the amount assessed plus interest from the date of the expiration of the 90-day period referred to in subsection (j). Judgment by the court shall include an order to pay.

(1) No person shall be liable for a civil penalty under subsection (a) or (b) for failure to pay any rental for any lease automatically terminated pursuant to section 31 of the Mineral Leasing Act of 1920.

CRIMINAL PENALTIES

30 USC 188.

SEC. 110. Any person who commits an act for which a civil penalty is provided in section 109(d) shall, upon conviction, be punished by a fine of not more than \$50,000, or by imprisonment for not more than 2 years, or both.

30 USC 1720.

ROYALTY INTEREST, PENALTIES AND PAYMENTS

SEC. 111. (a) In the case of oil and gas leases where royalty payments are not received by the Secretary on the date that such payments are due, or are less than the amount due, the Secretary shall charge interest on such late payments or underpayments at the rate applicable under section 6621 of the Internal Revenue Code of 1954. In the case of an underpayment or partial payment, interest shall be computed and charged only on the amount of the deficiency and not on the total amount due.

30 USC 1721.

26 USC 6621.

- 26 USC 6621. Interest deposit to Indian account.
- Indian royalty funds, late deposit.
- 26 USC 6621.
- 15 USC 751 note.
- 30 USC 191.
- (b) Any payment made by the Secretary to a State under section 35 of the Mineral Lands Leasing Act of 1920 (30 U.S.C. 191) and any other payment made by the Secretary to a State from any oil or gas royalty received by the Secretary which is not paid on the date required under section 35 shall include an interest charge computed at the rate applicable under section 6621 of the Internal Revenue Code of 1954.
- (c) All interest charges collected under this Act or under other applicable laws because of nonpayment, late payment or underpayment of royalties due and owing an Indian tribe or an Indian allottee shall be deposited to the same account as the royalty with respect to which such interest is paid.
- (d) Any deposit of royalty funds made by the Secretary to an Indian account which is not made by the date required under subsection 104(b) shall include an interest charge computed at the rate applicable under section 6621 of the Internal Revenue Code of 1954.
- (e) Notwithstanding any other provision of law, no State will be assessed for an interest or penalties found to be due against the Secretary for failure to comply with the Emergency Petroleum Allocation Act of 1973 or regulation of the Secretary of Energy thereunder concerning crude oil certification or pricing with respect to crude oil taken by the Secretary in kind as royalty. Any State share of an overcharge, resulting from such failure to comply, shall be assessed against moneys found to be due and owing to such State as a result of audits of royalty accounts for transactions which took place prior to the date of the enactment of this Act except that if after the completion of such audits, sufficient moneys have not been found due and owing to any State, the State shall be assessed the balance of that State's share of the overcharge.
- (f) Interest shall be charged under this section only for the number of days a payment is late.
- (g) The first sentence of section 35 of the Act of February 25, 1920 is amended by inserting "including interest charges collected under the Federal Oil and Gas Royalty Management Act of 1982" between "royalties" and "and".

INJUNCTION AND SPECIFIC ENFORCEMENT AUTHORITY

Civil action by Attorney General.
30 USC 1722.

SEC. 112. (a) In addition to any other remedy under this Act or any mineral leasing law, the Attorney General of the United States or his designee may bring a civil action in a district court of the United States, which shall have jurisdiction over such actions—

(1) to restrain any violation of this Act; or

(2) to compel the taking of any action required by or under this Act or any mineral leasing law of the United States.

(b) A civil action described in subsection (a) may be brought only in the United States district court for the judicial district wherein the act, omission, or transaction constituting a violation under this Act or any other mineral leasing law occurred, or wherein the defendant is found or transacts business.

REWARDS

30 USC 1723.

SEC. 113. Where amounts representing royalty or other payments owed to the United States with respect to any oil and gas lease on Federal lands or the Outer Continental Shelf are recovered pursu-

ant to any action taken by the Secretary under this Act as a result of information provided to the Secretary by any person, the Secretary is authorized to pay to such person an amount equal to not more than 10 percent of such recovered amounts. The preceding sentence shall not apply to information provided by an officer or employee of the United States, an officer or employee of a State or Indian tribe acting pursuant to a cooperative agreement or delegation under this Act, or any person acting pursuant to a contract authorized by this Act.

NONCOMPETITIVE OIL AND GAS LEASE ROYALTY RATES

SEC. 114. The Secretary is directed to conduct a thorough study of the effects of a change in the royalty rate under section 17(c) of the Mineral Leasing Act of 1920 on: (a) the exploration, development, or production of oil or gas; and (b) the overall revenues generated by such change. Such study shall be completed and submitted to Congress within six months after the date of enactment of this Act.

Study.

30 USC 226.

Submittal to Congress.

TITLE II—STATES AND INDIAN TRIBES

APPLICATION OF TITLE

SEC. 201. This title shall apply only with respect to oil and gas leases on Federal lands or Indian lands. Nothing in this title shall be construed to apply to any lease on the Outer Continental Shelf.

30 USC 1731.

COOPERATIVE AGREEMENTS

SEC. 202. (a) The Secretary is authorized to enter into a cooperative agreement or agreements with any State or Indian tribe to share oil or gas royalty management information, to carry out inspection, auditing, investigation or enforcement (not including the collection of royalties, civil or criminal penalties or other payments) activities under this Act in cooperation with the Secretary, and to carry out any other activity described in section 108 of this Act. The Secretary shall not enter into any such cooperative agreement with a State with respect to an such activities on Indian lands, except with the permission of the Indian tribe involved.

30 USC 1732.

(b) Except as provided in section 203, and pursuant to a cooperative agreement—

(1) each State shall, upon request, have access to all royalty accounting information in the possession of the Secretary respecting the production, removal, or sale of oil or gas from leases on Federal lands within the State; and

(2) each Indian tribe shall, upon request, have access to all royalty accounting information in the possession of the Secretary respecting the production, removal, or sale of oil or gas from leases on Indian lands under the jurisdiction of such tribe.

Information shall be made available under paragraphs (1) and (2) as soon as practicable after it comes into the possession of the Secretary. Effective October 1, 1983, such information shall be made available under paragraphs (1) and (2) not later than 30 days after such information comes into the possession of the Secretary.

Information availability.
Effective date.

(c) Any cooperative agreement entered into pursuant to this section shall be in accordance with the provisions of the Federal Grant and cooperative Agreement Act of 1977, and shall contain such

41 USC 501 note.

terms and conditions as the Secretary deems appropriate and consistent with the purposes of this Act, including, but not limited to, a limitation on the use of Federal assistance to those costs which are directly required to carry out the agreed upon activities.

INFORMATION

Trade secrets and proprietary and confidential information, availability.
30 USC 1733.

SEC. 203. (a) Trade secrets, proprietary and other confidential information shall be made available by the Secretary, pursuant to a cooperative agreement, to a State or Indian tribe upon request only if—

(1) such State or Indian tribe consents in writing to restrict the dissemination of the information to those who are directly involved in an audit or investigation under this Act and who have a need to know;

(2) such State or tribe accepts liability for wrongful disclosure;

(3) in the case of a State, such State demonstrates that such information is essential to the conduct of an audit or investigation or to litigation under section 204; and

(4) in the case of an Indian tribe, such tribe demonstrates that such information is essential to the conduct of an audit or investigation and waives sovereign immunity by express consent for wrongful disclosure by such tribe.

Liability for wrongful disclosure.

(b) The United States shall not be liable for the wrongful disclosure by any individual, State, or Indian tribe of any information provided to such individual, State, or Indian tribe pursuant to any cooperative agreement or a delegation, authorized by this Act.

(c) Whenever any individual, State, or Indian tribe has obtained possession of information pursuant to a cooperative agreement authorized by this section, or any individual or State has obtained possession of information pursuant to a delegation under section 205, the individual shall be subject to the same provisions of law with respect to the disclosure of such information as would apply to an officer or employee of the United States or of any department or agency thereof and the State or Indian tribe shall be subject to the same provisions of law with respect to the disclosure of such information as would apply to the United States or any department or agency thereof. No State or State officer or employee who receives trade secrets, proprietary information, or other confidential information under this Act may be required to disclose such information under State law.

STATE SUITS UNDER FEDERAL LAW

30 USC 1734.

SEC. 204. (a)(1) A State may commence a civil action under this section against any person to recover any royalty, interest, or civil penalty which the State believes is due, based upon credible evidence, with respect to any oil and gas lease on Federal lands located within the State.

(2)(A) No action may be commenced under paragraph (1) prior to 90 days after the State has given notice in writing to the Secretary of the payment required. Such 90-day limitation may be waived by the Secretary on a case-by-case basis.

(B) If, within the 90-day period specified in subparagraph (A), the Secretary issues a demand for the payment concerned, no action may be commenced under paragraph (1) with respect to such payment during a 45-day period after issuance of such demand. If,

during such 45-day period, the Secretary receives payment in full, no action may be commenced under paragraph (1).

(C) If the Secretary refers the case to the Attorney General of the United States within the 45-day period referred to in subparagraph (B) or within 10 business days after the expiration of such 45-day period, no action may be commenced under paragraph (1) if the Attorney General, within 45 days after the date of such referral, commences, and thereafter diligently prosecutes, a civil action in a court of the United States with respect to the payment concerned.

(3) The State shall notify the Secretary and the Attorney General of the United States of any suit filed by the State under this section.

(4) A court in issuing any final order in any action brought under paragraph (1) may award costs of litigation including reasonable attorney and expert witness fees, to any party in such action if the court determines such an award is appropriate.

(b) An action brought under subsection (a) of this section may be brought only in a United States district court for the judicial district in which the lease site or the leasing activity complained of is located. Such district court shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to require compliance or order payment in any such action.

(c)(1) Notwithstanding any other provision of law, any civil penalty recovered by a State under subsection (a) shall be retained by the State and may be expended in such manner and for such purposes as the State deems appropriate.

(2) Any rent, royalty, or interest recovered by a State under subsection (a) shall be deposited in the Treasury of the United States in the same manner, and subject to the same requirements, as are applicable in the case of any rent, royalty, or interest collected by an officer or employee of the United States, except that such amounts shall be deposited in the Treasury not later than 10 days after receipt by the State.

DELEGATION TO STATES

SEC. 205. (a) Upon written request of any State, the Secretary is authorized to delegate, in accordance with the provisions of this section, all or part of the authorities and responsibilities of the Secretary under this Act to conduct inspections, audits, and investigations to any State with respect to all Federal lands or Indian lands within the State; except that the Secretary may not undertake such a delegation with respect to any Indian lands, except with the permission of the Indian tribe allottee involved.

(b) After notice and opportunity for a hearing, the Secretary is authorized to delegate such authorities and responsibilities granted under this section as the State has requested, if the Secretary finds that—

(1) it is likely that the State will provide adequate resources to achieve the purposes of this Act;

(2) the State has demonstrated that it will effectively and faithfully administer the rules and regulations of the Secretary under this Act in accordance with the requirements of subsections (c) and (d) of this section; and

(3) such delegation will not create an unreasonable burden on any lessee,

with respect to the Federal lands and Indian lands within the State.

Notification of
Secretary and
Attorney
General.

30 USC 1735.

Hearing.

Regulations. (c) The Secretary shall promulgate regulations which define those functions, if any, which must be carried out jointly in order to avoid duplication of effort, and any delegation to any State must be made in accordance with those requirements.

Standards. (d) The Secretary shall by rule promulgate standards and regulations, pertaining to the authorities and responsibilities under subsection (a), including standards and regulations pertaining to:

- (1) audits performed;
- (2) records and accounts to be maintained; and
- (3) reporting procedures to be required by States under this section.

Such standards and regulations shall be designed to provide reasonable assurance that a uniform and effective royalty management system will prevail among the States. The records and accounts under paragraph (2) shall be sufficient to allow the Secretary to monitor the performance of any State under this section.

Hearing. (e) If, after notice and opportunity for a hearing, the Secretary finds that any State to which any authority or responsibility of the Secretary has been delegated under this section is in violation of any requirement of this section or any rule thereunder, or that an affirmative finding by the Secretary under subsection (b) can no longer be made, the Secretary may revoke such delegation.

(f) The Secretary shall compensate any State for those costs which may be necessary to carry out the delegated activities under this section. Payment shall be made no less than every quarter during the fiscal year.

SHARED CIVIL PENALTIES

30 USC 1736. SEC. 206. An amount equal to 50 per centum of any civil penalty collected by the Federal Government under this Act resulting from activities conducted by a State or Indian tribe pursuant to a cooperative agreement under section 202 or a State under a delegation under section 205, shall be payable to such State or tribe. Such amount shall be deducted from any compensation due such State or Indian tribe under section 202 or such State under section 205.

TITLE III—GENERAL PROVISIONS

SECRETARIAL AUTHORITY

Regulations. 30 USC 1751. SEC. 301. (a) The Secretary shall prescribe such rules and regulations as he deems reasonably necessary to carry out this Act.

(b) Rules and regulations issued to implement this Act shall be issued in conformity with section 553 of title 5 of the United States Code, notwithstanding section 553(a)(2) of that title.

Contracts. (c) In addition to entering into cooperative agreements or delegation of authority authorized under this Act, the Secretary may contract with such non-Federal Government inspectors, auditors, and other persons as he deems necessary to aid in carrying out his functions under this Act and its implementation. With respect to his auditing and enforcement functions under this Act, the Secretary shall coordinate such functions so as to avoid to the maximum extent practicable, subjecting lessees, operators, or other persons to audits or investigations of the same subject matter by more than one auditing or investigating entity at the same time.

REPORTS

SEC. 302. (a) The Secretary shall submit to the Congress an annual report on the implementation of this Act. The information to be included in the report and the format of the report shall be developed by the Secretary after consulting with the Committees on Interior and Insular Affairs of the House of Representatives and on Energy and Natural Resources of the Senate. The Secretary shall also report on the progress of the Department in reconciling account balances.

Submittal to Congress.
30 USC 1752.

(b) Commencing with fiscal year 1984, the Inspector General of the Department of the Interior shall conduct a biennial audit of the Federal royalty management system. The Inspector General shall submit the results of such audit to the Secretary and to the Congress.

Biennial audit, submittal to Secretary and Congress.

STUDY OF OTHER MINERALS

SEC. 303. (a) The Secretary shall study the question of the adequacy of royalty management for coal, uranium and other energy and nonenergy minerals on Federal and Indian lands. The study shall include proposed legislation if the Secretary determines that such legislation is necessary to ensure prompt and proper collection of revenues owed to the United States, the States and Indian tribes or Indian allottees from the sale, lease or other disposal of such minerals.

30 USC 1752 note.

(b) The study required by subsection (a) of this section shall be submitted to Congress not later than one year from the date of the enactment of this Act.

Submittal to Congress.

RELATION TO OTHER LAWS

SEC. 304. (a) The penalties and authorities provided in this Act are supplemental to, and not in derogation of, any penalties or authorities contained in any other provision of law.

30 USC 1753.

(b) Nothing in this Act shall be construed to reduce the responsibilities of the Secretary to ensure prompt and proper collection of revenues from coal, uranium and other energy and nonenergy minerals on Federal and Indian lands, or to restrain the Secretary from entering into cooperative agreements or other appropriate arrangements with States and Indian tribes to share royalty management responsibilities and activities for such minerals under existing authorities.

(c) Except as expressly provided in subsection 302(b), nothing in this Act shall be construed to enlarge, diminish, or otherwise affect the authority or responsibility of the Inspector General of the Department of the Interior or of the Comptroller General of the United States.

(d) No provision of this Act impairs or affects lands and interests in land entrusted to the Tennessee Valley Authority.

EFFECTIVE DATE

SEC. 305. The provisions of this Act shall apply to oil and gas leases issued before, on, or after the date of the enactment of this Act, except that in the case of a lease issued before such date, no

30 USC 1701 note.

provision of this Act or any rule or regulation prescribed under this Act shall alter the express and specific provisions of such a lease.

FUNDING

- 30 USC 1754. SEC. 306. Effective October 1, 1983, there are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act, including such sums as may be necessary for the cooperative agreements, contracts, and delegations authorized by this Act: *Provided*, That nothing in this Act shall be construed to affect or impair any authority to enter into contracts or make payments under any other provision of law.

STATUTE OF LIMITATIONS

- 30 USC 1755. SEC. 307. Except in the case of fraud, any action to recover penalties under this Act shall be barred unless the action is commenced within 6 years after the date of the act or omission which is the basis for the action.

EXPANDED ROYALTY OBLIGATIONS

- 30 USC 1756. SEC. 308. Any lessee is liable for royalty payments on oil or gas lost or wasted from a lease site when such loss or waste is due to negligence on the part of the operator of the lease, or due to the failure to comply with any rule or regulation, order or citation issued under this Act or any mineral leasing law.

SEVERABILITY

- 30 USC 1757. SEC. 309. If any provision of this Act or the applicability thereof to any person or circumstances is held invalid, the remainder of this Act and the application of such provision to other persons or circumstances shall not be affected thereby.

TITLE IV—REINSTATEMENT OF LEASES AND CONVERSION OF UNPATENTED OIL PLACER CLAIMS

AMENDMENT OF MINERAL LANDS LEASING ACT OF 1920

SEC. 401. Section 31 of the Mineral Lands Leasing Act of 1920 (30 U.S.C. 188) is amended by redesignating subsection (d) as subsection (j) and by inserting after subsection (c) the following new subsections:

- 30 USC 226. “(d)(l) Where any oil and gas lease issued pursuant to section 17(b) or section 17(c) of this Act 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 prior to enactment of the Federal Oil and Gas Royalty Management Act of 1982:

"(i) the lessee tendered rental prior to enactment of such Act and the final determination that the lease terminated was made by the Secretary or a court less than three years before enactment of such Act, and

"(ii) a petition for reinstatement together with the required back rental and royalty accruing from the date of termination, is filed with the Secretary on or before the one hundred and twentieth day after enactment of such Act, or

"(B) with respect to any lease that terminated under subsection (b) of this section on or after enactment of the Federal Oil and Gas Royalty Management Act of 1982, a petition for reinstatement together with the required back rental and royalty accruing from the date of termination is filed on or before the earlier of—

"(i) sixty 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) fifteen months after termination of the lease.

"(e) 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 17(b) of this Act 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 17(c) of this Act 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 17(b) of this Act of a requirement for future royalties at a rate of not less than 16²/₃ 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

Ante, p. 2447.

Reinstatement
conditions.

30 USC 226.

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;

“(B) payment of back royalties and inclusion in a reinstated lease issued pursuant to the provisions of section 17(c) of this Act of a requirement for future royalties at a rate not less than 16 ¹/₂ 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

publication in
Federal

“(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 Interior and Insular Affairs 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.

Cost of
publication in
Federal
Register.

“(f) 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 314 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1744), 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 17(e) of this Act, to be effective from the statutory date the claim was deemed conclusively abandoned. Issuance of such a lease shall be conditioned upon:

30 USC 226.

“(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 the date of enactment of the Federal Oil and Gas Royalty Management Act of 1982, on or before the one hundred and twentieth day after such date of enactment, or

“(B) with respect to any claim deemed conclusively abandoned after such date of enactment, on or before the one hundred and twentieth day after final notification by the Secretary or a court of competent jurisdiction of the deter-

Ante, p. 2447.

mination 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 12½ percent; and

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

“(g)(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 17(b) or 17(c) of this Act.

30 USC 226.

“(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 17(c) of this Act.

“(h) The minimum royalty provisions of section 17(j) and the provisions of section 39 of this Act shall be applicable to leases issued pursuant to subsections (d) and (f) of this section.

30 USC 209.

“(i)(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 judg-

ment, 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."

Approved January 12, 1983.

LEGISLATIVE HISTORY—H.R. 5121 (S. 2305):

HOUSE REPORT No. 97-859 (Comm. on Interior and Insular Affairs).

SENATE REPORT No. 97-512 accompanying S. 2305 (Comm. on Energy and Natural Resources).

CONGRESSIONAL RECORD, Vol. 128 (1982):

Sept. 29, considered and passed House.

Dec. 6, considered and passed Senate, amended, in lieu of H.R. 5121.

Dec. 13, House concurred in Senate amendments with an amendment.

Dec. 16, Senate concurred in House amendment with an amendment.

Dec. 18, House concurred in Senate amendment with an amendment.

Dec. 21, Senate disagreed to House amendment; House receded from its amendment and concurred in Senate amendment.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 19, No. 2 (1983):

Jan. 12, Presidential statement.

PUBLIC LAW 104-185—AUG. 13, 1996

FEDERAL OIL AND GAS ROYALTY
SIMPLIFICATION AND FAIRNESS ACT OF 1996

Public Law 104-185
104th Congress

An Act

Aug. 13, 1996
[H.R. 1975]

To improve the management of royalties from Federal and Outer Continental Shelf oil and gas leases, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Federal Oil and Gas Royalty Simplification and Fairness Act of 1996.
30 USC 1701 note.
30 USC 1702.

SECTION 1. SHORT TITLE.

This Act may be cited as the “Federal Oil and Gas Royalty Simplification and Fairness Act of 1996”.

SEC. 2. DEFINITIONS.

Section 3 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1701 et seq.) is amended—

(1) by amending paragraph (7) to read as follows:

“(7) ‘lessee’ means any person to whom the United States issues an oil and gas lease or any person to whom operating rights in a lease have been assigned;” and

(2) by striking “and” at the end of paragraph (15), by striking the period at the end of paragraph (16) and inserting a semicolon, and by adding at the end the following:

“(17) ‘adjustment’ means an amendment to a previously filed report on an obligation, and any additional payment or credit, if any, applicable thereto, to rectify an underpayment or overpayment on an obligation;

“(18) ‘administrative proceeding’ means any Department of the Interior agency process in which a demand, decision or order issued by the Secretary or a delegated State is subject to appeal or has been appealed;

“(19) ‘assessment’ means any fee or charge levied or imposed by the Secretary or a delegated State other than—

“(A) the principal amount of any royalty, minimum royalty, rental bonus, net profit share or proceed of sale;

“(B) any interest; or

“(C) any civil or criminal penalty;

“(20) ‘commence’ means—

“(A) with respect to a judicial proceeding, the service of a complaint, petition, counterclaim, cross claim, or other pleading seeking affirmative relief or seeking credit or recoupment: *Provided*, That if the Secretary commences a judicial proceeding against a designee, the Secretary shall give notice of that commencement to the lessee who designated the designee, but the Secretary is not required to give notice to other lessees who may be liable pursuant to section 102(a) of this Act, for the obligation that is the subject of the judicial proceeding; or

“(B) with respect to a demand, the receipt by the Secretary or a delegated State or a lessee or its designee (with written notice to the lessee who designated the designee) of the demand;

“(21) ‘credit’ means the application of an overpayment (in whole or in part) against an obligation which has become due to discharge, cancel or reduce the obligation;

“(22) ‘delegated State’ means a State which, pursuant to an agreement or agreements under section 205 of this Act, performs authorities, duties, responsibilities, or activities of the Secretary;

“(23) ‘demand’ means—

“(A) an order to pay issued by the Secretary or the applicable delegated State to a lessee or its designee (with written notice to the lessee who designated the designee) that has a reasonable basis to conclude that the obligation in the amount of the demand is due and owing; or

“(B) a separate written request by a lessee or its designee which asserts an obligation due the lessee or its designee that provides a reasonable basis to conclude that the obligation in the amount of the demand is due and owing, but does not mean any royalty or production report, or any information contained therein, required by the Secretary or a delegated State;

“(24) ‘designee’ means the person designated by a lessee pursuant to section 102(a) of this Act, with such written designation effective on the date such designation is received by the Secretary and remaining in effect until the Secretary receives notice in writing that the designation is modified or terminated;

“(25) ‘obligation’ means—

“(A) any duty of the Secretary or, if applicable, a delegated State—

“(i) to take oil or gas royalty in kind; or

“(ii) to pay, refund, offset, or credit monies including (but not limited to)—

“(I) the principal amount of any royalty, minimum royalty, rental, bonus, net profit share or proceed of sale; or

“(II) any interest; and

“(B) any duty of a lessee or its designee (subject to the provision of section 102(a) of this Act)—

“(i) to deliver oil or gas royalty in kind; or

“(ii) to pay, offset or credit monies including (but not limited to)—

“(I) the principal amount of any royalty, minimum royalty, rental, bonus, net profit share or proceed of sale;

“(II) any interest;

“(III) any penalty; or

“(IV) any assessment,

which arises from or relates to any lease administered by the Secretary for, or any mineral leasing law related to, the exploration, production and development of oil or gas on Federal lands or the Outer Continental Shelf;

“(26) ‘order to pay’ means a written order issued by the Secretary or the applicable delegated State to a lessee or its

designee (with notice to the lessee who designated the designee) which—

“(A) asserts a specific, definite, and quantified obligation claimed to be due, and

“(B) specifically identifies the obligation by lease, production month and monetary amount of such obligation claimed to be due and ordered to be paid, as well as the reason or reasons such obligation is claimed to be due, but such term does not include any other communication or action by or on behalf of the Secretary or a delegated State;

“(27) ‘overpayment’ means any payment by a lessee or its designee in excess of an amount legally required to be paid on an obligation and includes the portion of any estimated payment for a production month that is in excess of the royalties due for that month;

“(28) ‘payment’ means satisfaction, in whole or in part, of an obligation;

“(29) ‘penalty’ means a statutorily authorized civil fine levied or imposed for a violation of this Act, any mineral leasing law, or a term or provision of a lease administered by the Secretary;

“(30) ‘refund’ means the return of an overpayment;

“(31) ‘State concerned’ means, with respect to a lease, a State which receives a portion of royalties or other payments under the mineral leasing laws from such lease;

“(32) ‘underpayment’ means any payment or nonpayment by a lessee or its designee that is less than the amount legally required to be paid on an obligation; and

“(33) ‘United States’ means the United States Government and any department, agency, or instrumentality thereof, the several States, the District of Columbia, and the territories of the United States.”.

SEC. 3. DELEGATION OF ROYALTY COLLECTIONS AND RELATED ACTIVITIES.

(a) GENERAL AUTHORITY.—Section 205 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1735) is amended to read as follows:

30 USC 1735.

“SEC. 205. DELEGATION OF ROYALTY COLLECTIONS AND RELATED ACTIVITIES.

“(a) Upon written request of any State, the Secretary is authorized to delegate, in accordance with the provisions of this section, all or part of the authorities and responsibilities of the Secretary under this Act to:

“(1) conduct inspections, audits, and investigations;

“(2) receive and process production and financial reports;

“(3) correct erroneous report data;

“(4) perform automated verification; and

“(5) issue demands, subpoenas, and orders to perform restructured accounting, for royalty management enforcement purposes,

to any State with respect to all Federal land within the State.

“(b) After notice and opportunity for a hearing, the Secretary is authorized to delegate such authorities and responsibilities granted under this section as the State has requested, if the Secretary finds that—

“(1) it is likely that the State will provide adequate resources to achieve the purposes of this Act;

“(2) the State has demonstrated that it will effectively and faithfully administer the rules and regulations of the Secretary under this Act in accordance with the requirements of subsections (c) and (d) of this section;

“(3) such delegation will not create an unreasonable burden on any lessee;

“(4) the State agrees to adopt standardized reporting procedures prescribed by the Secretary for royalty and production accounting purposes, unless the State and all affected parties (including the Secretary) otherwise agree;

“(5) the State agrees to follow and adhere to regulations and guidelines issued by the Secretary pursuant to the mineral leasing laws regarding valuation of production; and

“(6) where necessary for a State to have authority to carry out and enforce a delegated activity, the State agrees to enact such laws and promulgate such regulations as are consistent with relevant Federal laws and regulations

with respect to the Federal lands within the State.

“(c) After notice and opportunity for hearing, the Secretary shall issue a ruling as to the consistency of a State’s proposal with the provisions of this section and regulations under subsection (d) within 90 days after submission of such proposal. In any unfavorable ruling, the Secretary shall set forth the reasons therefor and state whether the Secretary will agree to delegate to the State if the State meets the conditions set forth in such ruling.

“(d) After consultation with State authorities, the Secretary shall by rule promulgate, within 12 months after the date of enactment of this section, standards and regulations pertaining to the authorities and responsibilities to be delegated under subsection (a), including standards and regulations pertaining to—

“(1) audits to be performed;

“(2) records and accounts to be maintained;

“(3) reporting procedures to be required by States under this section;

“(4) receipt and processing of production and financial reports;

“(5) correction of erroneous report data;

“(6) performance of automated verification;

“(7) issuance of standards and guidelines in order to avoid duplication of effort;

“(8) transmission of report data to the Secretary; and

“(9) issuance of demands, subpoenas, and orders to perform restructured accounting, for royalty management enforcement purposes.

Such standards and regulations shall be designed to provide reasonable assurance that a uniform and effective royalty management system will prevail among the States. The records and accounts under paragraph (2) shall be sufficient to allow the Secretary to monitor the performance of any State under this section.

“(e) If, after notice and opportunity for a hearing, the Secretary finds that any State to which any authority or responsibility of the Secretary has been delegated under this section is in violation of any requirement of this section or any rule thereunder, or that an affirmative finding by the Secretary under subsection (b) can no longer be made, the Secretary may revoke such delegation.

Regulations.

If, after providing written notice to a delegated State and a reasonable opportunity to take corrective action requested by the Secretary, the Secretary determines that the State has failed to issue a demand or order to a Federal lessee within the State, that such failure may result in an underpayment of an obligation due the United States by such lessee, and that such underpayment may be uncollected without Secretarial intervention, the Secretary may issue such demand or order in accordance with the provisions of this Act prior to or absent the withdrawal of delegated authority.

“(f) Subject to appropriations, the Secretary shall compensate any State for those costs which may be necessary to carry out the delegated activities under this Section. Payment shall be made no less than every quarter during the fiscal year. Compensation to a State may not exceed the Secretary’s reasonably anticipated expenditure for performance of such delegated activities by the Secretary. Such costs shall be allocable for the purposes of section 35(b) 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 (commonly known as the Mineral Leasing Act) (30 U.S.C. 191 (b)) to the administration and enforcement of laws providing for the leasing of any onshore lands or interests in land owned by the United States. Any further allocation of costs under section 35(b) made by the Secretary for oil and gas activities, other than those costs to compensate States for delegated activities under this Act, shall be only those costs associated with onshore oil and gas activities and may not include any duplication of costs allocated pursuant to the previous sentence. Nothing in this section affects the Secretary’s authority to make allocations under section 35(b) for non-oil and gas mineral activities. All moneys received from sales, bonuses, rentals, royalties, assessments and interest, including money claimed to be due and owing pursuant to a delegation under this section, shall be payable and paid to the Treasury of the United States.

“(g) Any action of the Secretary to approve or disapprove a proposal submitted by a State under this section shall be subject to judicial review in the United States district court which includes the capital of the State submitting the proposal.

“(h) Any State operating pursuant to a delegation existing on the date of enactment of this Act may continue to operate under the terms and conditions of the delegation, except to the extent that a revision of the existing agreement is adopted pursuant to this section.”.

(b) CLERICAL AMENDMENT.—The item relating to section 205 in the table of contents in section 1 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1701) is amended to read as follows:

“Sec. 205. Delegation of royalty collections and related activities.”.

SEC. 4. SECRETARIAL AND DELEGATED STATES’ ACTIONS AND LIMITATION PERIODS.

(a) IN GENERAL.—The Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1701 et seq.) is amended by adding after section 114 the following new section:

“SEC. 115. SECRETARIAL AND DELEGATED STATES’ ACTIONS AND LIMITATION PERIODS. 30 USC 1724.

“(a) **IN GENERAL.**—The respective duties, responsibilities, and activities with respect to a lease shall be performed by the Secretary, delegated States, and lessees or their designees in a timely manner.

“(b) **LIMITATION PERIOD.**—

“(1) **IN GENERAL.**—A judicial proceeding or demand which arises from, or relates to an obligation, shall be commenced within seven years from the date on which the obligation becomes due and if not so commenced shall be barred. If commencement of a judicial proceeding or demand for an obligation is barred by this section, the Secretary, a delegated State, or a lessee or its designee (A) shall not take any other or further action regarding that obligation, including (but not limited to) the issuance of any order, request, demand or other communication seeking any document, accounting, determination, calculation, recalculation, payment, principal, interest, assessment, or penalty or the initiation, pursuit or completion of an audit with respect to that obligation; and (B) shall not pursue any other equitable or legal remedy, whether under statute or common law, with respect to an action on or an enforcement of said obligation.

“(2) **RULE OF CONSTRUCTION.**—A judicial proceeding or demand that is timely commenced under paragraph (1) against a designee shall be considered timely commenced as to any lessee who is liable pursuant to section 102(a) of this Act for the obligation that is the subject of the judicial proceeding or demand.

“(3) **APPLICATION OF CERTAIN LIMITATIONS.**—The limitations set forth in sections 2401, 2415, 2416, and 2462 of title 28, United States Code, and section 42 of the Mineral Leasing Act (30 U.S.C. 226-2) shall not apply to any obligation to which this Act applies. Section 3716 of title 31, United States Code, may be applied to an obligation the enforcement of which is not barred by this Act, but may not be applied to any obligation the enforcement of which is barred by this Act.

“(c) **OBLIGATION BECOMES DUE.**—

“(1) **IN GENERAL.**—For purposes of this Act, an obligation becomes due when the right to enforce the obligation is fixed.

“(2) **ROYALTY OBLIGATIONS.**—The right to enforce any royalty obligation for any given production month for a lease is fixed for purposes of this Act on the last day of the calendar month following the month in which oil or gas is produced.

“(d) **TOLLING OF LIMITATION PERIOD.**—The running of the limitation period under subsection (b) shall not be suspended, tolled, extended, or enlarged for any obligation for any reason by any action, including an action by the Secretary or a delegated State, other than the following:

“(1) **TOLLING AGREEMENT.**—A written agreement executed during the limitation period between the Secretary or a delegated State and a lessee or its designee (with notice to the lessee who designated the designee) shall toll the limitation period for the amount of time during which the agreement is in effect.

“(2) **SUBPOENA.**—

“(A) The issuance of a subpoena to a lessee or its designee (with notice to the lessee who designated the designee, which notice shall not constitute a subpoena to the lessee) in accordance with the provisions of subparagraph (B)(i) shall toll the limitation period with respect to the obligation which is the subject of a subpoena only for the period beginning on the date the lessee or its designee receives the subpoena and ending on the date on which (i) the lessee or its designee has produced such subpoenaed records for the subject obligation, (ii) the Secretary or a delegated State receives written notice that the subpoenaed records for the subject obligation are not in existence or are not in the lessee’s or its designee’s possession or control, or (iii) a court has determined in a final decision that such records are not required to be produced, whichever occurs first.

“(B)(i) A subpoena for the purposes of this section which requires a lessee or its designee to produce records necessary to determine the proper reporting and payment of an obligation due the Secretary may be issued only by an Assistant Secretary of the Interior or an Acting Assistant Secretary of the Interior who is a schedule C employee (as defined by section 213.3301 of title 5, Code of Federal Regulations), or the Director or Acting Director of the respective bureau or agency, and may not be delegated to any other person. If a State has been delegated authority pursuant to section 205, the State, acting through the highest State official having ultimate authority over the collection of royalties from leases on Federal lands within the State, may issue such subpoena, but may not delegate such authority to any other person.

“(ii) A subpoena described in clause (i) may only be issued against a lessee or its designee during the limitation period provided in this section and only after the Secretary or a delegated State has in writing requested the records from the lessee or its designee related to the obligation which is the subject of the subpoena and has determined that—

“(I) the lessee or its designee has failed to respond within a reasonable period of time to the Secretary’s or the applicable delegated State’s written request for such records necessary for an audit, investigation or other inquiry made in accordance with the Secretary’s or such delegated State’s responsibilities under this Act; or

“(II) the lessee or its designee has in writing denied the Secretary’s or the applicable delegated State’s written request to produce such records in the lessee’s or its designee’s possession or control necessary for an audit, investigation or other inquiry made in accordance with the Secretary’s or such delegated State’s responsibilities under this Act; or

“(III) the lessee or its designee has unreasonably delayed in producing records necessary for an audit, investigation or other inquiry made in accordance with the Secretary’s or the applicable delegated State’s

responsibilities under this Act after the Secretary's or delegated State's written request.

“(C) In seeking records, the Secretary or the applicable delegated State shall afford the lessee or its designee a reasonable period of time after a written request by the Secretary or such delegated State in which to provide such records prior to the issuance of any subpoena.

“(3) MISREPRESENTATION OR CONCEALMENT.—The intentional misrepresentation or concealment of a material fact for the purpose of evading the payment of an obligation in which case the limitation period shall be tolled for the period of such misrepresentation or such concealment.

“(4) ORDER TO PERFORM RESTRUCTURED ACCOUNTING.—A)(i) The issuance of a notice under subparagraph (D) that the lessee or its designee has not substantially complied with the requirement to perform a restructured accounting shall toll the limitation period with respect to the obligation which is the subject of the notice only for the period beginning on the date the lessee or its designee receives the notice and ending 120 days after the date on which (I) the Secretary or the applicable delegated State receives written notice that the accounting or other requirement has been performed, or (II) a court has determined in a final decision that the lessee is not required to perform the accounting, whichever occurs first.

“(ii) If the lessee or its designee initiates an administrative appeal or judicial proceeding to contest an order to perform a restructured accounting issued under subparagraph (B)(i), the limitation period in subsection (b) shall be tolled from the date the lessee or its designee received the order until a final, nonappealable decision is issued in any such proceeding.

“(B)(i) The Secretary or the applicable delegated State may issue an order to perform a restructured accounting to a lessee or its designee when the Secretary or such delegated State determines during an audit of a lessee or its designee that the lessee or its designee should recalculate royalty due on an obligation based upon the Secretary's or the delegated State's finding that the lessee or its designee has made identified underpayments or overpayments which are demonstrated by the Secretary or the delegated State to be based upon repeated, systemic reporting errors for a significant number of leases or a single lease for a significant number of reporting months with the same type of error which constitutes a pattern of violations and which are likely to result in either significant underpayments or overpayments.

“(ii) The power of the Secretary to issue an order to perform a restructured accounting may not be delegated below the most senior career professional position having responsibility for the royalty management program, which position is currently designated as the ‘Associate Director for Royalty Management’, and may not be delegated to any other person. If a State has been delegated authority pursuant to section 205 of this Act, the State, acting through the highest ranking State official having ultimate authority over the collection of royalties from leases on Federal lands within the State, may issue such order to perform, which may not be delegated to any other person. An order to perform a restructured accounting shall—

“(I) be issued within a reasonable period of time from when the audit identifies the systemic, reporting errors;

“(II) specify the reasons and factual bases for such order;

“(III) be specifically identified as an ‘order to perform a restructured accounting’;

“(IV) provide the lessee or its designee a reasonable period of time (but not less than 60 days) within which to perform the restructured accounting; and

“(V) provide the lessee or its designee 60 days within which to file an administrative appeal of the order to perform a restructured accounting.

“(C) An order to perform a restructured accounting shall not mean or be construed to include any other action by or on behalf of the Secretary or a delegated State.

Notice.

“(D) If a lessee or its designee fails to substantially comply with the requirement to perform a restructured accounting pursuant to this subsection, a notice shall be issued to the lessee or its designee that the lessee or its designee has not substantially complied with the requirements to perform a restructured accounting. A lessee or its designee shall be given a reasonable time within which to perform the restructured accounting. Such notice may be issued under this section only by an Assistant Secretary of the Interior or an acting Assistant Secretary of the Interior who is a schedule C employee (as defined by section 213.3301 of title 5, Code of Federal Regulations) and may not be delegated to any other person. If a State has been delegated authority pursuant to section 205, the State, acting through the highest State official having ultimate authority over the collection of royalties from leases on Federal lands within the State, may issue such notice, which may not be delegated to any other person.

“(e) TERMINATION OF LIMITATIONS PERIOD.—An action or an enforcement of an obligation by the Secretary or delegated State or a lessee or its designee shall be barred under this section prior to the running of the seven-year period provided in subsection (b) in the event—

“(1) the Secretary or a delegated State has notified the lessee or its designee in writing that a time period is closed to further audit; or

“(2) the Secretary or a delegated State and a lessee or its designee have so agreed in writing.

For purposes of this subsection, notice to, or an agreement by, the designee shall be binding on any lessee who is liable pursuant to section 102(a) for obligations that are the subject of the notice or agreement.

“(f) RECORDS REQUIRED FOR DETERMINING COLLECTIONS.—Records required pursuant to section 103 of this Act by the Secretary or any delegated State for the purpose of determining obligations due and compliance with any applicable mineral leasing law, lease provision, regulation or order with respect to oil and gas leases from Federal lands or the Outer Continental Shelf shall be maintained for the same period of time during which a judicial proceeding or demand may be commenced under subsection (b). If a judicial proceeding or demand is timely commenced, the record holder shall maintain such records until the final nonappealable decision in such judicial proceeding is made, or with respect to

that demand is rendered, unless the Secretary or the applicable delegated State authorizes in writing an earlier release of the requirement to maintain such records. Notwithstanding anything herein to the contrary, under no circumstance shall a record holder be required to maintain or produce any record relating to an obligation for any time period which is barred by the applicable limitation in this section. In connection with any hearing, administrative proceeding, inquiry, investigation, or audit by the Secretary or a delegated State under this Act, the Secretary or the delegated State shall minimize the submission of multiple or redundant information and make a good faith effort to locate records previously submitted by a lessee or a designee to the Secretary or the delegated State, prior to requiring the lessee or the designee to provide such records.

“(g) **TIMELY COLLECTIONS.**—In order to most effectively utilize resources available to the Secretary to maximize the collection of oil and gas receipts from lease obligations to the Treasury within the seven-year period of limitations, and consequently to maximize the State share of such receipts, the Secretary should not perform or require accounting, reporting, or audit activities if the Secretary and the State concerned determine that the cost of conducting or requiring the activity exceeds the expected amount to be collected by the activity, based on the most current 12 months of activity. This subsection shall not provide a defense to a demand or an order to perform a restructured accounting. To the maximum extent possible, the Secretary and delegated States shall reduce costs to the United States Treasury and the States by discontinuing requirements for unnecessary or duplicative data and other information, such as separate allowances and payor information, relating to obligations due. If the Secretary and the State concerned determine that collection will result sooner, the Secretary or the applicable delegated State may waive or forego interest in whole or in part.

“(h) **APPEALS AND FINAL AGENCY ACTION.**—

“(1) **33-MONTH PERIOD.**—Demands or orders issued by the Secretary or a delegated State are subject to administrative appeal in accordance with the regulations of the Secretary. No State shall impose any conditions which would hinder a lessee’s or its designee’s immediate appeal of an order to the Secretary or the Secretary’s designee. The Secretary shall issue a final decision in any administrative proceeding, including any administrative proceedings pending on the date of enactment of this section, within 33 months from the date such proceeding was commenced or 33 months from the date of such enactment, whichever is later. The 33-month period may be extended by any period of time agreed upon in writing by the Secretary and the appellant.

“(2) **EFFECT OF FAILURE TO ISSUE DECISION.**—If no such decision has been issued by the Secretary within the 33-month period referred to in paragraph (1)—

“(A) the Secretary shall be deemed to have issued and granted a decision in favor of the appellant as to any nonmonetary obligation and any monetary obligation the principal amount of which is less than \$10,000; and

“(B) the Secretary shall be deemed to have issued a final decision in favor of the Secretary, which decision shall be deemed to affirm those issues for which the agency

rendered a decision prior to the end of such period, as to any monetary obligation the principal amount of which is \$10,000 or more, and the appellant shall have a right to judicial review of such deemed final decision in accordance with title 5 of the United States Code.

“(i) COLLECTIONS OF DISPUTED AMOUNTS DUE.—To expedite collections relating to disputed obligations due within the seven-year period beginning on the date the obligation became due, the parties shall hold not less than one settlement consultation and the Secretary and the State concerned may take such action as is appropriate to compromise and settle a disputed obligation, including waiving or reducing interest and allowing offsetting of obligations among leases.

“(j) ENFORCEMENT OF A CLAIM FOR JUDICIAL REVIEW.—In the event a demand subject to this section is properly and timely commenced, the obligation which is the subject of the demand may be enforced beyond the seven-year limitations period without being barred by this statute of limitations. In the event a demand subject to this section is properly and timely commenced, a judicial proceeding challenging the final agency action with respect to such demand shall be deemed timely so long as such judicial proceeding is commenced within 180 days from receipt of notice by the lessee or its designee of the final agency action.

“(k) IMPLEMENTATION OF FINAL DECISION.—In the event a judicial proceeding or demand subject to this section is timely commenced and thereafter the limitation period in this section lapses during the pendency of such proceeding, any party to such proceeding shall not be barred from taking such action as is required or necessary to implement a final unappealable judicial or administrative decision, including any action required or necessary to implement such decision by the recovery or recoupment of an underpayment or overpayment by means of refund or credit.

“(l) STAY OF PAYMENT OBLIGATION PENDING REVIEW.—Any person ordered by the Secretary or a delegated State to pay any obligation (other than an assessment) shall be entitled to a stay of such payment without bond or other surety instrument pending an administrative or judicial proceeding if the person periodically demonstrates to the satisfaction of the Secretary that such person is financially solvent or otherwise able to pay the obligation. In the event the person is not able to demonstrate, the Secretary may require a bond or other surety instrument satisfactory to cover the obligation. Any person ordered by the Secretary or a delegated State to pay an assessment shall be entitled to a stay without bond or other surety instrument.”

(b) CLERICAL AMENDMENT.—The table of contents in section 1 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1701) is amended by inserting after the item relating to section 114 the following new item:

“Sec. 115. Secretarial and delegated States’ actions and limitation periods.”

SEC. 5. ADJUSTMENT AND REFUNDS.

(a) IN GENERAL.—The Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1701 et seq.) is amended by inserting after section 111 the following:

“SEC. 111A. ADJUSTMENTS AND REFUNDS.

30 USC 1721a.

“(a) ADJUSTMENTS TO ROYALTIES PAID TO THE SECRETARY OR A DELEGATED STATE.—

“(1) If, during the adjustment period, a lessee or its designee determines that an adjustment or refund request is necessary to correct an underpayment or overpayment of an obligation, the lessee or its designee shall make such adjustment or request a refund within a reasonable period of time and only during the adjustment period. The filing of a royalty report which reflects the underpayment or overpayment of an obligation shall constitute prior written notice to the Secretary or the applicable delegated State of an adjustment.

“(2)(A) For any adjustment, the lessee or its designee shall calculate and report the interest due attributable to such adjustment at the same time the lessee or its designee adjusts the principle amount of the subject obligation, except as provided by subparagraph (B).

“(B) In the case of a lessee or its designee who determines that subparagraph (A) would impose a hardship, the Secretary or such delegated State shall calculate the interest due and notify the lessee or its designee within a reasonable time of the amount of interest due, unless such lessee or its designee elects to calculate and report interest in accordance with subparagraph (A).

“(3) An adjustment or a request for a refund for an obligation may be made after the adjustment period only upon written notice to and approval by the Secretary or the applicable delegated State, as appropriate, during an audit of the period which includes the production month for which the adjustment is being made. If an overpayment is identified during an audit, then the Secretary or the applicable delegated State, as appropriate, shall allow a credit or refund in the amount of the overpayment.

“(4) For purposes of this section, the adjustment period for any obligation shall be the six-year period following the date on which an obligation became due. The adjustment period shall be suspended, tolled, extended, enlarged, or terminated by the same actions as the limitation period in section 115.

“(b) REFUNDS.—

“(1) IN GENERAL.—A request for refund is sufficient if it—

“(A) is made in writing to the Secretary and, for purposes of section 115, is specifically identified as a demand;

“(B) identifies the person entitled to such refund;

“(C) provides the Secretary information that reasonably enables the Secretary to identify the overpayment for which such refund is sought; and

“(D) provides the reasons why the payment was an overpayment.

“(2) PAYMENT BY SECRETARY OF THE TREASURY.—The Secretary shall certify the amount of the refund to be paid under paragraph (1) to the Secretary of the Treasury who shall make such refund. Such refund shall be paid from amounts received as current receipts from sales, bonuses, royalties (including interest charges collected under this section) and rentals of the public lands and the Outer Continental Shelf under the provisions of the Mineral Leasing Act and the Outer Continental Shelf Lands Act, which are not payable to a State or

the Reclamation Fund. The portion of any such refund attributable to any amounts previously disbursed to a State, the Reclamation Fund, or any recipient prescribed by law shall be deducted from the next disbursements to that recipient made under the applicable law. Such amounts deducted from subsequent disbursements shall be credited to miscellaneous receipts in the Treasury.

“(3) PAYMENT PERIOD.—A refund under this subsection shall be paid or denied (with an explanation of the reasons for the denial) within 120 days of the date on which the request for refund is received by the Secretary. Such refund shall be subject to later audit by the Secretary or the applicable delegated State and subject to the provisions of this Act.

“(4) PROHIBITION AGAINST REDUCTION OF REFUNDS OR CREDITS.—In no event shall the Secretary or any delegated State directly or indirectly claim or offset any amount or amounts against, or reduce any refund or credit (or interest accrued thereon) by the amount of any obligation the enforcement of which is barred by section 115 of this Act.”.

(b) CLERICAL AMENDMENT.—The table of contents in section 1 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1701) is amended by inserting after the item relating to section 111 the following new item:

“Sec. 111A. Adjustments and refunds.”.

SEC. 6. ROYALTY TERMS AND CONDITIONS, INTEREST, AND PENALTIES.

(a) LESSEE OR DESIGNEE INTEREST.—Section 111 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1721) is amended by adding after subsection (g) the following:

“(h) Interest shall be allowed and paid or credited on any overpayment, with such interest to accrue from the date such overpayment was made, at the rate obtained by applying the provisions of subparagraphs (A) and (B) of section 6621(a)(1) of the Internal Revenue Code of 1986, but determined without regard to the sentence following subparagraph (B) of section 6621(a)(1). Interest which has accrued on any overpayment may be applied to reduce an underpayment. This subsection applies to overpayments made later than six months after the date of enactment of this subsection or September 1, 1996, whichever is later. Such interest shall be paid from amounts received as current receipts from sales, bonuses, royalties (including interest charges collected under this section) and rentals of the public lands and the Outer Continental Shelf under the provisions of the Mineral Leasing Act, and the Outer Continental Shelf Lands Act, which are not payable to a State or the Reclamation Fund. The portion of any such interest payment attributable to any amounts previously disbursed to a State, the Reclamation Fund, or any other recipient designated by law shall be deducted from the next disbursements to that recipient made under the applicable law. Such amounts deducted from subsequent disbursements shall be credited to miscellaneous receipts in the Treasury.”.

(b) LIMITATION ON INTEREST.—Section 111 of the Federal Oil and Gas Royalty Management Act of 1982, as amended by subsection (a), is further amended by adding at the end the following:

“(i) Upon a determination by the Secretary that an excessive overpayment (based upon all obligations of a lessee or its designee

for a given reporting month) was made for the sole purpose of receiving interest, interest shall be paid on the excessive amount of such overpayment. For purposes of this Act, an ‘excessive overpayment’ shall be the amount that any overpayment a lessee or its designee pays for a given reporting month (excluding payments for demands for obligations determined to be due as a result of judicial or administrative proceedings or agreed to be paid pursuant to settlement agreements) for the aggregate of all of its Federal leases exceeds 10 percent of the total royalties paid that month for those leases.”

(c) ESTIMATED PAYMENT.—Section 111 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1721), as amended by subsections (a) and (b), is further amended by adding at the end the following:

“(j) A lessee or its designee may make a payment for the approximate amount of royalties (hereinafter in this subsection ‘estimated payment’) that would otherwise be due for such lease by the rate royalties are due for that lease. When an estimated payment is made, actual royalties are payable at the end of the month following the month in which the estimated payment is made. If the estimated payment was less than the amount of actual royalties due, interest is owned on the underpaid amount. If the estimated payment exceeds the actual royalties due, interest is owned on the overpayment. If the lessee or its designee makes a payment for such actual royalties, the lessee or its designee may apply the estimated payment to future royalties. Any estimated payment may be adjusted, recouped, or reinstated at any time by the lessee or its designee.”

(d) VOLUME ALLOCATION OF OIL AND GAS PRODUCTION.—Section 111 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1721), as amended by subsections (a) through (c), is amended by adding at the end the following:

“(k)(1) Except as otherwise provided by this subsection—

“(A) a lessee or its designee of a lease in a unit or communitization agreement which contains only Federal leases with the same royalty rate and funds distribution shall report and pay royalties on oil and gas production for each production month based on the actual volume of production sold by or on behalf of that lessee;

“(B) a lessee or its designee of a lease in any other unit or communitization agreement shall report and pay royalties on oil and gas production for each production month based on the volume of oil and gas produced from such agreement and allocated to the lease in accordance with the terms of the agreement; and

“(C) a lessee or its designee of a lease that is not contained in a unit or communitization agreement shall report and pay royalties on oil and gas production for each production month based on the actual volume of production sold by or on behalf of that lessee.

“(2) This subsection applies only to requirements for reporting and paying royalties. Nothing in this subsection is intended to alter a lessee’s liability for royalties on oil or gas production based on the share of production allocated to the lease in accordance with the terms of the lease, a unit or communitization agreement, or any other agreement.

“(3) For any unit or communitization agreement if all lessees contractually agree to an alternative method of royalty reporting and payment, the lessees may submit such alternative method to the Secretary or the delegated State for approval and make payments in accordance with such approved alternative method so long as such alternative method does not reduce the amount of the royalty obligation.

“(4) The Secretary or the delegated State shall grant an exception from the reporting and payment requirements for marginal properties by allowing for any calendar year or portion thereof royalties to be paid each month based on the volume of production sold. Interest shall not accrue on the difference for the entire calendar year or portion thereof between the amount of oil and gas actually sold and the share of production allocated to the lease until the beginning of the month following such calendar year or portion thereof. Any additional royalties due or overpaid royalties and associated interest shall be paid, refunded, or credited within six months after the end of each calendar year in which royalties are paid based on volumes of production sold. For the purpose of this subsection, the term ‘marginal property’ means a lease that produces on average the combined equivalent of less than 15 barrels of oil per well per day or 90 thousand cubic feet of gas per well per day, or a combination thereof, determined by dividing the average daily production of crude oil and natural gas from producing wells on such lease by the number of such wells, unless the Secretary, together with the State concerned, determines that a different production is more appropriate.

“(5) Not later than two years after the date of the enactment of this subsection, the Secretary shall issue any appropriate demand for all outstanding royalty payment disputes regarding who is required to report and pay royalties on production from units and communitization agreements outstanding on the date of the enactment of this subsection, and collect royalty amounts owed on such production.”.

(e) PRODUCTION ALLOCATION.—Section 111 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1721), as amended by subsections (a) through (d), is amended by adding at the end the following:

“(1) The Secretary shall issue all determinations of allocations of production for units and communitization agreements within 120 days of a request for determination. If the Secretary fails to issue a determination within such 120-day period, the Secretary shall waive interest due on obligations subject to the determination until the end of the month following the month in which the determination is made.”.

(f) NEW ASSESSMENT TO ENCOURAGE PROPER ROYALTY PAYMENTS.—

(1) IN GENERAL.—The Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1721), as amended by section 4(a), is further amended by adding at the end the following:

30 USC 1725.

“SEC. 116. ASSESSMENTS.

“Beginning eighteen months after the date of enactment of this section, to encourage proper royalty payment the Secretary or the delegated State shall impose assessments on a person who chronically submits erroneous reports under this Act. Assessments under this Act may only be issued as provided for in this section.”.

(2) CLERICAL AMENDMENT.—The table of contents in section 1 of such Act (30 U.S.C. 1701) is amended by adding after the item relating to section 115 the following new item:

“Sec. 116. Assessments.”

(g) LIABILITY FOR ROYALTY PAYMENTS.—Section 102(a) of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1712(a)) is amended to read as follows:

“(a) In order to increase receipts and achieve effective collections of royalty and other payments, a lessee who is required to make any royalty or other payment under a lease or under the mineral leasing laws, shall make such payments in the time and manner as may be specified by the Secretary or the applicable delegated State. A lessee may designate a person to make all or part of the payments due under a lease on the lessee’s behalf and shall notify the Secretary or the applicable delegated State in writing of such designation, in which event said designated person may, in its own name, pay, offset or credit monies, make adjustments, request and receive refunds and submit reports with respect to payments required by the lessee. Notwithstanding any other provision of this Act to the contrary, a designee shall not be liable for any payment obligation under the lease. The person owning operating rights in a lease shall be primarily liable for its pro rata share of payment obligations under the lease. If the person owning the legal record title in a lease is other than the operating rights owner, the person owning the legal record title shall be secondarily liable for its pro rata share of such payment obligations under the lease.”

(h) CLERICAL AMENDMENTS.—(1) The heading of section 111 of the Federal Oil and Gas Royalty management Act of 1982 (30 U.S.C. 1721) is amended to read as follows:

“ROYALTY TERMS AND CONDITIONS, INTEREST, AND PENALTIES”.

(2) The item relating to section 111 in the table of contents in section 1 of such Act (30 U.S.C. 1701) is amended to read as follows:

“Sec. 111. Royalty terms and conditions, interest, and penalties.”

SEC. 7. ALTERNATIVES FOR MARGINAL PROPERTIES.

(a) IN GENERAL.—The Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1701 et seq.), as amended by section 6 of this Act, is further amended by adding at the end the following:

“SEC. 117. ALTERNATIVES FOR MARGINAL PROPERTIES.

30 USC 1726.

“(a) DETERMINATION OF BEST INTERESTS OF STATE CONCERNED AND THE UNITED STATES.—The Secretary and the State concerned, acting in the best interests of the United States and the State concerned to promote production, reduce administrative costs, and increase net receipts to the United States and the States, shall jointly determine, on a case by case basis, the amount of what marginal production from a lease or leases or well or wells, or parts thereof, shall be subject to a prepayment under subsection (b) or regulatory relief under subsection (c). If the State concerned does not consent, such prepayments or regulatory relief shall not be made available under this section for such marginal production: *Provided*, That if royalty payments from a lease or leases, or well or wells are not shared with any State, such determination shall be made solely by the Secretary.

“(b) PREPAYMENT OF ROYALTY.—

“(1) IN GENERAL.—Notwithstanding the provisions of any lease to the contrary, for any lease or leases or well or wells identified by the Secretary and the State concerned pursuant to subsection (a), the Secretary is authorized to accept a prepayment for royalties in lieu of monthly royalty payments under the lease for the remainder of the lease term if the affected lessee so agrees. Any prepayment agreed to by the Secretary, State concerned and lessee which is less than an average \$500 per month in total royalties shall be effectuated under this section not earlier than two years after the date of enactment of this section and, any prepayment which is greater than an average \$500 per month in total royalties shall be effectuated under this section not earlier than three years after the date of enactment of this section. The Secretary and the State concerned may condition their acceptance of the prepayment authorized under this section on the lessee’s agreeing to such terms and conditions as the Secretary and the State concerned deem appropriate and consistent with the purposes of this Act. Such terms may—

“(A) provide for prepayment that does not result in a loss of revenue to the United States in present value terms;

“(B) include provisions for receiving additional prepayments or royalties for developments in the lease or leases or well or wells that deviate significantly from the assumptions and facts on which the valuation is determined; and

“(C) require the lessee or its designee to provide such periodic production reports as may be necessary to allow the Secretary and the State concerned to monitor production for the purposes of subparagraph (B).

“(2) STATE SHARE.—A prepayment under this section shall be shared by the Secretary with any State or other recipient to the same extent as any royalty payment for such lease.

“(3) SATISFACTION OF OBLIGATION.—Except as may be provided in the terms and conditions established by the Secretary under subsection (b), a lessee or its designee who makes a prepayment under this section shall have satisfied in full the lessee’s obligation to pay royalty on the production stream sold from the lease or leases or well or wells.

“(c) ALTERNATIVE ACCOUNTING AND AUDITING REQUIREMENTS.—Within one year after the date of the enactment of this section, the Secretary or the delegated State shall provide accounting, reporting, and auditing relief that will encourage lessees to continue to produce and develop properties subject to subsection (a): *Provided*, That such relief will only be available to lessees in a State that concurs, which concurrence is not required if royalty payments from the lease or leases or well or wells are not shared with any State. Prior to granting such relief, the Secretary and, if appropriate, the State concerned shall agree that the type of marginal wells and relief provided under this paragraph is in the best interest of the United States and, if appropriate, the State concerned.”.

(b) CLERICAL AMENDMENT.—The table of contents in section 1 of such Act (30 U.S.C. 1701) is amended by adding after the item relating to section 116 the following new item:

“Sec. 117. Alternatives for marginal properties.”.

SEC. 8. APPLICABILITY.

(a) FOGRMA.—With respect to Federal lands, sections 202 and 307 of the Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1732 and 1755), are no longer applicable. The applicability of those sections to Indian leases is not affected. 30 USC 1732 note.

(b) OCSLA.—Effective on the date of the enactment of this Act, section 10 of the Outer Continental Shelf Lands Act (43 U.S.C. 1339) is repealed.

SEC. 9. INDIAN LANDS.

The amendments made by this Act shall not apply with respect to Indian lands, and the provisions of the Federal Oil and Gas Royalty Management Act of 1982 as in effect on the day before the date of enactment of this Act shall continue to apply after such date with respect to Indian lands. 30 USC 1701 note.

SEC. 10. PRIVATE LANDS.

This Act shall not apply to any privately owned minerals. 30 USC 1701 note.

SEC. 11. EFFECTIVE DATE.

Except as provided by section 115(h), section 111(h), section 111(k)(5), and section 117 of the Federal Oil and Gas Royalty Management Act of 1982 (as added by this Act), this Act, and the amendments made by this Act, shall apply with respect to the production of oil and gas after the first day of the month following the date of the enactment of this Act. 30 USC 1701 note.

SEC. 12. SAVINGS CLAUSE.

Nothing in this Act shall be construed to give a State a property right or interest in any Federal lease or land. 30 USC 1701 note.

Approved August 13, 1996.

LEGISLATIVE HISTORY—H.R. 1975:

HOUSE REPORTS: No. 104-667 (Comm. on Resources).
CONGRESSIONAL RECORD, Vol. 142 (1996):

July 16, considered and passed House.

Aug. 2, considered and passed Senate.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 32 (1996):

Aug. 13, Presidential remarks and statement.

One Hundred Fourth Congress
of the
United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Wednesday,
the third day of January, one thousand nine hundred and ninety-six*

An Act

To make technical corrections in the Federal Oil and Gas Royalty Management
Act of 1982.

*Be it enacted by the Senate and House of Representatives of
the United States of America in Congress assembled,*

SECTION 1. TECHNICAL CORRECTIONS.

The Federal Oil and Gas Royalty Management Act of 1982
is amended as follows:

(1) In section 3(25)(B) strike the word "provision" and insert
in lieu thereof the word "provisions".

(2) In the second sentence of section 115(l) insert the word
"so" before the word "demonstrate".

(3) In the first sentence of section 111(i) insert the word
"not" after the word "shall".

(4) In the first sentence of section 111(j) strike the word
"rate" and insert in lieu thereof the word "date".

(5) In the third and fourth sentences of section 111(j)
strike the word "owned" and insert in lieu thereof the word
"owed".

(6) In the third sentence of section 111(k)(4) strike the
word "dues" and insert in lieu thereof the word "due".

(7) In section 117(b)(1)(C) strike the word "it" and insert
in lieu thereof the word "its".

Speaker of the House of Representatives.

*Vice President of the United States and
President of the Senate.*