

(Apr. 17, 1926, ch. 158, §6, 44 Stat. 302; July 16, 1932, ch. 498, 47 Stat. 701.)

## CODIFICATION

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

## AMENDMENTS

1932—Act July 16, 1932, substituted “States of Louisiana and New Mexico” for “State of Louisiana”.

## SUBCHAPTER IX—POTASH

**§ 281. Prospecting permits for chlorides, sulphates, carbonates, borates, silicates, or nitrates of potassium; authorization; acreage; lands affected**

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 potassium 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: *Provided further*, That the prospecting provisions of this subchapter shall not apply to lands and deposits in or adjacent to Searles Lake, California, which lands may be leased by the Secretary of the Interior under the terms and provisions of this subchapter.

(Feb. 7, 1927, ch. 66, §1, 44 Stat. 1057.)

## REFERENCES IN TEXT

This subchapter, referred to in text, was in the original “this Act”, meaning act Feb. 7, 1927, ch. 66, 44 Stat. 1057, as amended, which enacted this subchapter, amended sections 181 and 193 of this title, and repealed subchapter VII (§141 et seq.) of chapter 3 of this title. For complete classification of this Act to the Code, see Tables.

## CODIFICATION

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

**§ 282. Leases to permittees of lands showing valuable deposits; royalty**

Upon showing to the satisfaction of the Secretary of the Interior that valuable deposits of one of the substances enumerated in this subchapter has been discovered by the permittee within the area covered by his permit, and that such land is chiefly valuable therefor, the permittee shall be entitled to a lease for any 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 potassium compounds and other related products, except sodium, at the point of shipment to market, such lease to be taken in compact form by legal subdivisions of the public land surveys, or 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.

(Feb. 7, 1927, ch. 66, §2, 44 Stat. 1057.)

## CODIFICATION

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

**§ 283. Lands containing valuable deposits not covered by permits or leases; authority to lease; acreage; conditions; renewals; exemptions from rentals and royalties; suspension of operations**

Lands known to contain valuable deposits enumerated in this subchapter and not covered by permits or leases shall be held 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 acres; all leases to 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 potassium compounds and other related products, except sodium, at the point of shipment to market, and the payment in advance of a rental of 25 cents per acre for the first calendar year or fraction thereof; 50 cents per acre for the second, third, fourth, and fifth years, respectively; and \$1 per acre per annum thereafter during the continuance of the lease, such rental for any year being credited against royalties accruing for that year. Any lease issued under this subchapter shall be for a term of twenty years and so long thereafter as the lessee complies 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. Leases shall be conditioned upon a minimum annual production or 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 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 adjustment at the end of each twenty-year period succeeding the date of said lease, as provided for in this subchapter. In the discretion of the Secretary of the Interior the area involved in any lease resulting from a prospecting permit may be exempt from any rental in excess of 25 cents per acre for twenty years succeeding its issue, and the production of potassium compounds under such a lease may be exempt from any royalty in excess of the minimum prescribed in this subchapter for the same period.

(Feb. 7, 1927, ch. 66, §3, 44 Stat. 1057; June 3, 1948, ch. 379, §9, 62 Stat. 292.)

## CODIFICATION

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

## AMENDMENTS

1948—Act June 3, 1948, increased renewal term from ten to twenty years, provided for reasonable adjustment of terms, provided minimum conditions, and permitted suspension of operations under certain conditions.

**§ 284. Lands containing coal or other minerals in addition to potassium deposits; issuance of prospecting permits and leases; covenants in potassium leases**

Prospecting permits or leases may be issued under the provisions of this subchapter 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 covenants providing for the development by the lessee of chlorides, 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 provisions of subchapter VII of this chapter: *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 subchapter, the valuable minerals so found shall continue subject to disposition under the said general mining laws notwithstanding the presence of potash therein.

(Feb. 7, 1927, ch. 66, § 4, 44 Stat. 1058.)

## REFERENCES IN TEXT

The sodium provisions of subchapter VII of this chapter, referred to in text, was in the original "the sodium provisions of the Act of February 25, 1920 (Forty-first Statutes at Large, page 437)", which means sections 23 to 25 of act Feb. 25, 1920, ch. 85, 41 Stat. 447, which are classified to subchapter VII (§261 et seq.) of this chapter.

## CODIFICATION

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

**§ 285. Laws applicable**

The general provisions of sections 182 to 184, 185 to 188, 189 to 192, 193, and 194<sup>1</sup> of this title, are made applicable to permits and leases under this subchapter.

(Feb. 7, 1927, ch. 66, § 5, 44 Stat. 1058; Aug. 8, 1946, ch. 916, § 11, 60 Stat. 957.)

## REFERENCES IN TEXT

Section 194 of this title, referred to in text, was repealed by Pub. L. 89-554, § 8(a), Sept. 6, 1966, 80 Stat. 644.

## CODIFICATION

Provision of this section that section 193 of this title was amended to include deposits of potassium was

<sup>1</sup> See References in Text note below.

omitted from this section as executed to section 193 of this title.

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

## AMENDMENTS

1946—Act Aug. 8, 1946, struck out reference to section 181 of this title.

## SAVINGS PROVISION

See note set out under section 181 of this title.

**§ 286. Disposition of royalties and rents from potassium leases**

All money received from royalties and rentals from any lease issued or renewed under the provisions of subchapter VII of chapter 3 of this title, shall be paid into, reserved, and appropriated as follows: 52½ per centum to the Reclamation Fund, 10 per centum to the Treasury of the United States as miscellaneous receipts, and 37½ per centum shall be paid by the Secretary of the Treasury, after the expiration of each fiscal year, to the State within the boundaries of which the leased lands or deposits are or were located, such money to be used by such State or subdivision thereof for the construction and maintenance of public roads or for the support of schools or other public educational institutions, as the legislature of the State may direct.

(Feb. 7, 1927, ch. 66, § 6, 44 Stat. 1058; June 1, 1948, ch. 356, 62 Stat. 279.)

## REFERENCES IN TEXT

Subchapter VII of chapter 3, referred to in text, was in the original "the Act entitled 'An Act to authorize exploration for and disposition of potassium' approved October 2, 1917", meaning act Oct. 2, 1917, ch. 62, 40 Stat. 297, which was classified to subchapter VII (§141 et seq.) of chapter 3 of this title and which was repealed by act Feb. 7, 1927, ch. 66, § 6, 44 Stat. 1058.

## CODIFICATION

Section is composed of the second sentence of section 6 of act Feb. 7, 1927, as added by act June 1, 1948. The first sentence of section 6 repealed former sections 141 to 152 of this title and did not affect pending applications for permits or leases filed prior to Jan. 1, 1926, or valid claims existent on Feb. 7, 1927, and thereafter maintained in compliance with the laws under which initiated, which claims could be perfected under such laws, including discovery.

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

**§ 287. Extension of prospecting permits**

Any prospecting permit issued under this subchapter may be extended by the Secretary of the Interior for a period not exceeding two years, upon a showing of satisfactory cause.

(Feb. 7, 1927, ch. 66, § 7, as added May 7, 1932, ch. 174, 47 Stat. 151.)

## CODIFICATION

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

**CHAPTER 4—LEASE OF GOLD, SILVER, OR QUICKSILVER DEPOSITS WHEN TITLE CONFIRMED BY COURT OF PRIVATE LAND CLAIMS**

Sec.	
291.	Lease of gold, silver, or quicksilver deposits on lands title to which confirmed by Court of Private Land Claims.
292.	Royalties and rentals; disposition.
293.	Duties of Secretary of the Interior.

**§ 291. Lease of gold, silver, or quicksilver deposits on lands title to which confirmed by Court of Private Land Claims**

All gold, silver, or quicksilver deposits, or mines or minerals of the same on lands embraced within any land claim confirmed or hereafter confirmed by decree of the Court of Private Land Claims, and which did not convey the mineral rights to the grantee by the terms of the grant, and to which such grantee has not become otherwise entitled in law or in equity, may be leased by the Secretary of the Interior to the grantee, or to those claiming through or under him, 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 provided by law at the time of the expiration of such periods.

(June 8, 1926, ch. 503, §1, 44 Stat. 710.)

**§ 292. Royalties and rentals; disposition**

For the privilege of mining or extracting the gold, silver, or quicksilver deposits in the land covered by such lease, the lessee shall pay to the United States a royalty, which shall not be less than 5 per centum nor more than 12½ per centum of the net value of the output of the gold, silver, or quicksilver at the mine, due and payable at the end of each month succeeding that of the extraction of the minerals from the mine. All moneys received from royalties and rentals under the provisions of this chapter shall be deposited in the Treasury of the United States, and disposed of in the same manner as rentals and royalties under the provisions of section 191 of this title.

(June 8, 1926, ch. 503, §2, 44 Stat. 710.)

**§ 293. Duties of Secretary of the Interior**

The Secretary of the Interior is hereby authorized to perform any and all acts and to make such rules and regulations as may be necessary and proper for the purpose of carrying this chapter into full force and effect.

(June 8, 1926, ch. 503, §3, 44 Stat. 710.)

**CHAPTER 5—LEASE OF OIL AND GAS DEPOSITS IN OR UNDER RAILROADS AND OTHER RIGHTS-OF-WAY**

Sec.	
301.	Authorization for lease of oil and gas deposits; by and to whom leased.
302.	Assignment of lease; subletting.
303.	Conditions precedent to award of lease; preferred class; bidding.
304.	Provisions authorized in lease.

Sec.	
305.	Royalties under lease.
306.	Rules and regulations.

**§ 301. Authorization for lease of oil and gas deposits; by and to whom leased**

Whenever the Secretary of the Interior shall deem it to be consistent with the public interest he is authorized to lease deposits of oil and gas in or under lands embraced in railroad or other rights of way acquired under any law of the United States, whether the same be a base fee or mere easement: *Provided*, That, except as herein-after authorized, no lease shall be executed hereunder except to the municipality, corporation, firm, association, or individual by whom such right of way was acquired, or to the lawful successor, assignee, or transferee of such municipality, corporation, firm, association, or individual.

(May 21, 1930, ch. 307, §1, 46 Stat. 373.)

**§ 302. Assignment of lease; subletting**

The right conferred by this chapter may, subject to the approval of the Secretary of the Interior, be assigned or sublet by the owner thereof to any corporation, firm, association, or individual.

(May 21, 1930, ch. 307, §2, 46 Stat. 373.)

**§ 303. Conditions precedent to award of lease; preferred class; bidding**

Prior to the award of any lease under section 301 of this title, the Secretary of the Interior shall notify the owner or lessee of adjoining lands and allow him a reasonable time, to be fixed in the notice given, within which to submit an offer or bid of the amount or percentage of compensatory royalty that such owner will agree to pay for the extraction through wells on his or its adjoining land, of the oil or gas under and from such adjoining right of way, and at the same time afford the holder of the railroad or other right of way a like opportunity within the same time to submit its bid or offer as to the amount or percentage of royalty it will agree to pay, if a lease for the extraction of the oil and gas deposits under the right of way be awarded to the holder of such right of way. In case of competing offers by the said parties in interest, the Secretary shall award the right to extract the oil and gas to the bidder, duly qualified, making the offer in his opinion most advantageous to the United States. In case but one bid or offer is received after notice duly given, he may, in his discretion, award the right to extract the oil and gas to such bidder.

(May 21, 1930, ch. 307, §3, 46 Stat. 374.)

**§ 304. Provisions authorized in lease**

Any lease granted by the Secretary of the Interior pursuant to this chapter may, in the discretion of said Secretary, contain a provision giving the lessee the right, with the approval of said Secretary, to shut down the operation of any well or wells the operation of which has become unprofitable, to resume operations when such resumption may result in profit, and to abandon any well or wells that cease to produce oil and/or gas in paying quantities.