

§ 7422. Administration

(a) The Secretary, directly or by contract, lease, or otherwise, shall explore, prospect, conserve, develop, use, and operate the naval petroleum reserves in his discretion, subject to the provisions of subsection (c) and the other provisions of this chapter; except that no petroleum leases shall be granted at Naval Petroleum Reserves Numbered 1 and 3.

(b) Except as otherwise provided in this chapter, particularly subsection (c), the naval petroleum reserves shall be used and operated for—

(1) the protection, conservation, maintenance, and testing of those reserves; or

(2) the production of petroleum whenever and to the extent that the Secretary, with the approval of the President, finds that such production is needed for national defense purposes and the production is authorized by a joint resolution of Congress.

(c)(1) In administering Naval Petroleum Reserves Numbered 1, 2, and 3, the Secretary is authorized and directed—

(A) to further explore, develop, and operate such reserves;

(B) to produce, during any extension of a period under paragraph (2), such reserves—

(i) at the maximum efficient rate consistent with sound engineering practices; or

(ii) at a lesser rate consistent with sound engineering practices and the protection, conservation, maintenance, and testing of such reserves if the Secretary determines that the minimum price described in section 7430(b)(2) of this title cannot be attained for the United States share of petroleum (other than natural gas liquids) produced from such Reserves;

(C) during such production period or any extension thereof to sell or otherwise dispose of the United States share of such petroleum produced from such reserves as provided in section 7430 of this title; and

(D) to construct, acquire, or contract for the use of storage and shipping facilities on and off the reserves and pipelines and associated facilities on and off the reserves for transporting petroleum from such reserves to the points where the production from such reserves will be refined or shipped.

Any pipeline in the vicinity of a naval petroleum reserve not otherwise operated as a common carrier may be acquired by the Secretary by condemnation, if necessary, if the owner thereof refuses to accept, convey, and transport without discrimination and at reasonable rates any petroleum produced at such reserve. With the approval of the Secretary, rights-of-way for new pipelines and associated facilities may be acquired by the exercise of the right of eminent domain in the appropriate United States district court. Such rights-of-way may be acquired in the manner set forth in sections 3114-3116 and 3118 of title 40, and the prospective holder of the right-of-way is “the authority empowered by law to acquire the land” within the meaning of those sections. Such new pipelines shall accept, convey, and transport without discrimination and at reasonable rates any petroleum produced at such reserves as a common carrier.

(2) After April 5, 1982, the President may extend the period of production in the case of any naval petroleum reserve for additional periods of not to exceed three years each—

(A) after the President requires an investigation to be made, in the case of each extension, to determine the necessity for continued production from such naval petroleum reserve;

(B) after the President submits to the Congress, at least 180 days before the expiration of the current production period prescribed by this section, or any extension thereof, a copy of the report made to him on such investigation together with a certification by him that continued production from such naval petroleum reserve is in the national interest; and

(C) if neither House of Congress within ninety days after receipt of such report and certification adopts a resolution disapproving further production from such naval petroleum reserve.

(Aug. 10, 1956, ch. 1041, 70A Stat. 458; Pub. L. 87-599, §1, Aug. 24, 1962, 76 Stat. 401; Pub. L. 87-796, §1(2), Oct. 11, 1962, 76 Stat. 904; Pub. L. 94-258, title II, §201(3), Apr. 5, 1976, 90 Stat. 307; Pub. L. 96-137, §3(a), Dec. 12, 1979, 93 Stat. 1061; Pub. L. 96-513, title V, §513(31), Dec. 12, 1980, 94 Stat. 2933; Pub. L. 98-525, title XIV, §1405(51), Oct. 19, 1984, 98 Stat. 2625; Pub. L. 99-413, §1(a), Aug. 29, 1986, 100 Stat. 944; Pub. L. 100-202, §101(g) [title II, §201], Dec. 22, 1987, 101 Stat. 1329-213, 1329-242; Pub. L. 101-189, div. A, title XVI, §1622(f)(2), Nov. 29, 1989, 103 Stat. 1605; Pub. L. 107-217, §3(b)(30), Aug. 21, 2002, 116 Stat. 1297; Pub. L. 108-178, §4(b)(6), Dec. 15, 2003, 117 Stat. 2641.)

HISTORICAL AND REVISION NOTES

Revised section	Source (U.S. Code)	Source (Statutes at Large)
7422	34 U.S.C. 524 (1st par., 37th through 62d words, and 123d through 185th words).	June 4, 1920, ch. 228 (1st par., 37th through 62d words, and 123d through 185th words, of amended 3d and 4th provisos), 41 Stat. 813; June 30, 1938, ch. 851, §1, 52 Stat. 1252; June 17, 1944, ch. 262, 58 Stat. 280.

AMENDMENTS

2003—Subsec. (c)(1). Pub. L. 108-178 substituted “land” within the meaning of those sections” for “lands” within the meaning of that Act” in concluding provisions.

2002—Subsec. (c)(1). Pub. L. 107-217 substituted “sections 3114-3116 and 3118 of title 40” for “the Act of February 26, 1931 (40 U.S.C. 258a-258e)” in concluding provisions.

1989—Subsec. (c)(2)(B). Pub. L. 101-189 substituted “180 days before” for “one hundred eighty days prior to”.

1987—Subsec. (c)(1)(B)(ii). Pub. L. 100-202 inserted “(other than natural gas liquids)” after “petroleum”.

1986—Subsec. (c)(1)(B). Pub. L. 99-413, §1(a)(1), added subpar. (B) and struck out former subpar. (B) which read as follows: “to produce such reserves at the maximum efficient rate consistent with sound engineering practices for a period ending not later than April 5, 1982.”

Subsec. (c)(3). Pub. L. 99-413, §1(a)(2), struck out par. (3) which conditioned the production authorization for Naval Petroleum Reserve Numbered 1 upon private owners’ agreements with the Secretary to continue operations of such reserve under a unitized plan contract that protected the public interest.

1984—Subsec. (b). Pub. L. 98-525 struck out “of this section” after “subsection (c)” in provisions preceding par. (1).

1980—Subsec. (c)(1). Pub. L. 96-513, § 513(31)(A)–(D), in cl. (B) substituted provisions respecting termination on April 5, 1982, for provisions respecting commencement and termination, respectively, ninety days after date of enactment of the Naval Petroleum Reserves Production Act of 1976, and not to exceed six years after such date, in cl. (C) substituted “provided in section 7430 of this title” for “hereinafter provided”, and in text following cl. (D) substituted “discrimination” for “discrimiation”, and “(40 U.S.C. 258a-258e)” for “, chapter 307 (46 Stat. 1421; 40 U.S.C. 258(a))”.

Subsec. (c)(2). Pub. L. 96-513, § 513(31)(E), substituted “After April 5, 1982,” for “At the conclusion of the six-year production period authorized by paragraph (1)(B) of this subsection”.

Subsec. (c)(3). Pub. L. 96-513, § 513(31)(F), substituted “by July 4, 1976” for “within ninety days after the date of enactment of the Naval Petroleum Reserves Production Act of 1976”.

1979—Subsec. (c)(1). Pub. L. 96-137 struck out in text following subpar. (D), provision requiring that pipelines and associated facilities constructed at or procured for Naval Petroleum Reserve Numbered 1 pursuant to this subsection have adequate capacity to accommodate not less than three hundred fifty thousand barrels of oil per day and be fully operable as soon as possible, but not later than three years after the date of enactment of the Naval Petroleum Reserves Production Act of 1976.

1976—Subsec. (a). Pub. L. 94-258 substituted provisions authorizing the Secretary to explore, etc., the naval petroleum reserves in his discretion, subject to subsec. (c) of this section and this chapter and excepting specified Reserves from leasing arrangements, for provisions authorizing the Secretary of the Navy, except as provided in section 7438 hereof, to explore, etc., the naval petroleum reserves and oil shale reserves in his discretion, subject to Presidential approval.

Subsec. (b). Pub. L. 94-258 in introductory cl. substituted provisions authorizing use and operation of naval petroleum reserves except as otherwise provided in this chapter and in particular subsec. (c) of this section, for provisions authorizing use and operation of naval petroleum and oil shale reserves and lands outside naval petroleum reserve numbered 1 covered by contracts under section 7426 of this title and in cl. (2) struck out reference to gas, oil shale and products thereof.

Subsec. (c). Pub. L. 94-258 substituted provisions setting forth manner of administration by Secretary of Naval Petroleum Reserves Numbered 1, 2, and 3, authorizing President to extend period of production of any naval petroleum reserve, and conditioning production authorization for Reserve Numbered 1, for provisions authorizing the Secretary to develop naval petroleum reserve numbered 4, South Barrow gas field, and to supply gas to government installations at or near Point Barrow and to the native village of Barrow.

1962—Subsec. (a). Pub. L. 87-796 substituted “Except as otherwise provided in section 7438 hereof, the Secretary” for “The Secretary”, and included oil shale reserves.

Subsec. (b). Pub. L. 87-796 included oil shale reserves in the opening provisions, and substituted “petroleum, gas, oil shale and products thereof whenever” for “petroleum whenever” in cl. (2).

Subsec. (c). Pub. L. 87-599 added subsec. (c).

EFFECTIVE DATE OF 2003 AMENDMENT

Amendment by Pub. L. 108-178 effective Aug. 21, 2002, see section 5 of Pub. L. 108-178, set out as a note under section 5334 of Title 5, Government Organization and Employees.

EFFECTIVE DATE OF 1980 AMENDMENT

Amendment by Pub. L. 96-513 effective Dec. 12, 1980, see section 701(b)(3) of Pub. L. 96-513, set out as a note under section 101 of this title.

AVAILABILITY OF REVENUES FROM SALE OF NATURAL GAS FOR USE IN GAS PROTECTION ACTIVITY

Pub. L. 101-512, title II, Nov. 5, 1990, 104 Stat. 1947, provided in part: “That, notwithstanding any other provision of law, revenues received from the sale of natural gas after the date of enactment of this Act [Nov. 5, 1990] from wells drilled or communitized in fiscal year 1990 and thereafter as part of gas protection activity at the Naval Oil Shale Reserves shall be deposited in this account, to remain available until expended, for use in further gas protection activity”.

CONNECTIONS TO PIPELINE IN SOUTH BARROW GAS FIELD

Section 3 of Pub. L. 87-599 provided that: “The Federal agency or agencies in control of any pipeline between gas wells in the South Barrow gas field and the town of Barrow may authorize purchasers of the gas or carriers of the gas to install connections to such pipeline.”

§ 7423. Periodic re-examination of production requirements

The Secretary shall from time to time reexamine the need for the production of petroleum from oil shale for national defense when that production is authorized under section 7422 of this title. If he finds that the authorized quantity is no longer needed, he shall reduce production to the amount currently needed for national defense.

(Aug. 10, 1956, ch. 1041, 70A Stat. 458; Pub. L. 87-796, §1(3), Oct. 11, 1962, 76 Stat. 904; Pub. L. 94-258, title II, §201(4), Apr. 5, 1976, 90 Stat. 309.)

HISTORICAL AND REVISION NOTES

Revised section	Source (U.S. Code)	Source (Statutes at Large)
7423	34 U.S.C. 524 (186th through 243d words of 1st par.).	June 4, 1920, ch. 228 (1st par., 186th through 243d words, of amended 3d and 4th provisos), 41 Stat. 813; June 30, 1938, ch. 851, §1, 52 Stat. 1252; June 17, 1944, ch. 262, 58 Stat. 280.

AMENDMENTS

1976—Pub. L. 94-258 struck out “of the Navy” after “Secretary” and “or products” after “petroleum”.

1962—Pub. L. 87-796 directed the Secretary to reexamine, from time to time, the need for production of products from oil shale.

§ 7424. Protection of oil reserves; contracts for conservation

(a) To consolidate and protect the oil lands owned by the United States, the Secretary may—

(1) contract with owners and lessees of land inside or adjoining naval petroleum reserves for—

(A) conservation of oil and gas; and

(B) compensation for estimated drainage in lieu of drilling or operating offset wells; and

(2) acquire privately owned lands or leases inside Naval Petroleum Reserve Numbered 1 by exchange of—

(A) lands of the United States inside Naval Petroleum Reserve Numbered 1;

(B) the right to royalty production from any of the naval petroleum reserves; and