

lands within the Shawnee National Forest, Illinois; the Ouachita National Forest, Arkansas; Fort Chaffee, Arkansas; or Eglin Air Force Base, Florida; shall be processed until these lands are posted for competitive bidding in accordance with section 5102 of this subtitle [amending this section and section 188 of this title]. If any such tract does not receive a bid equal to or greater than the national minimum acceptable bid from a responsible qualified bidder then the noncompetitive applications or offers pending for such a tract shall be reinstated and noncompetitive leases issued under the Act of February 25, 1920, as in effect before its amendment by this subtitle, except where the issuance of any such lease would not be lawful under such provisions or other applicable law. If competitive leases are issued for any such tract, then the pending noncompetitive application or offer shall be rejected.

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

#### REPORT TO CONGRESS

Pub. L. 100-203, title V, §5110, Dec. 22, 1987, 101 Stat. 1330-261, provided that: “The Secretary shall submit annually for 5 years after enactment of this subtitle [Dec. 22, 1987] to the Congress a report containing appropriate information to facilitate congressional monitoring of this subtitle [subtitle B (§§5101-5113) of title V of Pub. L. 100-203, see Short Title of 1987 Amendment note set out under section 181 of this title]. Such report shall include, but not be limited to—

“(1) the number of acres leased, and the number of leases issued, competitively and noncompetitively;

“(2) the amount of revenue received from bonus bids, filing fees, rentals, and royalties;

“(3) the amount of production from competitive and noncompetitive leases; and

“(4) such other data and information as will facilitate—

“(A) an assessment of the onshore oil and gas leasing system, and

“(B) a comparison of the system as revised by this subtitle with the system in operation prior to the enactment of this subtitle.”

#### LAND USE STUDY

Pub. L. 100-203, title V, §5111, Dec. 22, 1987, 101 Stat. 1330-262, provided that: “The National Academy of Sciences and the Comptroller General of the United States shall conduct a study of the manner in which oil and gas resources are considered in the land use plans developed by the Secretary of the Interior in accordance with provisions of the Federal Land Policy and Management Act of 1976 (90 Stat. 2743) [Pub. L. 94-579, see Short Title note under 43 U.S.C. 1701] and the Secretary of Agriculture in accordance with the Forest and Rangeland Renewable Resources Planning Act of 1974 (88 Stat. 476) [Pub. L. 93-378, 16 U.S.C. 1600 et seq.], as amended by the National Forest Management Act of 1976 (90 Stat. 2949) [Pub. L. 94-588, see Short Title of 1976 Amendment note under 16 U.S.C. 1600], and recommend any improvements that may be necessary to ensure that—

“(1) potential oil and gas resources are adequately addressed in planning documents;

“(2) the social, economic, and environmental consequences of exploration and development of oil and gas resources are determined; and

“(3) any stipulations to be applied to oil and gas leases are clearly identified.”

#### REINSTATEMENT AND EXTENSION OF CERTAIN TEN-YEAR OIL AND GAS LEASES

Act July 14, 1952, ch. 742, 66 Stat. 630, provided: “That any lease issued for a ten-year term in exchange for an oil and gas prospecting permit pursuant to sections 13 and 17 of the Act entitled ‘An Act to promote the min-

ing of coal, phosphate, oil, oil shale, gas, and sodium on the public domain’, approved February 25, 1920, as amended by the Act of August 21, 1935 (49 Stat. 674) [sections 221 and 226, respectively, of this title], and prior to amendment by the Act of August 8, 1946 [act Aug. 8, 1946, ch. 916, §3, 60 Stat. 951], and upon which drilling operations were being diligently prosecuted on the expiration date of such lease, prior to the effective date of this Act [July 14, 1952], is hereby reinstated effective from the expiration date of the lease and shall continue in effect for a period of two years after the effective date of this Act and so long thereafter as oil or gas is produced in paying quantities, if, within ninety days after the enactment of this Act, payment is made, under the terms of such lease as reinstated and extended, of any sums due the United States for prior years. This Act shall not be applicable to any lands which, subsequent to such expiration and prior to the enactment of this Act, have been withdrawn from leasing, leased, or otherwise disposed of.”

#### OUTER CONTINENTAL SHELF; LEASES

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

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

#### (a) Lands not withdrawn from leasing

Upon the expiration of the initial five-year term of any noncompetitive oil or gas lease which was issued prior to September 2, 1960, and which has been maintained in accordance with applicable statutory requirements and regulations, the record titleholder thereof shall be entitled to a single extension of the lease, unless then otherwise provided by law, for such lands covered by it as are not, on the expiration date of the lease, withdrawn from leasing. A withdrawal, however, shall not affect the right to an extension if actual drilling operations on such lands were commenced prior to the effective date of the withdrawal and were being diligently prosecuted on the expiration date of the lease. No withdrawal shall be effective within the meaning of this section until ninety days after notice thereof has been sent by registered or certified mail to each lessee to be affected by such withdrawal.

#### (b) Known and unknown geologic structures of producing fields

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

#### (c) Application requirement

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

record titleholder or an assignee whose assignment has been filed for approval or an operator whose operating agreement has been filed for approval.

**(d) Commencement of actual drilling operations**

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

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

CODIFICATION

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

**§ 226-2. Limitations for filing oil and gas contests**

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

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

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

**(a) Prohibition**

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

- (1) Lands recommended for wilderness allocation by the surface managing agency.
- (2) Lands within Bureau of Land Management wilderness study areas.
- (3) Lands designated by Congress as wilderness study areas, except where oil and gas leasing is specifically allowed to continue by the statute designating the study area.
- (4) Lands within areas allocated for wilderness or further planning in Executive Communication 1504, Ninety-Sixth Congress (House Document numbered 96-119), unless such lands are allocated to uses other than wilderness by a land and resource management plan or have been released to uses other than wilderness by an act of Congress.

**(b) Exploration**

In the case of any area of National Forest or public lands subject to this section, nothing in this section shall affect any authority of the Secretary of the Interior (or for National Forest Lands reserved from the public domain, the Secretary of Agriculture) to issue permits for exploration for oil and gas, coal, oil shale, phosphate,

potassium, sulphur, gilsonite or geothermal resources by means not requiring construction of roads or improvement of existing roads if such activity is conducted in a manner compatible with the preservation of the wilderness environment.

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

REFERENCES IN TEXT

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

AMENDMENTS

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

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

**§§ 226a, 226b. Repealed. Aug. 8, 1946, ch. 916, § 14, 60 Stat. 958**

Section 226a, act July 8, 1940, ch. 548, 54 Stat. 742, related to lease of lands not within known productive field. See section 226 of this title.

Section 226b, acts July 29, 1942, ch. 534, § 1, 56 Stat. 726; Dec. 22, 1943, ch. 376, 57 Stat. 608; Sept. 27, 1944, ch. 429, 58 Stat. 755; Nov. 30, 1945, ch. 495, 59 Stat. 587, related to preference right to new oil and gas lease upon expiration of five-year non-competitive oil and gas lease. See section 226 of this title.

SAVINGS PROVISION

See note set out under section 181 of this title.

**§ 226c. Reduction of royalties under existing leases**

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