

1980—Pub. L. 96-513 substituted “section 17(j) of the Act of February 25, 1920 (30 U.S.C. 226(j))” for “section 226e of title 30”.

1976—Pub. L. 94-258 struck out “of the Navy” after “Secretary” wherever appearing.

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.

EX. ORD. NO. 12929. DELEGATION OF AUTHORITY REGARDING NAVAL PETROLEUM AND OIL SHALE RESERVES

Ex. Ord. No. 12929, Sept. 29, 1994, 59 F.R. 50473, provided:

By the authority vested in me as President by the Constitution and the laws of the United States of America, including section 301 of title 3 and sections 7427 and 7428 of title 10, United States Code, and in order to meet the goals and requirements of the Naval Petroleum and Oil Shale Reserves, it is hereby ordered as follows:

The functions vested in the President by sections 7427 and 7428 of title 10 of the United States Code are delegated to the Secretary of Energy.

WILLIAM J. CLINTON.

Temporary delegations of functions of President under this section were contained in the following prior Executive Orders:

Ex. Ord. No. 12784, Dec. 19, 1991, 56 F.R. 66339.

Ex. Ord. No. 12659, Dec. 15, 1988, 53 F.R. 50911.

§ 7428. Agreements and leases: provision for change

Every unit or cooperative plan of development and operation and every lease affecting lands owned by the United States within Naval Petroleum Reserve Numbered 2 and the oil shale reserves shall contain a provision authorizing the Secretary, subject to approval by the President and to any limitation in the plan or lease, to change from time to time the rate of prospecting and development on, and the quantity and rate of production from, lands of the United States under the plan or lease, notwithstanding any other provision of law.

(Aug. 10, 1956, ch. 1041, 70A Stat. 460; Pub. L. 87-796, §1(5), Oct. 11, 1962, 76 Stat. 905; Pub. L. 94-258, title II, §201(9), Apr. 5, 1976, 90 Stat. 309; Pub. L. 106-398, §1 [div. C, title XXXIV, §3402(b)(2)], Oct. 30, 2000, 114 Stat. 1654, 1654A-484.)

HISTORICAL AND REVISION NOTES

Revised section	Source (U.S. Code)	Source (Statutes at Large)
7428	34 U.S.C. 524 (proviso of 6th par.).	June 4, 1920, ch. 228 (6th par., proviso, 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. 282.

The words “entered into after July 1, 1937” and “entered into subsequent to July 1, 1937” are omitted as surplusage. The words “in his discretion” are omitted as surplusage.

AMENDMENTS

2000—Pub. L. 106-398 struck out “, except a plan authorized by section 7426 of this title,” after “development and operation”.

1976—Pub. L. 94-258 substituted “within Naval Petroleum Reserve Numbered 2 and the oil shale reserves

shall contain a provision authorizing the Secretary” for “within the naval petroleum and oil shale reserves shall contain a provision authorizing the Secretary of the Navy”.

1962—Pub. L. 87-796 included leases affecting lands within oil shale reserves.

DELEGATION OF FUNCTIONS

Functions of the President under this section were delegated to the Secretary of Energy by Ex. Ord. No. 12929, Sept. 29, 1994, 59 F.R. 50473, set out as a note under section 7427 of this title.

§ 7429. Re-lease of certain lands: lessee’s preferential right

The Secretary, on terms prescribed by him, may re-lease lands in the naval petroleum reserves that were covered by leases made before July 1, 1936, and terminated by law at the expiration of their initial twenty-year periods. If any such land is to be re-leased, the Secretary shall give to the former lessee preferential rights to the new lease.

(Aug. 10, 1956, ch. 1041, 70A Stat. 460; Pub. L. 94-258, title II, §201(10), Apr. 5, 1976, 90 Stat. 309.)

HISTORICAL AND REVISION NOTES

Revised section	Source (U.S. Code)	Source (Statutes at Large)
7429	34 U.S.C. 524 (6th par., less proviso).	June 4, 1920, ch. 228 (6th par., less proviso, of amended 3d and 4th provisos), 41 Stat. 813; June 30, 1938, ch. 851, §1, 52 Stat. 1253; June 17, 1944, ch. 262, 58 Stat. 282.

The source law provided that leases of lands of the United States within the naval petroleum reserves in existence before July 1, 1936, except leases that had become part of an approved unit or cooperative plan and agreement, should terminate at the end of their initial 20-year period, and that the lands covered by these leases could then be re-leased by the Secretary of the Navy. All of the leases covered by this provision have terminated as provided therein. Thus the provision for the termination of the leases is executed and the only remaining effect of the source is to authorize the re-lease of the lands formerly covered by the terminated leases. This section is worded accordingly. Reference to the classes of leases that were excepted from the termination is omitted as unnecessary because these leases were, of course, not terminated. They are not affected, since this section refers only to leases that were “terminated by law”. The word “conditions” is omitted as included in the word “terms”.

AMENDMENTS

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

§ 7430. Disposition of products

(a) In administering the naval petroleum reserves under this chapter, the Secretary shall use, store, or sell the petroleum produced from the naval petroleum reserves and lands covered by joint, unit, or other cooperative plans.

(b)(1) Subject to paragraph (2) and notwithstanding any other provision of law, each sale of the United States share of petroleum shall be made by the Secretary at public sale to the highest qualified bidder, at such time, in such amounts, and after such advertising as the Secretary considers proper and without regard to Federal, State, or local regulations controlling

sales or allocation of petroleum products. Each sale of the United States share of petroleum shall be for periods of not more than one year, except that a sale of natural gas may be made for a period of more than one year.

(2) The Secretary may not sell any part of the United States share of petroleum produced from Naval Petroleum Reserves Numbered 2 and 3 at a price less than the current sales price, as estimated by the Secretary, of comparable petroleum in the same area.

(3) For purposes of paragraph (2), the term "petroleum" does not include natural gas liquids.

(c) In no event shall the Secretary permit the award of any contract which would result in any person obtaining control, directly or indirectly, over more than 20 percent of the estimated annual United States share of petroleum produced from Naval Petroleum Reserve Numbered 1.

(d) Each proposal for sale under this title shall provide that the terms of every sale of the United States share of petroleum from the naval petroleum reserves shall be so structured as to give full and equal opportunity for the acquisition of petroleum by all interested persons, including major and independent oil producers and refiners alike. When the Secretary, in consultation with the Secretary of the Interior, determines that the public interests will be served by the sale of petroleum to small refiners not having their own adequate sources of supply of petroleum, the Secretary is authorized and directed to set aside a portion of the United States share of petroleum produced for sale to such refiners under the provisions of this section for processing or use in such refineries, except that—

(1) none of the production sold to small refiners may be resold in kind;

(2) production must be sold at a cost of not less than the prevailing local market price of comparable petroleum;

(3) the set-aside portion may not exceed 25 percent of the estimated annual United States share of the total production from all producing naval petroleum reserves; and

(4) notwithstanding the provisions of subsection (b), the Secretary may, at his discretion if he deems it to be in the public interest, prorate such petroleum among such refiners for sale, without competition, at not less than the prevailing local market price of comparable petroleum.

(e) Any petroleum produced from the naval petroleum reserves, except such petroleum which is either exchanged in similar quantities 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 1979 (50 U.S.C. 4601 et seq.) and, in addition, before any petroleum subject to this section may be exported under the limitations and licensing requirement and penalty and enforcement provisions of the Export Administration Act of 1979, the President must make and pub-

lish an express finding that such exports will not diminish the total quality or quantity of petroleum available to the United States and that such exports are in the national interest and are in accord with the Export Administration Act of 1979.

(f) During the period of production or any extension thereof authorized by section 7422(c) of this title, the consultation and approval requirements of section 7431(a)(3) of this title are waived.

(g)(1) Prior to the promulgation of any rules and regulations, plans of development and amendments thereto, and in the entering and making of contracts and operating agreements relating to the development, production, or sale of petroleum in or from the reserves, the Secretary shall consult with and give due consideration to the views of the Attorney General of the United States with respect to matters which may affect competition.

(2) No contract or operating agreement may be made, issued, or executed under this chapter until at least 15 days after the Secretary notifies the Attorney General of the proposed contract or operating agreement. Such notification shall contain such information as the Attorney General may require in order to advise the Secretary as to whether such contract or operating agreement may create or maintain a situation inconsistent with the antitrust laws. If, within such 15-day period, the Attorney General advises the Secretary that a contract or operating agreement may create or maintain a situation inconsistent with the antitrust laws, then the Secretary may not make, issue, or execute that contract or operating agreement.

(h) Nothing in this chapter shall be deemed to confer on any person immunity from civil or criminal liability, or to create defenses to actions, under the antitrust laws.

(i) In this section, the term "antitrust laws" means—

(1) the Sherman Act (15 U.S.C. 1 et seq.);

(2) the Clayton Act (15 U.S.C. 12 et seq.);

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

(4) sections 73 and 74 of the Wilson Tariff Act (15 U.S.C. 8 and 9); and

(5) sections 2, 3, and 4 of the Act of June 19, 1936 (commonly referred to as the "Robinson-Patman Act") (15 U.S.C. 13a, 13b, and 21a).

(j) Any pipeline which accepts, conveys, or transports any petroleum produced from Naval Petroleum Reserves Numbered 1 or Numbered 3 shall accept, convey, and transport without discrimination and at reasonable rates any such petroleum as a common carrier insofar as petroleum from such reserves is concerned. Every contract entered into by the Secretary for the sale of any petroleum owned by the United States which is produced from such reserves shall contain provisions implementing the requirements of the preceding sentence if the contractor owns a controlling interest in any pipeline or any company operating any pipeline, or is the operator of any pipeline, which carries any petroleum produced from such naval petroleum reserves. The Secretary may promulgate rules and regulations for the purpose of carrying out the provisions of this section and he, or the

Secretary of the Interior where the authority extends to him, may declare forfeit any contract, operating agreement, right-of-way, permit, or easement held by any person violating any such rule or regulation. This section shall not apply to any natural gas common carrier pipeline operated by any person subject to regulation under the Natural Gas Act (15 U.S.C. 717 et seq.) or 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.

(k)(1) With respect to all or any part of the United States share of petroleum produced from the naval petroleum reserves, the President may direct that the Secretary—

(A) place that petroleum in the Strategic Petroleum Reserve as authorized by sections 151 through 166 of the Energy Policy and Conservation Act (42 U.S.C. 6231–6246); or

(B) exchange, directly or indirectly, that petroleum for other petroleum to be placed in the Strategic Petroleum Reserve under such terms and conditions and by such methods as the Secretary determines to be appropriate, without regard to otherwise applicable Federal procurement statutes and regulations.

(2) The requirements of section 159 of the Energy Policy and Conservation Act (42 U.S.C. 6239) do not apply to actions taken under this subsection.

(l)(1) Notwithstanding any other provision of this chapter (but subject to paragraph (2)), during any period in which the production of petroleum is authorized from Naval Petroleum Reserves Numbered 1, 2, or 3, the Secretary, at the request of the Secretary of Defense, may provide any portion of the United States share of petroleum so produced to the Department of Defense for its use, exchange, or sale in order to meet petroleum product requirements of the Department of Defense.

(2) Petroleum may be provided to the Department of Defense under paragraph (1) either directly or by such exchange as the Secretary deems appropriate. Appropriate reimbursement reasonably reflecting the fair market value shall be provided by the Secretary of Defense for petroleum provided under this subsection.

(3) Any exchange made pursuant to this subsection may be made without regard to otherwise applicable Federal procurement statutes and regulations.

(4) Paragraph (1) does not apply to any petroleum set aside for small refiners under subsection (d) or placed in the Strategic Petroleum Reserve under subsection (k).

(Aug. 10, 1956, ch. 1041, 70A Stat. 460; Pub. L. 87–599, § 2, Aug. 24, 1962, 76 Stat. 401; Pub. L. 87–796, § 1(6), Oct. 11, 1962, 76 Stat. 905; Pub. L. 94–258, title II, § 201(11), Apr. 5, 1976, 90 Stat. 309; Pub. L. 96–294, title VIII, § 804, June 30, 1980, 94 Stat. 777; Pub. L. 96–513, title V, § 513(34), Dec. 12, 1980, 94 Stat. 2934; Pub. L. 97–22, § 11(a)(10), July 10, 1981, 95 Stat. 138; Pub. L. 98–525, title XIV, § 1405(53), Oct. 19, 1984, 98 Stat. 2625; Pub. L. 99–413, § 1(b), (c), Aug. 29, 1986, 100 Stat. 944, 945; Pub. L. 100–26, § 7(k)(9), Apr. 21, 1987, 101 Stat. 284; Pub. L. 100–202, § 101(g) [title II, § 201], Dec.

22, 1987, 101 Stat. 1329–213, 1329–242; Pub. L. 100–456, div. A, title XII, § 1233(e)(2), Sept. 29, 1988, 102 Stat. 2057; Pub. L. 106–398, § 1 [div. C, title XXXIV, § 3401], Oct. 30, 2000, 114 Stat. 1654, 1654A–484; Pub. L. 107–107, div. A, title X, § 1048(e)(12), Dec. 28, 2001, 115 Stat. 1228; Pub. L. 114–328, div. A, title X, § 1081(b)(3)(E), Dec. 23, 2016, 130 Stat. 2419.)

HISTORICAL AND REVISION NOTES

<i>Revised section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
7430(a)	34 U.S.C. 524 (244th through 293d words of 1st par.).	June 4, 1920, ch. 228 (1st par., 244th through 293d 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. 281.
7430(b)	34 U.S.C. 524 (2d sentence of 3d par.).	June 4, 1920, ch. 228 (3d par., 2d sentence, 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. 281.

In subsection (a) the words “subject to the applicable limitations and restrictions of this Act” are omitted as surplusage and the words “in administering” are inserted.

In subsection (b) the words “under this section” are substituted for the words “from the naval reserves” to make it clear that the requirements of this subsection apply to sales of petroleum, gas, and other hydrocarbons from lands outside petroleum reserve numbered 1 covered by joint, unit, or other cooperative plans as well as the sale of those products from the naval reserves proper. Subsection (a) is the only authority for the sale of petroleum, gas, and other hydrocarbons from the naval petroleum reserves.

REFERENCES IN TEXT

The Export Administration Act of 1979, referred to in subsec. (e), is Pub. L. 96–72, Sept. 29, 1979, 93 Stat. 503, which is classified principally to chapter 56 (§ 4601 et seq.) of Title 50, War and National Defense. For complete classification of this Act to the Code, see Short Title note set out under section 4601 of Title 50 and Tables.

The Sherman Act, referred to in subsec. (i)(1), is act July 2, 1890, ch. 647, 26 Stat. 209, as amended, which is classified to sections 1 to 7 of Title 15, Commerce and Trade. For complete classification of this Act to the Code, see Short Title note set out under section 1 of Title 15 and Tables.

The Clayton Act, referred to in subsec. (i)(2), is act Oct. 15, 1914, ch. 323, 38 Stat. 730, as amended, which is classified generally to sections 12, 13, 14 to 19, 21, and 22 to 27 of Title 15, and sections 52 and 53 of Title 29, Labor. For further details and complete classification of this Act to the Code, see References in Text note set out under section 12 of Title 15 and Tables.

The Federal Trade Commission Act, referred to in subsec. (i)(3), is act Sept. 26, 1914, ch. 311, 38 Stat. 717, as amended, which is classified generally to subchapter I (§ 41 et seq.) of chapter 2 of Title 15. For complete classification of this Act to the Code, see section 58 of Title 15 and Tables.

Sections 73 and 74 of the Wilson Tariff Act, referred to in subsec. (i)(4), are sections 73 and 74 of act Aug. 27, 1894, ch. 349, 28 Stat. 570, which enacted sections 8 and 9, respectively, of Title 15.

Act of June 19, 1936, referred to in subsec. (i)(5), is act June 19, 1936, ch. 592, 49 Stat. 1526, popularly known as the Robinson-Patman Antidiscrimination Act and also as the Robinson-Patman Price Discrimination Act, which enacted sections 13a, 13b, and 21a of Title 15 and amended section 13 of Title 15. For complete classification of this Act to the Code, see Short Title note set out under section 13 of Title 15 and Tables.

The Natural Gas Act, referred to in subsec. (j), is act June 21, 1938, ch. 556, 52 Stat. 821, as amended, which is classified generally to chapter 15B (§717 et seq.) of Title 15. For complete classification of this Act to the Code, see section 717w of Title 15 and Tables.

AMENDMENTS

2016—Subsec. (e). Pub. L. 114-328 substituted “(50 U.S.C. 4601 et seq.)” for “(50 U.S.C. App. 2401 et seq.)”.

2001—Subsec. (b)(2). Pub. L. 107-107 substituted “at a price less than the current sales price” for “at a price less than the higher of— (A) the current sales price”, substituted a period for “; or” after “petroleum in the same area”, and struck out subpar. (B) which read as follows: “the price of petroleum being purchased for the Strategic Petroleum Reserve, minus the cost of transporting petroleum from the naval petroleum reserve concerned to the nearest storage area of the Strategic Petroleum Reserve, with adjustments for the difference in the quality of the petroleum being purchased for the Strategic Petroleum Reserve and petroleum being produced from the naval petroleum reserve concerned.”

2000—Subsec. (b)(2). Pub. L. 106-398 substituted “Naval Petroleum Reserves Numbered 2 and 3” for “Naval Petroleum Reserves Numbered 1, 2, and 3” in introductory provisions and struck out “90 percent of” before “the current sales price” in subpar. (A).

1988—Subsec. (b)(3). Pub. L. 100-456 realigned margin of par. (3) and substituted a period for comma at end.

1987—Subsec. (b)(3). Pub. L. 100-202 added par. (3).

Subsec. (i). Pub. L. 100-26 substituted “In” for “As used in”.

1986—Subsec. (b). Pub. L. 99-413, §1(b), designated existing provisions as par. (1), substituted “Subject to paragraph (2) and notwithstanding” for “Notwithstanding”, and added par. (2).

Subsec. (g)(2). Pub. L. 99-413, §1(c), substituted “15 days” for “30 days” and “15-day” for “30-day”.

1984—Subsec. (d)(4). Pub. L. 98-525, §1405(53)(A), struck out “of this section” after “subsection (b)”.

Subsec. (g)(2). Pub. L. 98-525, §1405(53)(B), substituted “30 days” for “thirty days” and “30-day” for “thirty day”.

Subsec. (l)(4). Pub. L. 98-525, §1405(53)(C), struck out “of this section” after “subsection (d)” and “subsection (k)”.

1981—Subsec. (e). Pub. L. 97-22 substituted “Export Administration Act of 1979” for “Export Administration Act of 1969” in three places.

1980—Subsec. (b). Pub. L. 96-294, §804(a), struck out “for periods of not more than one year,” after “qualified bidder,” and inserted last sentence limiting sales of the United States share of petroleum to periods of not more than one year, except for sales of natural gas.

Subsecs. (c), (d)(3). Pub. L. 96-513(34)(A), substituted “percent” for “per centum”.

Subsec. (e). Pub. L. 96-513, §513(34)(B), substituted “(50 U.S.C. App. 2401 et seq.)” for “(83 Stat. 841)”.

Subsec. (f). Pub. L. 96-513, §513(34)(C), inserted references to this title wherever appearing.

Subsec. (i). Pub. L. 96-513, §513(34)(D), substituted “(1) the Sherman Act (15 U.S.C. 1 et seq.);”, “(2) the Clayton Act (15 U.S.C. 12 et seq.);”, “(3) the Federal Trade Commission Act (15 U.S.C. 41 et seq.);”, “(4) sections 73 and 74 of the Wilson Tariff Act (15 U.S.C. 8 and 9); and”, and “(5) sections 2, 3, and 4 of the Act of June 19, 1936 (commonly referred to as the ‘Robinson-Patman Act’) (15 U.S.C. 13a, 13b, and 21a).” for “(1) 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;”, “(2) 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;”, “(3) the Federal Trade Commission Act (15 U.S.C. 41 et seq.), as amended;”, “(4) sections 73 and 74 of the Act entitled ‘An Act to reduce taxation, to provide revenue for the Government, and for other purposes’, approved August 27, 1894 (15 U.S.C. 8 and 9), as amended; or”, and “(5) sections 2, 3, and 4 of the Act of June 19,

1936, chapter 592 (15 U.S.C. 13a, 13b, and 21a)”, respectively.

Subsec. (j). Pub. L. 96-513, §513(34)(E), inserted “(15 U.S.C. 717 et seq.)”.

Subsec. (k). Pub. L. 96-294, §804(b), amended subsec. (k) generally, inserting references to the Secretary, provision authorizing the exchange of petroleum under terms and conditions determined appropriate without regard to Federal procurement statutes and regulations, and provision making 42 U.S.C. 6239 inapplicable.

Subsec. (l). Pub. L. 96-294, §804(c), added subsec. (l).

1976—Subsec. (a). Pub. L. 94-258 substituted provisions setting forth requirements for Secretary in administering naval petroleum reserves under this chapter, for provisions setting forth requirements for Secretary of the Navy in administering naval petroleum and oil shale reserves under this chapter.

Subsec. (b). Pub. L. 94-258 inserted “Notwithstanding any other provision of law” before “each sale”, reference to United States share of petroleum, provision relating to periods of sale, and provision exempting Federal, State, or local regulations controlling sales or allocation of petroleum products, and struck out applicability to sales of gas, other hydrocarbons, oil shale, or products therefrom.

Subsecs. (c) to (k). Pub. L. 94-258 added subsecs. (c) to (k).

1962—Subsec. (a). Pub. L. 87-796 included provision for administration of oil shale reserves, required the Secretary of the Navy to use, store, sell, or exchange oil shale and products therefrom produced from oil shale reserves for other petroleum or refined products, and deleted provision which required the Secretary to use, store, sell, or exchange gas products from lands in the South Barrow gas field of naval petroleum reserve numbered 4 for other petroleum or refined products.

Pub. L. 87-599 required the Secretary of the Navy to use, store, sell, or exchange gas products from lands in the South Barrow gas field of naval petroleum reserve numbered 4 for other petroleum or refined products.

Subsec. (b). Pub. L. 87-796 included sale of oil shale and products from petroleum, gas, other hydrocarbons, and oil shale.

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.

DELEGATION OF FUNCTIONS

Functions vested in President by subsec. (k) of this section delegated to Secretary of Energy by section 1-102 of Ex. Ord. No. 12231, Aug. 4, 1980, 45 F.R. 52139, set out as a note under section 6240 of Title 42, The Public Health and Welfare.

MINIMUM SELLING PRICE OF UNITED STATES SHARE OF PETROLEUM

Pub. L. 106-291, title II, Oct. 11, 2000, 114 Stat. 976, provided in part: “That the requirements of 10 U.S.C. 7430(b)(2)(B) shall not apply to fiscal year 2001 and any fiscal year thereafter”.

Similar provisions were contained in the following appropriation and authorization acts:

Pub. L. 106-113, div. B, §1000(a)(3) [title II], Nov. 29, 1999, 113 Stat. 1535, 1501A-179.

Pub. L. 105-277, div. A, §101(e) [title II], Oct. 21, 1998, 112 Stat. 2681-231, 2681-276.

Pub. L. 105-85, div. C, title XXXIV, §3402, Nov. 18, 1997, 111 Stat. 2059.

Pub. L. 105-83, title II, Nov. 14, 1997, 111 Stat. 1580.

Pub. L. 104-208, div. A, title I, §101(d) [title II], Sept. 30, 1996, 110 Stat. 3009-181, 3009-210.

Pub. L. 104-201, div. C, title XXXIV, §3402, Sept. 23, 1996, 110 Stat. 2858.

Pub. L. 104-134, title I, §101(c) [title II], Apr. 26, 1996, 110 Stat. 1321-156, 1321-187; renumbered title I, Pub. L. 104-140, §1(a), May 2, 1996, 110 Stat. 1327.

Pub. L. 104-106, div. C, title XXXIV, §3402, Feb. 10, 1996, 110 Stat. 631.

Pub. L. 103-337, div. C, title XXXV, §3502, Oct. 5, 1994, 108 Stat. 3111.

Pub. L. 103-332, title II, Sept. 30, 1994, 108 Stat. 2525.

Pub. L. 103-138, title II, Nov. 11, 1993, 107 Stat. 1405.

§ 7431. Requirements as to consultation and approval

(a) The Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives must be consulted and the President's approval must be obtained before any condemnation proceedings may be started under this chapter and before any of the following transactions authorized by this chapter may be effective:

(1) A lease of any part of the naval petroleum reserves.

(2) A contract to alienate from the United States the use, control, or possession of any part of the naval petroleum reserves (except that consultation and Presidential approval are not required in connection with the issuance of permits, licenses, easements, grazing and agricultural leases, rights-of-way, and similar contracts pertaining to use of the surface area of the naval petroleum reserves).

(3) A contract to sell the petroleum (other than royalty oil and gas) produced from any part of the naval petroleum reserves.

(4) A contract for conservation or for compensation for estimated drainage.

(5) An agreement to exchange land, the right to royalty production, or the right to any money due the United States.

(b)(1) During the period of production authorized by section 7422(c) of this title, the Secretary shall submit to the Committee on Armed Services of the Senate and the Committee on Armed Services of the House of Representatives any new plans or substantial amendments to ongoing plans for the exploration, development, and production of the naval petroleum reserves.

(2) All plans or substantial amendments submitted to the Congress pursuant to this section shall contain a report by the Attorney General of the United States with respect to the anticipated effects of such plans or amendments on competition. Such plans or amendments shall not be implemented until sixty days after such plans or amendments have been submitted to such committees.

(Aug. 10, 1956, ch. 1041, 70A Stat. 460; Pub. L. 87-796, §1(7), Oct. 11, 1962, 76 Stat. 905; Pub. L. 94-258, title II, §201(12), Apr. 5, 1976, 90 Stat. 311; Pub. L. 98-525, title XIV, §1405(52), Oct. 19, 1984, 98 Stat. 2625; Pub. L. 99-145, title XIII, §1303(a)(25), Nov. 8, 1985, 99 Stat. 740; Pub. L. 104-106, div. A, title XV, §1502(a)(2), Feb. 10, 1996, 110 Stat. 502; Pub. L. 106-65, div. A, title X, §1067(1), Oct. 5, 1999, 113 Stat. 774; Pub. L. 114-92, div. A, title X, §1073(b), Nov. 25, 2015, 129 Stat. 995.)

HISTORICAL AND REVISION NOTES

Revised section	Source (U.S. Code)	Source (Statutes at Large)
7431	34 U.S.C. 524 (1st proviso of 4th par.).	June 4, 1920, ch. 228 (4th par., 1st proviso, 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. 282.

AMENDMENTS

2015—Subsec. (c). Pub. L. 114-92 struck out subsec. (c) which required annual reports relating to naval petroleum reserves.

1999—Subsecs. (a), (b)(1), (c). Pub. L. 106-65 substituted “and the Committee on Armed Services” for “and the Committee on National Security”.

1996—Subsecs. (a), (b)(1), (c). Pub. L. 104-106 substituted “Committee on Armed Services of the Senate and the Committee on National Security of the House of Representatives” for “Committees on Armed Services of the Senate and the House of Representatives”.

1985—Subsec. (c). Pub. L. 99-145 in pars. (1) to (3) substituted “The” for “the” at beginning and periods for the semicolons at end, in par. (4) substituted “A summary” for “a summary” and a period for “; and”, and in par. (5) substituted “Such” for “such”.

1984—Subsecs. (b)(1), (c). Pub. L. 98-525 inserted “of this title” after “section 7422(c)”.

1976—Pub. L. 94-258 designated existing provisions as subsec. (a), struck out “or oil shale” in pars. (1) and (2) before “reserves”, struck out “and oil shale” in pars. (2) and (3), before “reserves” substituted “petroleum (other than royalty oil and gas)” for “oil and gas (other than royalty oil and gas), oil shale, and products therefrom” in par. (3), and added subsecs. (b) and (c).

1962—Pub. L. 87-796 included oil shale reserves in cls. (1) and (2), inserted provisions in cl. (2) excepting consultation and Presidential approval in connection with issuance of permits, licenses, easements, grazing and agricultural leases, rights-of-way, and similar contracts pertaining to use of surface area of naval petroleum and oil shale reserves, and included oil shale, and products therefrom produced from any part of oil shale reserves.

CONTRACT FOR STUDIES OF POTENTIAL TRANSFER OUT OF FEDERAL CONTROL OF FACILITIES AND FUNCTIONS AT ELK HILLS AND TEAPOT DOME; RESTRICTIONS

Pub. L. 101-45, title I, §501, June 30, 1989, 103 Stat. 103, provided that no funds appropriated or made available under Pub. L. 101-45 or any other Act were to be used by the executive branch to contract with organizations outside Department of Energy to perform studies of potential transfer out of Federal ownership, management or control by sale, lease, or other disposition, in whole or in part, of facilities and functions of Naval Petroleum Reserve Numbered 1 (Elk Hills) and Naval Petroleum Reserve Numbered 3 (Teapot Dome), and prohibited negotiation of changes to unit plan contract with Chevron which governed operation of Elk Hills, where purpose of changes was to prepare for divestiture of the Reserve, prior to repeal by Pub. L. 104-134, title I, §101(c) [title II], Apr. 26, 1996, 110 Stat. 1321-156, 1321-187; renumbered title I, Pub. L. 104-140, §1(a), May 2, 1996, 110 Stat. 1327.

§ 7432. Authorizations of appropriations

(a) Funds for the following purposes may not be appropriated unless such appropriations have been specifically authorized by law:

(1) Exploration, prospecting, conservation, development, use, operations, and production of the naval petroleum reserves as authorized by this chapter.

(2) Production (including preparation for production) as authorized by this chapter or as may be authorized after April 5, 1976.