

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

<i>Revised section</i>	<i>Source (U.S. Code)</i>	<i>Source (Statutes at Large)</i>
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.

(3) The construction and operation of facilities both within and outside the naval petroleum reserves incident to the production and the delivery of petroleum, including pipelines and shipping terminals.

Sums appropriated for such purposes shall remain available until expended.

(b) Contracts under this chapter providing for the obligation of funds may be entered into for a period of five years, renewable for an additional five-year period; however, such contracts may obligate funds only to the extent that such funds are made available in appropriation Acts.

(Aug. 10, 1956, ch. 1041, 70A Stat. 461; Pub. L. 87-796, §1(8), Oct. 11, 1962, 76 Stat. 905; Pub. L. 94-258, title II, §201(13), Apr. 5, 1976, 90 Stat. 312; Pub. L. 96-137, §3(b)(1), Dec. 12, 1979, 93 Stat. 1061; Pub. L. 96-513, title V, §513(35), Dec. 12, 1980, 94 Stat. 2934.)

#### HISTORICAL AND REVISION NOTES

Revised section	Source (U.S. Code)	Source (Statutes at Large)
7432 .....	34 U.S.C. 524 (3d par., less 2d sentence; 5th par., 124th through 168th words).	June 4, 1920, ch. 228 (3d par., less 2d sentence; 5th par., 124th through 168th 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.

In subsection (a) the words “by the Congress” are omitted as surplusage.

In subsection (b) the words “There is authorized to be appropriated” are omitted as surplusage.

#### AMENDMENTS

1980—Subsec. (a)(1). Pub. L. 96-513 substituted a period for the semicolon at the end.

1979—Pub. L. 96-137 struck out provisions relating to the naval petroleum reserves special account.

1976—Pub. L. 94-258 substituted “Naval petroleum reserves special account” for “Expenditures: appropriations chargeable” in section catchline.

Subsec. (a). Pub. L. 94-258 substituted provisions establishing a special account on the books of the Treasury Department to be designated as the “naval petroleum reserves special account”, and authorizing to be credited proceeds resulting from the sale or exchange of the United States share of petroleum, refined petroleum products, appropriation funds, royalties, or other revenue from the operation of the reserves, for provisions authorizing the expenditure of funds from available appropriations for expenses incurred in the administration of the reserves.

Subsec. (b). Pub. L. 94-258 substituted provisions which made funds in the naval petroleum reserve special account available in sums specified in annual appropriations acts for enumerated expense items, for provisions which authorized expenditures to be made under the direction of the President and requiring the President to submit an estimate of expenditures necessary to carry out the purposes of this chapter.

Subsecs. (c), (d). Pub. L. 94-258 added subsecs. (c) and (d).

1962—Subsec. (a). Pub. L. 87-796 substituted “with respect to the naval petroleum and oil shale reserves shall be paid from appropriations made available for the purposes specified in this chapter” for “in exploring, prospecting, conserving, developing, using and operating lands owned or controlled by the United States in the naval petroleum reserves, and in producing petroleum, and the share of the United States of expenses incurred under any contract entered into under this chapter, shall be paid from appropriations made available for those purposes”.

#### 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.

#### ABOLITION OF NAVAL PETROLEUM RESERVES SPECIAL ACCOUNT

Pub. L. 96-137, §3(c), Dec. 12, 1979, 93 Stat. 1062, provided that: “The naval petroleum reserves special account established by section 7432 of title 10, United States Code, as in existence on the day before the date of the enactment of this Act [Dec. 12, 1979], is abolished. Unappropriated balances of funds in the naval petroleum reserves special account on the date of the enactment of this Act shall be transferred on the books of the Treasury into miscellaneous receipts, and all moneys accruing to the United States after such date under chapter 641 of title 10, United States Code, shall be covered into the Treasury as miscellaneous receipts.”

#### § 7433. Disposition of royalties

(a) Any oil, gas, gasoline or other substance accruing to the United States as royalty from any lease under this chapter shall be delivered to the United States, or shall be paid for in money, as the Secretary elects.

(b) All money accruing to the United States from lands in the naval petroleum reserves shall be covered into the Treasury.

(Aug. 10, 1956, ch. 1041, 70A Stat. 461; Pub. L. 87-796, §1(9), Oct. 11, 1962, 76 Stat. 905; Pub. L. 94-258, title II, §201(14), (15), Apr. 5, 1976, 90 Stat. 313.)

#### HISTORICAL AND REVISION NOTES

Revised section	Source (U.S. Code)	Source (Statutes at Large)
7433 .....	34 U.S.C. 524 (10th par.).	June 4, 1920, ch. 228 (10th par. of amended 3d and 4th provisos), 41 Stat. 813; June 30, 1938, ch. 851, §1, 52 Stat. 1254; June 17, 1944, ch. 262, 58 Stat. 281.

In subsection (a) the words “or all” are omitted as surplusage. The words “under this chapter” are substituted for the words “of lands within the naval petroleum reserves or other naval fuel reserves under the authority of this section” for brevity. The words “be delivered to the United States, or shall be paid for in money” are substituted for the words “be paid for in money or be paid in kind” for clarity. Neither gas, oil, gasoline, nor hydrocarbon can be “paid”, but any one of them may be delivered.

In subsection (b) the words “except as otherwise provided in this section” are omitted as surplusage. There is no exception within the chapter to the rule stated in subsection (b). The word “paid” is substituted for the words “which may accrue” for clarity. The words “under this chapter” are substituted for the words “under the provisions of this section or of sections \* \* \* on account of the petroleum products extracted therefrom” for brevity. The two terms are coextensive. The sections of 30 U.S.C. that are cited in 34 U.S.C. 524 (10th par.) comprise the entire Act of Feb. 25, 1920, ch. 85, 41 Stat. 437, as amended. The application of that Act to the Navy is covered in §7427 of this title. The words “as miscellaneous receipts” are omitted as surplusage.

#### AMENDMENTS

1976—Subsec. (a). Pub. L. 94-258, §201(14), struck out “of the Navy” after “Secretary”.

Subsec. (b). Pub. L. 94-258, §201(15), struck out “and oil shale” after “petroleum”.

1962—Subsec. (a). Pub. L. 87-796 substituted “or other substance” for “or other hydrocarbon substance”.