

§ 625. Prohibition of unspecified use

Notwithstanding any other provisions of this chapter, all mining claims and mill sites or mineral rights located under the terms of this chapter or otherwise contained on the public lands as described in section 621 of this title shall be used only for the purposes specified in section 621 of this title and no facility or activity shall be erected or conducted thereon for other purposes.

(Aug. 11, 1955, ch. 797, § 6, 69 Stat. 683.)

CHAPTER 17—EXPLORATION PROGRAM FOR DISCOVERY OF MINERALS

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§ 641. Establishment and maintenance of program for exploration; financial assistance

The Secretary of the Interior is hereby authorized and directed, in order to provide for discovery of additional domestic mineral reserves, to establish and maintain a program for exploration by private industry within the United States, its Territories and possessions for such minerals, excluding organic fuels, as he shall from time to time designate, and to provide Federal financial assistance on a participating basis for that purpose.

(Pub. L. 85-701, § 1, Aug. 21, 1958, 72 Stat. 700.)

Statutory Notes and Related Subsidiaries**CONGRESSIONAL DECLARATION OF POLICY**

The recital clause of Pub. L. 85-701, Aug. 21, 1958, 72 Stat. 700, which preceded section 1, provided: "That it is declared to be the policy of the Congress to stimulate exploration for minerals within the United States, its Territories and possessions."

§ 642. Exploration contracts**(a) Terms and conditions; interest rates**

In order to carry out the purposes of this chapter, and subject to the provisions of this section, the Secretary is authorized to enter into exploration contracts with individuals, partnerships, corporations, or other legal entities which shall provide for such Federal financial participation as he deems in the national interest. Such contracts shall contain terms and conditions as the Secretary deems necessary and appropriate, including terms and conditions for the repayment of the Federal funds made available under any contract together with interest thereon, as a royalty on the value of the production from the area described in the contract. Interest shall be calculated from the date of the loan. Such interest shall be at rates which (1) are not less than the rates of interest which the Secretary of the Treasury shall determine the Department of the Interior would have to pay if it borrowed such funds from the Treasury of the United States, taking into consideration current average yields on outstanding marketable obligations of the

United States with maturities comparable to the terms of the particular contracts involved and (2) plus 2 per centum per annum in lieu of recovering the cost of administering the particular contracts.

(b) Deposit of royalty payments

Royalty payments received under paragraph (a) of this section shall be covered into the miscellaneous receipts of the Treasury.

(c) Certification of exploration projects; payment of royalties; time limitation on payment; royalty agreements

When in the opinion of the Secretary an analysis and evaluation of the results of the exploration project disclose that mineral production from the area covered by the contract may be possible he shall so certify within the time specified in the contract. Upon certification, payment of royalties shall be a charge against production for the full period specified in the contract or until the obligation has been discharged, but in no event shall such royalty payments continue for a period of more than twenty-five years from the date of contract. When the Secretary determines not to certify he shall promptly notify the contractor. When the Secretary deems it necessary and in the public interest, he may enter into royalty agreements to provide for royalty payments in the same manner as though the project had been certified.

(d) Production

No provision of this chapter, nor any rule or regulation which may be issued by the Secretary shall be construed to require any production from the area described in the contract.

(e) Rules and regulations; adjustment of contracts

The Secretary shall establish and promulgate such rules and regulations as may be necessary to carry out the purposes of this chapter: *Provided, however*, That he may modify and adjust the terms and conditions of any contract to reduce the amount and term of any royalty payment when he shall determine that such action is necessary and in the public interest: *Provided further*, That no such single contract shall authorize Government participation in excess of \$250,000.

(f) Availability of funds

No funds shall be made available under this chapter unless the applicant shall furnish evidence that funds from commercial sources are unavailable on reasonable terms.

(Pub. L. 85-701, § 2, Aug. 21, 1958, 72 Stat. 700.)

§ 643. "Exploration" defined

As used in this chapter, the term "exploration" means the search for new or unexplored deposits of minerals, including related development work, within the United States, its Territories and possessions, whether conducted from the surface or underground, using recognized and sound procedures including standard geophysical and geochemical methods for obtaining mineralogical and geological information.

(Pub. L. 85-701, § 3, Aug. 21, 1958, 72 Stat. 701.)