

**Attachment A.**

**OCS Lands Act of 1953 and Code of Federal Regulations**

REGULATIONS PERTAINING TO  
MINERAL LEASING  
ON THE  
OUTER CONTINENTAL SHELF  
as contained in

TITLE 43 of the CODE of  
FEDERAL REGULATIONS

Group 3300- Outer Continental  
Shelf Leasing

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**SUBPART 3300- OUTER  
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#3300.w Purpose and authority.

The Outer Continental Shelf Lands Act of August 7, 1953 (67 Stat. 462; 43 U.S.C. Q1331 et seq.) referred to in this part as "the act," among other things, authorizes the Secretary of the Interior to issue on a competitive basis leases for oil and gas, sulphur, and other minerals in submerged lands of the Outer Continental Shelf, as defined in section 2 of the act. Subject to the supervisory authority of the Secretary, the regulations in this part shall be administered by the Director, Bureau of Land Management, hereinafter referred to in this part as the Director.

\$3300.04 Applicability of public land laws.

Thw laws and regulations pertaining to the public lands of the United States are not applicable to the submerged lands of the Outer Continental Shelf. Mineral deposits in the submerged lends of the Outer Continental Shelf are subject to disposition only in accordance with the provisions of the act and the regulations promulgated by the Secretary thereunder.

**§3300.1 Persons qualified to hold leases.**

Mineral leases issued pursuant to section 8 of the act may be held only by citizens of the United States over 21 years of age, associations of such citizens, States, political subdivisions of a State, or private, public, or municipal corporations organized under the laws of the United States or of any State or Territory thereof.

**§3300.3 Helium.**

Each lease issued or continued under the act shall be subject to a reservation by the United States of the ownership of and the right to extract helium from all gas produced from the leased area, subject to such rules and regulations as shall be prescribed by the Secretary of the Interior. In case the United States elects to take the helium, the lessee shall deliver all gas containing helium, or the portion of gas desired, to the United States at any point on the leased area in the manner required by the United States, for the extraction of helium in such plant or reduction works for that purpose as the United States may provide, whereupon the residue shall be returned to the lessee with no substantial delay in the delivery of gas produced from the well to the purchaser thereof. The lessee shall not suffer a diminution of value of the gas from which the helium has been extracted, or loss otherwise, for which he is not reasonably compensated, save for the value of the helium extracted. The United States shall have the right to erect, maintain, and operate on the leased area any and all reduction works and other equipment necessary for the extraction of helium.

**§3300.4 Payments of filing charges, bonuses, rentals and royalties.**

All payments to the United States required by the act or the regulations in this part shall be made to the oil and gas supervisor of the Geological Survey for the region in which the leased area is situated, except that payments of filing charges, bonuses and first year's rental shall be made to the manager of the appropriate field office, Bureau of Land Management, unless otherwise directed by the Secretary. All payments should be made by check, bank draft, or money order payable to the United States Geological Survey, if the payments are made to the Geological Survey, or to the Bureau of Land Management, if the payments are made to that Bureau.

**Subpart 3301 — Leasing Areas**

**§3301.1 Leasing maps.**

(a) Any area of the Outer Continental Shelf which has been appropriately platted as provided in paragraph (b) of this section is subject to lease for any mineral not included in a subsisting lease issued under the act

or meeting the requirements of subsection (a) of section 6 of the act, unless before any lease is offered or issued the unit is (1) withdrawn from disposition pursuant to section 12(a) of the act, or (2) designated as an area or part of an area restricted from operation under section 12(d) of the act.

(b) As the need arises, the Bureau of Land Management will prepare official leasing maps of areas of the Outer Continental Shelf, which will be made to conform so far as practicable to the method of tract designation established by the adjoining State. The area included in each mineral lease shall be described in accordance with the official leasing map.

**§3301.2 Resources evaluation.**

From time to time the Director may announce tentative schedules of lease sales of Outer Continental Shelf areas. At such time as an area is initially considered for mineral leasing, or as the need arises, the Director shall request the Geological Survey to prepare a summary report describing the general geology and potential mineral resources of the area and shall request other interested Federal agencies to prepare reports describing to the extent known any other valuable resources contained within the general area and the potential effect of mineral operations upon the resources or upon the total environment.

**§3301.3 Nominations of tracts.**

In selecting tracts for oil and gas, sulphur, or other mineral leasing, the Director will receive and consider nominations of tracts or requests describing areas and expressing an interest in leasing of minerals, or, from time to time, upon his own motion, upon approval of the Secretary, may issue calls for nominations of tracts for the leasing of minerals in specified areas. Nominations of tracts should be addressed to the Director, with copies to the appropriate Bureau of Land Management field office and the appropriate oil and gas supervisor of the Geological Survey. The Director, Geological Survey, shall submit recommendations to the Director on tract selections and lease terms and conditions.

**§3301.4 Selection of tracts.**

The Director, prior to the final selection of tracts for leasing, either selected on his own motion or nominated pursuant to §3301.3 of this subpart, shall evaluate fully the potential effect of the leasing program on the total environment, aquatic resources, aesthetics, recreation, and other resources in the entire area during exploration, development and operational phases. To aid him in his evaluation and determinations he shall request and consider the views and recommendations of appropriate Federal agencies, may hold public hearings after appropriate notice, and may consult with State agencies, organizations, industries,

and individuals. The Director shall develop special leasing stipulations and conditions when necessary to protect the environment and all other resources, and such special stipulations and conditions shall be contained in the proposed notice of lease offer. The proposed notice of lease offer, together with all views and recommendations received and the Director's findings or actions thereon, shall be submitted to the Secretary for final approval.

#### §3301.5 Notice of lease offer.

Upon approval of the Secretary, the Director shall publish the notice of lease offer at the expense of the United States in the *Federal Register*, as the official publication, and in other publications as may be desirable. The publication in the *Federal Register* shall be at least 30 days prior to the date of the sale. The notice shall state the place and time at which bids will be filed, and the place, date, and hour at which bids will be opened. The notice shall contain any special stipulations or conditions which will become a part of any lease issued pursuant to such notice, including stipulations or conditions for the protection of the environment, aquatic life and other resources.

#### §3301.6 Tracts subject to drainages.

Upon direction of the Secretary, the Director, after obtaining the recommendation of the Director, Geological Survey, is authorized to publish on his own motion notices of lease offer of tracts which have been determined by the Director, Geological Survey, to be subject to drainage of their oil and gas deposits from wells on other tracts. The Director may request and consider the views and recommendations of appropriate Federal and State agencies prior to publishing the notice of lease offer. The notice shall be published in accordance with section 3301.5 of this subpart.

### Subpart 3302 — Issuance of Leases

#### §3302.1 General.

Tracts will be offered for lease by competitive sealed bidding under conditions specified in the notice of lease offer. Each oil and gas lease issued pursuant to section 8 of the act shall cover a compact area not exceeding 5,760 acres.

#### §3302.2 Term.

(a) All oil and gas leases shall be issued for a term of 5 years and so long thereafter as oil or gas may be produced from the leasehold in paying quantities, or drilling or well reworking operations, as approved by the Secretary under §3305a.1 of this part, are conducted thereon.

(b) All sulphur leases shall be issued for a term of 10 years and so long thereafter as sulphur may be

produced from the leasehold in paying quantities or drilling, well reworking, plant construction, or other operations for the production of sulphur, as approved by the Secretary, are conducted thereon.

(c) Other mineral leases shall be issued for such terms as may be prescribed at the time of offering the leases in the notice of lease offer.

#### §3302.4 What must accompany bids.

(a) A separate bid must be submitted for each lease unit described in the notice of lease offer. A bid may not be submitted for less than an entire unit. Each bidder must submit with his bid a certified or cashier's check or bank draft on a solvent bank, or a money order or cash, for one-fifth of the amount of the cash bonus. If the bidder is an individual, he must submit with his bid a statement of his citizenship. If the bidder is an association (including a partnership), the bid shall be accompanied also by a certified copy of the articles of association or appropriate reference to the record of the Bureau of Land Management in which such a copy has already been filed, with a statement as to any subsequent amendments. If the bidder is a corporation, the following additional information shall be submitted with the bid.

(1) A certified copy of the articles of incorporation and a copy either of the minutes of the meeting of the board of directors or of the by-laws indicating that the person signing the bid has authority to do so, or, in lieu of such a copy, a certificate by the secretary or the assistant secretary of the corporation to that effect, over the corporate seal or appropriate reference to the record of the Bureau of Land Management in connection with which such articles and authority have been previously furnished.

(b) All bidders are warned against violation of the provisions of Title 18 U.S.C. section 1860, prohibiting unlawful combination or intimidation of bidders.

#### §3302.5 Award of lease.

Sealed bids received in response to the notice of lease offer shall be opened at the place, date and hour specified in the notice. The opening of bids is for the sole purpose of publicly announcing and recording the bids received and no bids will be accepted or rejected at that time. In accordance with section 8 of the act, leases will be awarded only to the highest responsible qualified bidder. The United States reserves the right and discretion to reject any and all bids received for any tract, regardless of the amount offered. Awards of leases will be made only by written notice from the authorized officer. Such notices shall transmit the lease forms for execution. In the event the highest bids are tie bids, tie bidders may file with the Director within 15 days after notification an agreement to accept the lease jointly, otherwise all bids will be rejected. If the authorized officer fails to accept the highest bid for a

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lease within 30 days after the date on which the bids are opened, all bids for such lease will be considered rejected. Notice of his action will be transmitted promptly to the several bidders. If the lease is awarded, three copies of the lease will be sent to the successful bidder and he will be required not later than the 15th day after his receipt thereof, or the 30th day after the date of the sale, whichever is later, to execute them, pay the first year's rental, the balance of the bonus bid, and file a bond as required in §3304.1. Deposits on rejected bids will be returned. If the successful bidder fails to execute the lease or otherwise comply with the applicable regulations, his deposit will be forfeited and disposed of as other receipts under the act. If before the lease is executed on behalf of the United States the land is withdrawn or restricted from leasing, all payments made by the bidder will be refunded. If the awarded lease is executed by an agent acting in behalf of the bidder, the lease must be accompanied by evidence that the bidder authorized the agent to execute the lease. When the three copies of the lease are executed by the successful bidder and returned to the authorized officer, the lease will be executed on behalf of the United States, and one fully executed copy will be mailed to the successful bidder.

## §3302.6 Form.

Oil and gas leases and leases for sulphur will be issued on forms approved by the Director. Other mineral leases will be issued on such forms as may be prescribed by the Secretary.

## §3302.7 Dating of leases.

All leases issued under the regulations in this part will be dated and become effective as of the first day of the month following the date the leases are signed on behalf of the lessor, except that, when prior written request is made, a lease may be dated and become effective as of the first day of the month within which it is so signed.

## Subpart 3303 - Rentals and Royalties

## §3303.1 Rentals.

An annual rental shall be due and payable in advance on the first day of each lease year prior to discovery at the rate specified in the lease. The owner of any lease created by the assignment of a portion of a producing lease and on which assigned portion there is no discovery shall be required to pay an annual rental for such assigned portion at the rate per acre specified in the lease payable each lease year following the year in which the assignment became effective and prior to a discovery on such segregated portion.

## §3303.2 Royalties.

Royalties shall be at the rate specified in the lease but in no event shall the royalty on oil and gas be less

than 12 1/2 percent of the amount of value of the production saved, removed or sold from the lease, nor on sulphur less than 5 percent of the gross production of value of the sulphur at the wellhead.

## §3303.3 Minimum royalty.

Each lessee shall pay the minimum royalty specified in the lease at the end of each lease year beginning with the first lease year following a discovery on the lease.

## §3303.5 Effect of suspensions on royalty and rental.

(a) In the event that under the provisions of 30 CFR 250.12(c) or (d)(1) the regional oil and gas supervisor of the Geological Survey with respect to any lease directs the suspension of both operations and production, or with respect to a lease on which there is no producible well directs the suspension of operations, no payment of rental or minimum royalty will be required for or during the period of the suspension. In the event that under the provisions of 30 CFR 250.12(d)(1) the supervisor approves, at the request of a lessee, the suspension of operations or production, or both, or under the provisions of 30 CFR 250.12(d)(3) suspends any operation including production, the lessee will not be relieved of the obligation to pay rental, minimum royalty or royalty for or during the period of suspension.

(b) In the event the anniversary date of a lease falls within a period of suspension for which no rental or minimum royalty payments are required under paragraph (a), of this section, the prorated rentals or minimum royalties, if any are due and payable as of the date the suspension period terminates, shall be computed and notice thereof given the lessee. Payment of the amount due shall be made by the lessee within 30 days after receipt of such notice. The anniversary date of a lease will not change by reason of any period of lease suspension or rental or royalty relief resulting therefrom.

## Subpart 3304 - Bonds

## §3304.1 Amount of bond required of lessee.

The successful bidder prior to the issuance of an oil and gas or sulphur lease must furnish a corporate surety bond in the sum of \$50,000 conditioned on compliance with all of the terms of the lease, unless he already maintains or furnishes a bond in the sum of \$300,000 conditioned on compliance with the terms of oil and gas and sulphur leases held by him on the Outer Continental Shelf in the (a) Gulf of Mexico, (b) along the Pacific Coast, or (c) along the Atlantic Coast, as may be appropriate. An operator's bond in the same amount may be substituted at any time for the lessee's bond. The United States reserves the right to require additional security in the form of a

**Director.**

Subpart 3305- Assignment or Transfers

**§3305.1** Assignment of leases or interest therein.

Leases, or any undivided interest therein, may be assigned in whole or as to any officially designated subdivision subject to the approval of the authorized officer, to any one qualified under §3300.1 to take and hold lease. Any assignment made under this section shall, upon approval, be deemed to be effective on and after the first day of the lease month following its filing in the appropriate office of the Bureau of Land Management, unless to the request of the parties an earlier date is specified in the Director's approval. The assignor shall be liable for all obligations under the lease accruing prior to the approval of the assignment.

**§3305.2** Requirements for filing of transfers.

(a)(1) All instruments of transfer of lease or of an interest therein, including operating agreements, subleases, and assignments of record interests, must be filed in triplicate for approval within 90 days from the date of final execution with a statement over the transferee's own signature with respect to citizenship and qualifications similar to that required of a lessee

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and retained portions become segregated into separate and distinct leases. The assignee becomes a lessee of the Government as to the segregated tract and is bound by the terms of the lease although he had obtained the lease from the United States in his own name, and the assignment after its approval shall be the basis of a new record. Royalty, minimum royalty, and rental provisions of the original lease shall apply to each segregated portion.

(b) In the event of an assignment of a portion of an oil and gas lease the segregated leases shall continue in full force and effect for the primary term of the original lease and so long thereafter as oil or gas may be produced from the original leased area in paying quantities or drilling or well reworking operations as approved by the Secretary are conducted thereon.

## § 3305a - Extension of Leases

§ 3305a.1 - Extension of Leases by drilling or well reworking operations

(a) The Secretary shall be deemed to have approved, within the meaning of section 2(b)(2) of the Outer Continental Shelf Lands Act, drilling or well reworking operations, conducted on the leased area in the following instances:

(1) If, any discovery of oil or gas in paying quantities has been made on the leasehold, and within 90 days prior to expiration of the 5-year term or any extension thereof, or thereafter, the production thereof shall cease at any time, or from time to time, from any cause and production is restored or drilling or well reworking operations are commenced within 90 days thereafter, and such drilling or well reworking operations (whether on the same or different wells) are prosecuted diligently until production is restored in paying quantities.

(2) If, within 90 days prior to expiration of the 5-year term or any extension thereof, or thereafter, at any time, or from time to time, lessee is engaged in drilling or well reworking operations and there is no well on the leasehold capable of producing in paying quantities and the lessee diligently prosecutes such operations (whether on the same or different wells) with no cessation of more than 90 days.

(b) The Secretary may approve such other operations for drilling or reworking upon application of lessee.

(c) Nothing in this section obviates the necessity of obtaining the Oil and Gas Supervisor's approval of a plan or notice of intention to drill or of complying with the provisions of 30 CFR Part 250.

## § 3305a.2 - Directional drilling.

A lease may be maintained in force by directional wells drilled under the leased area from surface locations on adjacent or adjoining land not covered by the lease. In such circumstances, drilling shall be considered to have commenced on the leased area when drilling is commenced on the adjacent or adjoining land for the purpose of directionally drilling under the leased area through any directional well surfaced on adjacent or adjoining land, and production, drilling, or reworking of any such directional well shall be considered production or drilling or reworking operations (as the case may be) on the leased area for all purposes of the lease.

## § 3305a.3 - Compensation.

In the event that an oil and gas lease makes compensatory payments as provided in 30 CFR 250.33 and in the event that the lease is not being maintained in force by other production of oil or gas in paying quantities or by other approved drilling or reworking operations, such payments shall be considered as the equivalent of production in paying quantities for all purposes of the lease.

## § 3305a.4 - Effect of suspensions on lease term.

In the event that under the provisions of 30 CFR 250.12(C) or (d)(1), the regional Oil and Gas Supervisor or the Geological Survey directs the suspension of either operations or production, or both, with respect to any lease, the term of the lease shall be extended by a period equivalent to the period of the suspension. In the event that under the provisions of 30 CFR 250.12(c) or (d)(1), the supervisor approves the suspension of either operations or production, or both, with respect to any lease, the term of the lease will not be deemed to expire so long as the suspension remains in effect.

## § 3305 - Termination of Lease

## § 3305.1 - Relinquishment of leases or parts of leases.

§ 3305.1 - Relinquishment of leases or parts of leases. Any lease or any officially designated horizontal portion thereof may be surrendered by the record title holder by filing a written relinquishment, in triplicate, with the appropriate office of the Bureau of Land Management. A relinquishment shall take effect on the date it is filed subject to the continued obligation of the lease and his surety to make payment of all accrued rentals and royalties and to abandon all wells on the land to be relinquished to the satisfaction of the Oil and Gas Supervisor.

## § 3305.2 - Cancellation of leases.

Any nonproducing lease issued under the act may be canceled by the authorized officer whenever the

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lessee fails to comply with any provision of the act or lease or applicable regulations in force and effect on the date of the issuance of the lease, if such failure to comply continues for 30 days after mailing of notice by registered letter to the lease owner at his record post office address. Any such cancellation is subject to judicial review as provided in section 8(i) of the act upon the complaint of any person. Producing leases issued under the act may be canceled for such failure only by judicial proceedings in the manner prescribed in section 5(b)(2) of the act. Any lease issued under the act, whether producing or not, will be canceled by the authorized officer upon proof that it was obtained by fraud or misrepresentation, and after notice and opportunity to be heard has been afforded to the lessee.

**Subpart 3307 – Mineral Deposits Affected  
by Section 6 of Outer Continental  
Shelf Lands Act**

## §3307.1 Effect of regulations on provisions of lease.

(a) As contemplated by section 6(b) of the act, the preceding regulations in this part so far as they are applicable and the following regulations will supersede the provisions of any lease which is determined to meet the requirements of section 6(a) of the act, to the extent that they cover the same subject matter, with the following exceptions: The provisions of a lease with respect to the area covered by the lease, the minerals covered by the lease, the rentals payable under the lease, the royalties payable under the lease (subject to the provisions of sections 6(a)(8) and 6(a)(9) of the act), and the term of the lease (subject to the provisions of section 6(a)(10) of the act and, as to sulphur, subject to the provisions of section 6(b)(2) of the act) shall continue in effect and, in the event of any conflict or inconsistency, shall take precedence over those regulations.

(b) A lease that meets the requirements of section 6(a) of the act shall also be subject to all operating and conservation regulations applicable to the Outer Continental Shelf, as well as the regulations relating to geophysical and geological exploratory operations and to pipeline rights-of-way in the Outer Continental Shelf, to the extent that those regulations are not contrary to or inconsistent with the provisions of the lease relating to the area covered, the minerals covered, the rentals payable, the royalties payable, and the term of the lease. Nothing herein should be construed to waive compliance with any provision of any State lease the subject matter of which is not covered in the regulations in this part.

## §3307.2 Leases of other minerals.

The existence of a lease that meets the requirements of section 6(a) of the act will not preclude the issuance of other leases of the same area for deposits of other minerals: *Provided*, That no lease of minerals other than those covered by the lease shall authorize or permit the lessee thereunder unreasonably to

interfere with or endanger operations under the existing lease: *And provided further*, That no such leases will be granted by the United States on any area while such area is included in a lease covering sulphur under section 6(b) of the act.

## §3307.3 Obligations of lessee.

## §3307.3-1 Bonds.

Within 30 days from the effective date of the regulations in this part or within such further period or periods as may be fixed from time to time by the authorized officer, the lessee under a lease meeting the requirements of section 6(a) of the act must furnish a bond as provided in §3304.1.

## §3307.3-2 Wells.

(a) After due notice in writing, the lessee shall drill and produce such wells as the Secretary may reasonably require in order that the leased area or any part thereof may be properly and timely developed and produced in accordance with good operating practice.

(b) At the election of the lessee, the lessee may drill and produce other wells in conformity with any system of well spacing or production allotments affecting the area, field, or pool in which the leased area or any part thereof is situated, which is authorized or sanctioned by applicable law or by the Secretary.

(c) The lessee shall drill and produce such wells as are necessary to protect the lessor from loss by reason of production on other properties, or in lieu thereof, with the consent of the Oil and Gas Supervisor, to pay a sum determined by the supervisor as adequate to compensate the lessor for failure to drill and produce any such well. In the event that this lease is not being maintained in force by other production of oil or gas in paying quantities or by other approved drilling or reworking operations, such payments shall be considered as the equivalent of production in paying quantities for all purposes of this lease.

## §3307.3-3 Inspection.

The lessee shall keep open at all reasonable times for the inspection of any duly authorized officer of the Department of the Interior, the leased area and all wells, improvements, machinery and fixtures thereon and all books, accounts, maps and records relative to operations and surveys or investigations on or with regard to the leased area or under the lease.

## §3307.3-4 Diligence; compliance with regulations and orders.

The lessee shall exercise reasonable diligence in drilling and producing the wells herein provided for.

shall carry on all operations in accordance with approved methods and practices including those provided in the operating and conservation regulations for the Outer Continental Shelf; shall remove all structures when no longer required for operations under the lease to sufficient depth beneath the surface of the waters to prevent them from being a hazard to navigation and the fishing industry; and shall carry out at expense of the lessee all lawful and reasonable orders of the lessor relative to the matters in this section. On failure of the lessee so to do the lessor shall have the right to enter on the property and to accomplish the purpose of such orders at the lessee's cost: *Provided*, That the lessee shall not be held responsible for delays or casualties occasioned by causes beyond the lessee's control.

#### §3307.3-5 Freedom of purchase.

The lessee shall accord all workmen and employees directly engaged in any of the operations under the lease complete freedom of purchase.

#### §3307.3-6 Removal of property on termination of lease.

Upon the expiration of any lease, or the earlier termination thereof as provided in the regulations in this part, the lessee shall within a period of one year thereafter remove from the premises all structures, machinery, equipment, tools, and materials other than improvements needed for producing wells or for drilling or producing other leases, and other property permitted by the lessor to be maintained.

#### §3307.4 Exploration and operations.

##### §3307.4-1 Purchase of production.

In time of war, or when the President of the United States shall so prescribe, the United States shall have the right of first refusal to purchase at the market price all or any portion of the oil or gas produced from the leased area, as provided in section 12(b) of the act.

##### §3307.4-2 Suspension of operations during war or national emergency.

Upon recommendation of the Secretary of Defense, during a state of war or national emergency declared by the Congress or the President of the United States after August 7, 1953, the Secretary is authorized to suspend any or all operations under a lease, as provided in section 12(c) of the act: *Provided*, That just compensation shall be paid by the United States to the lessee whose operations are thus suspended.

##### §3307.4-3 Restriction of exploration and operations.

The United States shall have the right, as provided in section 12(d) of the act, to restrict from exploration

and operations the leased area or any part thereof which may be designated by and through the Secretary of Defense, with the approval of the President of the United States, as, or as part of, an area of the Outer Continental Shelf needed for national defense. So long as such designation remains in effect no exploration or operations may be conducted on the surface of the leased area or the part thereof included within the designation except with the concurrence of the Secretary of Defense. If operations or production under any lease within any such restricted area shall be suspended, any payments of rentals, minimum royalty, and royalty prescribed by such lease likewise shall be suspended during such period of suspension of operations and production, and the term of such lease shall be extended by adding thereto any such suspension period, and the United States shall be liable to the lessee for such compensation as is required to be paid under the Constitution of the United States.

##### 53307.4-4 Geological and exploration; rights-of-way.

The United States reserves the right to authorize the conduct of geological and geophysical exploration in the leased area which does not interfere with or endanger actual operations under the lease and the right to grant such easements or rights-of-way, upon, through, or in the leased area as may be necessary or appropriate to the working of other lands containing the deposits described in the act, and to the treatment and shipment of products thereof by or under authority of the Government, its lessees or permittees, and for other public purposes, subject to the provisions of section 5(c) of the act where they are applicable and to all lawful and reasonable regulations and conditions prescribed by the Secretary thereunder.

##### -3307.4-S Leases of atslphtrr and other mined.

The United States reserves the right to grant sulphur leases and leases of any mineral other than oil, gas, and sulphur within the leased area or any part thereof, subject to the provisions of sections 8(c), 8(d), and 8(e) of the act and all lawful and reasonable regulations prescribed by the Secretary thereunder: *Provided*, That no such sulphur lease or lease of other mineral shall authorize or permit the lessee thereunder unreasonably to interfere with or endanger operations under the lease which is continued under section 6 of the act.

#### §3307.5 Remedies in case of default.

(a) Whenever the lessee fails to comply with any of the provisions of the act or of the lease or of the lawful and reasonable regulations issued within 90 days after the authorized officer has determined that the lease meets the requirements of section 6(a) of the act, the lease shall be subject to cancellation as follows:

## Title 43- Chapter

(1) If, at the time of such default, no producing, or is capable of producing, oil or gas in paying quantities from the leased area, whether a well drilled from a surface location within the leased area or be directionally drilled from a surface location on adjacent or adjoining lands the lease may be canceled by the Secretary (subject to the right of judicial review as provided in section 3(j) of the act) if such default continues for the period of 30 days after mailing of notice by registered letter to the lessee at his record post office address.

(2) If, at the time of such default, any well a producing, or is capable of producing, oil or gas in paying quantities from the leased area, whether such well be drilled from a surface location within the leased area or a directionally drilled from surface location on adjacent or adjoining lands, the lease may be canceled by an appropriate proceeding in any United States district court having jurisdiction under the provisions of section (b) of the act if such default continues for the period of 30 days after mailing of notice by registered letter to the lessee at the lessee's record post office address.

(b) If any such default continues for the period of 30 days after mailing of notice by registered letter to the lessee at the lessee's record post office address, the lessor may then exercise any legal or equitable remedy which the lessor may have; however, the remedy of cancellation of the lease may be exercised only under the condition and subject to the limitations set out in paragraph (a) of this section, or pursuant to section 5(i) of the act.

(c) A waiver of any particular default shall not prevent the cancellation of the lease or the exercise of any other remedy the lessor may have by reason of any other cause or for the same cause occurring at any other time.

33307.6 Heirs and successors in interest.

Each obligation under any lease and under the regulations in this part shall extend to and be binding upon, and every benefit thereunder shall inure to, the heirs, executors, administrators, successors, or assigns of the lessee.

PUBLIC LAW 212

83rd CONGRESS

. SESSION

OUTER CONTINENTAL SHEIF LANDS ACT

(67 Stat. 462)

(43 U.S.C 1331-1343)

Public Law 212 - 83rd Congress  
1st Session  
H. R. 5134

AN ACT

All 67 Stat. 462

To provide for the jurisdiction of the United States over the submerged lands of the outer Continental Shelf, and to authorize the Secretary of the Interior to lease such lands for certain purposes

Be it enacted by the Senate and Representatives in Congress assembled, That this Act may be cited as the Outer Continental Shelf Lands Act."

Sec. 2. Definitions. - When used in this Act-

(a) The term "outer Continental Shelf" means all submerged lands lying seaward and outside of the area of lands beneath navigable waters as defined in section 2 of the Submerged Lands Act (Public Law 31, Eighty-third Congress, first session), and of which the subsoil and seabed appertain to the United States and are subject to its jurisdiction and control;

Ante, p. 29.

(b) The term "secretary" means the Secretary of the Interior;

(c) The term "mineral lease" means any form of authorization for the exploration for, or development or removal of deposits of, oil, gas, or other minerals; and

(d) The term "person" includes, in addition to a natural person, an association, a State, a political subdivision of a State, or a private, public, or municipal corporation.

Sec. 3. Jurisdiction Over Outer Continental Shelf. -

(a) It is hereby declared to be the policy of the United States that the subsoil and seabed of the outer Continental Shelf appertain to the United States and are subject to its jurisdiction, control, and power of disposition as provided in this Act.

(b) This Act shall be construed in such manner that the character of high seas of the waters above the outer Continental Shelf and the right to navigation and fishing therein shall not be affected.

Sec. 4. Laws Applicable to Outer Continental Shelf. -

(a) The Constitution and laws and civil and political jurisdiction of the United States are hereby extended to the subsoil and seabed of the outer Continental Shelf and to all artificial islands and fixed structures which may be erected thereon for the purpose of exploring for, developing, removing, and transporting resources therefrom, to the same extent as if the outer Continental Shelf were an area of exclusive Federal jurisdiction located within a State; provided, however, That mineral leases on the outer

mineral leases on the outer

(2) To the extent that they are applicable and not inconsistent with this Act or with other Federal laws and regulations of the Secretary now in effect or hereafter adopted, the civil and criminal laws of each adjacent State as of the effective date of this Act are hereby declared to be the law of the United States for that portion of the subsoil and seabed of the outer Continental Shelf, and artificial islands and fixed structures erected thereon, which would be within the area of the State if its boundaries were extended seaward to the outer margin of the outer Continental Shelf, and the President shall determine and publish in the Federal Register such projected lines extending seaward and defining each such area. All of such applicable laws shall be administered and enforced by the appropriate officers and courts of the United States. State taxation laws shall not apply to the outer Continental shelf.

State laws.

Publication of projected State lines,

Jurisdiction  
of U.S. dis-  
trict courts.

(b) The United States district courts shall have original jurisdiction of cases and controversies arising out of or in connection with any operations conducted on the outer Continental Shelf for the purpose of exploring for, developing, removing or transporting by pipeline the natural resources, or involving rights to the natural resources of the subsoil and seabed of the outer Continental Shelf, and proceedings with respect to any such case or controversy may be instituted in the judicial district in which any defendant resides or may be found, or in the judicial district of the adjacent State nearest the place where the cause of action arose.

Worker's com-  
pensation.

44 Stat. 1424.  
33 USC 901.

(c) With respect to disability or death of an employee resulting from any injury occurring as the result of operations described in subsection (b), compensation shall be payable under the provisions of the Longshoremen's and Harbor Workers' Compensation Act. For the purposes of the extension of the provisions of the Longshoremen's and Harbor Workers' Compensation Act under this section —

(1) the term "employee" does not include a master or member of a crew of any vessel, or an officer or employee of the United States or any agency thereof or of any State or foreign government, or of any political subdivision thereof;

(2) the term "employer" means an employer any of whose employees are employed in such operations; and

(3) the term "United States" when used in a geographical sense includes the outer Continental Shelf and artificial islands and fixed structures thereon.

61 Stat. 136.  
29 USC 167.

(d) For the purposes of the National Labor Relations Act, as amended, any unfair labor practice, as defined in such Act, occurring upon any artificial island or fixed structure referred to in subsection (a) shall be deemed to have occurred within the judicial district of the adjacent State nearest the place of location of such island or structure.

Coast Guard  
regulations, etc.

(e)(1) The head of the Department in which the Coast Guard is operating shall have authority to promulgate and enforce such reasonable regulations with respect to lights and other warning devices, safety equipment, and other matters relating to the promotion of safety of life and property on the islands and structures referred to in subsection (a) or on the waters adjacent thereto, as may be deemed necessary.

(2) The head of the Department in which the Coast Guard is operating may mark for the protection of navigation ~~any~~ such island or structure whenever the owner has failed suitably to mark the same in accordance with regulations issued hereunder, and the owner shall pay the cost thereof. Any person, firm, company, or corporation who shall fail or refuse to obey any of the lawful rules and regulations issued hereunder shall be guilty of a misdemeanor and shall be fined not more than \$100 for each offense. Each day during which such violation shall continue shall be considered a new offense.

Penalty.

Artificial  
islands, etc.

(f) The authority of the secretary of the Army to prevent obstruction to navigation in the navigable waters of the United States is hereby extended to artificial islands and fixed structures located on the outer Continental Shelf.

(g) The specific application by this section of certain provisions of law to the subsoil and seabed of the outer continental Shelf and the artificial islands and fixed structures referred to in subsection (a) or to acts or offenses occurring or committed thereon shall not give rise to any inference that the application to such islands and structures, acts, or offenses of any other provision of law is not intended.

**Sec. 5. Administration of Leasing of the Outer Continental Shelf. —**

(a)(1) The Secretary shall administer the provisions of this Act relating to the leasing of the outer Continental Shelf, and shall prescribe such rules and regulations as may be necessary to carry out such provisions. The Secretary may at any time prescribe and amend such rules and regulations as he determines to be necessary and proper in order to provide for the prevention of waste and conservation of the natural resources of the outer Continental Shelf, and the protection of correlative rights therein, and, notwithstanding any other provisions herein, such rules and regulations shall apply to all operations conducted under a lease issued or maintained under the provisions of this Act. In the enforcement of conservation laws, rules, and regulations the Secretary is authorized to cooperate with the conservation agencies of the adjacent States. Without limiting the generality of the foregoing provisions of this section, the rules and regulations prescribed by the Secretary thereunder may provide for the assignment or relinquishment of leases, for the sale of royalty oil and gas accruing or reserved to the United States at not less than market value, and, in the interest of conservation, for unitization, pooling, drilling agreements, suspension of operations or production, reduction of rentals or royalties, compensatory royalty agreements, subsurface storage of oil or gas in any of said submerged lands, and drilling or other easements necessary for operations or production.

Prevention of  
waste.*cooperation  
with State con-  
servation  
agencies.*

(2) Any person who knowingly and willfully violates any rule or regulation prescribed by the Secretary for the prevention of waste, the conservation of the natural resources, or the protection of correlative rights shall be deemed guilty of a misdemeanor and punishable by a fine of not more than \$2,000 or by imprisonment for not more than six months, or by both such fine and imprisonment, and each day of violation shall be deemed to be a separate offense. The issuance and continuance in effect of any lease, or of any extension, renewal, or replacement of any lease under the provisions of this Act shall be conditioned upon compliance with the regulations issued under this Act and in force and effect on the date of the issuance of the lease if the lease is issued under the provisions of section 8 hereof, or with the regulations issued under the provisions of section 6(b), clause (2), hereof if the lease is maintained under the provisions of section 6 hereof.

Penalty.

(b)(1) Whenever the owner of a nonproducing lease fails to comply with any of the provisions of this Act, or of the lease, or of the regulations issued under this Act and in force and effect on the date of the issuance of the lease if the lease is issued under the provisions of section 8 hereof, or of the regulations issued under the provisions of section 6(b), clause (2), hereof, if the lease is maintained under the provisions of section 6 hereof, such lease may be cancelled by the Secretary, subject to the right of judicial review as provided in section 8 (j), if such default continues for the period of thirty days after mailing of notice by registered letter to the lease owner at his record post office address.

Cancellation  
of lease.

(2) Whenever the owner of any producing lease fails to comply with any of the provisions of this Act, or of the lease, or of the regulations issued under this Act and in force and effect on the date of the issuance of the lease if the lease is issued under the provisions of section 8 hereof, or of the regulations issued under the provisions of section 6(b), clause (2), hereof, if the lease is maintained under the provisions of section 6 hereof, such lease may be forfeited and cancelled by an appropriate proceeding in any United States district court having jurisdiction under the provisions of section 4(b) of this Act.

(e) Rights-of-way through the submerged lands of the outer Continental Shelf, whether or not such lands are included in a lease maintained or issued pursuant to this Act, may be granted by the Secretary for pipeline purposes for the transportation of oil, natural gas, sulphur, or other mineral under such regulations and upon such conditions as to the application therefor and the survey, location and width thereof as may be prescribed by the Secretary, and upon the express condition that such oil or gas pipelines shall transport or purchase without discrimination, oil or natural gas produced from said submerged lands in the vicinity of the pipeline in such proportionate amounts as the Federal Power Commission, in the case of gas, and the Interstate Commerce Commission, in the case of oil, may, after a full hearing with due notice thereof to the interested parties, determine to be reasonable,

Pipeline  
rights-of-way.

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Forfeiture of  
grant

taking into account, among other things, conservation and the prevention of waste. Failure to comply with the provisions of this section or the regulations and conditions prescribed thereunder shall be ground for forfeiture of the grant in an appropriate judicial proceeding instituted by the United States in any United States district court having jurisdiction under the provisions of section 4(b) of this Act.

Sec. 6. Maintenance of Leases on outer Continental shelf. -

(a) The provisions of this section shall apply to any mineral lease covering submerged lands of the outer Continental Shelf issued by any State (including any extension, renewal, or replacement thereof heretofore granted pursuant to such lease or under the laws of such State) if -

Filing of  
lease, etc.

(1) such lease, or a true copy thereof, is filed with the Secretary by the lessee or his duly authorized agent within ninety days from the effective date of this Act, or within such further period or periods as provided in section 7 hereof or as may be fixed from time to time by the Secretary.

(2) such lease, was issued prior to December 21, 1948, and would have been on June 5, 1950, in force and effect in accordance with its terms and provisions and the law of the State issuing it had the State had authority to issue such lease;

(8) there is filed with the Secretary, within the period or periods specified in paragraph (1) of this subsection, (A) a certificate issued by the State official or agency having jurisdiction over such lease stating that it would have been in force and effect as required by the provisions of paragraph (2) of this subsection, or (B) in the absence of such certificate, evidence in the form of affidavits, receipts, cancelled checks or other documents that may be required by the Secretary, sufficient to prove that such lease would have been in force and effect;

Sums payable.

(4) except as otherwise provided in section 7 hereof, all rents, royalties, and other sums payable under such lease between June 6, 1950, and the effective date of this Act, which have not been paid in accordance with the provisions thereof, or to the Secretary a to the Secretary of the Navy, are paid to the Secretary within the period or periods specified in paragraph (1) of this subsection, and all rents, royalties, and other sums payable under such lease after the effective date of this Act, are paid to the Secretary, who shall deposit such payments in the Treasury in accordance with section 9 of this Act;

(6) the holder of such lease certificate that such lease shall continue to be subject to the overriding royalty obligations existing on the effective date of this Act.

(6) such lease was not obtained by fraud or misrepresentation;

(7) such lease, if issued on or after June 28, 1947, was issued upon the basis of competitive bidding;

Royalty.

(8) such lease provides for a royalty to the lessor on oil and gas of not less than 12½ per centum and on sulphur of not less than 8 per centum in amount or value of the production saved, removed, or sold from the lease, or, in any case in which the lease provides for a lesser royalty, the holder thereof consents in writing, filed with the Secretary, to the increase of the royalty to the minimum herein specified;

(9) the holder thereof pays to the Secretary within the period or periods specified in paragraph (1) of this subsection an amount equivalent to any severance, gross production, or occupation taxes imposed by the State issuing the lease on the production from the lease, less the State's royalty interest in such production, between June 5, 1950, and the effective date of this Act and not heretofore paid to the State, and thereafter pays to the Secretary as an additional royalty on the production from the lease, less the United States' royalty interest in such production, a sum of money equal to the amount of the severance, gross production, or occupation taxes which would have been payable on such production to the State issuing the lease under its laws as they existed on the effective date of this Act;

(10) such lease will terminate within a period of not more than five years from the effective date of this Act in the absence of production or operations for drilling, or, in any case in which the lease provides for a longer period, the holder thereof consents in writing filed with the Secretary, to the reduction of such period so that it will not exceed the maximum period herein specified; and

termination of lease.

(11) the holder of such lease furnishes such surety bond, if any, as the Secretary may require and complies with such other reasonable requirements as the Secretary may deem necessary to protect the interests of the United States.

surety bond.

(b) Any person holding mineral lease, which as determined by the secretary meets the requirements of subsection (a) of this section, may continue to maintain such lease, and may conduct operations thereunder, in accordance with (1) its provisions as to the area, the minerals covered, rentals and, subject to the provisions of paragraphs (8), (9) and (10) of subsection (a) of this section, as to royalties and as to the term thereof and of any extensions, renewals, or replacements authorized therein or heretofore authorized by the laws of the State issuing such lease, or, if oil or gas was not being produced in paying quantities from such lease on or before December 11, 1960, or if production in paying quantities has ceased since June 5, 1950, or if the primary term of such lease has expired since December 11, 1950, then for a term from the effective date hereof equal to the term remaining unexpired on December 11, 1950, under the provisions of such lease or any extensions, renewals, or replacements authorized therein, or heretofore authorized by the laws of such State, and (2) such regulations as the Secretary may under section 5 of this Act prescribe within ninety days after making his determination that such lease meets the requirements of subsection (a) of this section: Provided, however, That any rights to sulphur under any lease maintained under the provision of this subsection shall not extend beyond the primary term of such lease or any extension thereof under the provisions of such subsection (b) unless sulphur is being produced in paying quantities or drilling, well reworking, plant construction, or other operations for the production of sulphur, as approved by the Secretary, are being conducted on the area covered by such lease on the date of expiration of such primary term or extension: Provided further, That if sulphur is being produced in paying quantities on such date, then such rights shall continue to be maintained in accordance with such lease and the provisions of this Act: Provided further that, if the primary term of a lease being maintained under subsection (b) hereof has expired prior to the effective date of this Act and oil or gas is being produced in paying quantities on such date, then such rights to sulphur as the lessee may have under such lease shall continue for twenty-four months from the effective date of this Act and as long thereafter as sulphur is produced in paying quantities, or drilling, well working, plant construction, or other operations for the production of sulphur, as approved by the Secretary, are being conducted on the area covered by the lease.

Maintenance of lease.

Sulphur.

(c) The permission granted in subsection (b) of this section shall not be construed to be a waiver of such claims, if any, as the United States may have against the lessor or the lessee or any other person respecting sums payable or paid for or under the lease, or respecting activities conducted under the lease, prior to the effective date of this Act.

Nonwaiver of U.S. claims.

(d) Any person complaining of a negative determination by the Secretary of the Interior under this section may have such determination reviewed by the United States District Court for the District of Columbia by filing a petition for review within sixty days after receiving notice of such action by the secretary.

Court review or determination.

(e) In the event any lease maintained under this section covers lands beneath navigable waters, as that term is used in the Submerged Lands Act, as well as lands of the outer Continental Shelf, the provisions of this section shall apply to, such lease only insofar as it covers lands of the outer Continental Shelf.

La & beneath navigable waters.

Sec. 7. Controversy Over Jurisdiction. -

In the event of a controversy between the United States and a State as to whether or not lands are subject to the provisions of this Act, the Secretary is authorized, notwithstanding the provisions of subsections (a) and (b) of section 6 of this Act, and with the concurrence of the Attorney General of the United States, to negotiate and enter into agreements with the State, its political subdivision or grantee or a lessee thereof, respecting operations under

Agreements with State.

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existing mineral leases and payment and impounding of rents, royalties, at other sums payable thereunder, or with the State, its political subdivision or grantee, inspecting the **issuance or nonissuance of new mineral leases** pending the settlement or adjudication Of the cotroversy. The authorization contained in the preceding sentence **of this section shall not be construed to be a limitation upon the authority conferred on the Secretary in other sections of this A ct. Payments made pursuant to such agreement, or pursuant to any stipulation between the United States and a State, shall be considered as compliance with section 6(a)(4) hereof. Upon the termination of such agreement or stipulation by reason of the final settlement or adjudication of such controversy,** if the lends subject to MY mineral lease are determined to be in whole or in part lands subject to the provisions of this Act **the lease, if he has not already done so, shall comply with the requirement of section 6(a) and thereupon the provisions of shall govern such lease.** The notice concerning "Oil and Gas Operatopms in the Submerged Coastal lands of the Gulf of Mexico" issued by the Secretary on December 11, 1950 (15 F. R. 8835), es emended by the notice dated January 26, 1951 (16 F. R 9530, and as supplemented by the notices dated February 2, 1951 (16 F.R. 1203), March 5, 1951 (16 F. R. 2195), April 23, 1951 (16 F. R 3623), June 25, 1951 (16 F. R. 6404), August 22, 1951 (16 F. R 8720), October 24, 1951 (16 F. R **10098**), **December 21, 1951 (17 F. R. 43).** March 25, 1952 (17 F. R. 2821), June 26, 1952 (17 F. R 5833), and December 24, 1962 (18 F. R. 48), respectively, is hereby approved and confirmed.

**Bids.**

Sec. 8. Leasing of Outer Continental Shelf. -

Oil and gas  
leases.

(a) **In order to meet the urgent need for further exploration and development** of the oil and gas deposits of the submerged lands of the outer Continental Shelf, the Secretary is authorized to grant to the highest responsible qualified bidder by competitive bidding under regulations promulgated in advance, oil and gas leases on submerged lands of the outer Continental Shelf which are **not covered** by lessee meeting the requirement of subsection (a) of section 6 of this Act. The bidding shall be (1) by sealed bids, and (2) at the discretion of the Secretary on the basis of a cash bonus with a royalty fixed by the secretary Secretary at not less than 12½ per centum in amount or value of the production saved, removed or sold, or on the basis of royalty, but at not less than the per centum above mentioned, with cash bonus fixed by the Secretary. .

(b) An ON and gas lease issued by the Secretary pursuant to this section shall (1) cover a compact area not exceeding five thousand seven hundred and sixty acres, the Secretary may determine, (2) be for a period of five years and es long thereafter as oil or gee may be produced from the area in paying quantities, or drilling or well reworking operations es approved by the Secretary are conducted thereon, (3) require **the payment of a royalty of not less than 12½ Per centum** in the amount or value of the production saved, removed, or cold from the lease, and (4) contain such rental provisions and such other terms and provisions es the Secretary may prescribe at the time of offering the area for lease.

Sulphur leases.

(c) **In order to meet the urgent need for further exploration and development of the sulphur deposits in the submerged lands of the outer Continental Shelf, the** authorized to grant to the qualified persons offering the highest competitive bidding sulphur leases on submerged fends of the outer Continental Shelf, which are not covered by leases which include sulphur and meet the requirements of subsection (a) of section 6 of this Act, and which sulphur losses shall be offered for bid by sealed bids and granted on separate leases from oil and gee leases, and for a separate consideration, and without **priority** or preference accorded to oil and gas lessees on the seine area.

cash bonuses on a banis of

(d) A sulphur lease issued by the Secretary pursuant to this section shall (1) cover an area of such size and dimensions es **the Secretary may determine,** (2) *be* for a period of not more than ten years and so long thereafter es sulphur may be produced from the areas in paying quantities or drilling, well reworking, plant construction, or other operations for the **production of sulphur, as** approved by the secretary, are conducted thereon, (3) require the payment to the United States of such royalty as may be specified in the lease but not less than 5 per centum of the gross production or value of the sulphur at the wellhead, and (4) contain such rental provisions and such other terms and provisions as the Secretary may by regulation prescribe at the time of offering the area for lease.

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(e) **The Secretary is authorized to grant to the qualified** persona offering the highest cash bonuses on a basis of competitive bidding leases of any mineral other than oil, gas and sulphur in any area of the outer Continental Shelf **NOT** then under lease for such mineral upon such royalty, rental, and other terms and conditions as the Secretary may prescribe at the time of offering the area for lease. **Other mineral leases.**

(f) Notice of sale of leases and the terms of bidding authorized by this section shall be published at least thirty days before the date of sale in accordance with rules and regulation promulgated by the Secretary. **Notices, publication**

(g) **All moneys paid to the Secretary for or under** t o w w s w l e a s e s **Deposits.** granted or a u a shall be deposited in the Treasury in accordance with section 9 of this Act.

(h) The issuance of any lease by the Secretary pursuant to this Act, or the making of any interim arrangement by the Secretary pursuant to section 7 of this Act shall not prejudice the ultimate settlement or adjudication of the question as to whether or not the area involved is in the outer Continental Shelf.

(i) The Secretary may cancel any lease **obtained by fraud or misrepresentation.** **Cancellation.**

(j) **Any person complaining of a cancellation of a lease by the Secretary may have the Secretary's action reviewed in the United States District Court for the District of Columbia by filing a petition for review within sixty days after the Secretary takes such action.**

**Sec. 9. Disposition of Revenues.** -

All rentals, royalties and other sums paid to the Secretary or the secretary of the Navy under any lease on the outer Continental Shelf for the period from June 5, 1950, to date, and thereafter shall be deposited in the Treasury of the United States and credited to miscellaneous receipts.

**Sec. 10. Refunds** -

(a) **subject to** the provisions of subsection (b) hereof, when it appears to the satisfaction of the secretary that any person has made a payment to the United States in connection with any lease under this Act in excess of the amount he was lawfully required to pay, such excess shall be repaid without interest to such person or his legal representative, if a request for repayment of such excess is filed with the Secretary within two years after the making of the payment, or within ninety days after the effective date of this Act. The Secretary shall certify the **amounts of all such repayments to the secretary of Treasury, who is authorized** and directed to make such repayment, out of any moneys in the special account established under section 9 of this Act and to issue his warrant in settlement thereof.

(b) No refund or credit for such excess payment shall be made until after the expiration of thirty days from the date upon which a report giving the name of the person to whom the refund or credit is to be made, the amount of such refund or credit, and a summary of the facts upon which the determination of the Secretary was made is submitted to the President of the Senate and the Speaker of the House of Representatives for transmittal to the appropriate legislative committee of each body, **reactively: Provided,** That if the Congress shall not be in session on the date of such submission or shall adjourn prior to the expiration of thirty days from the date of such submission, then such payment or credit shall not be made until thirty days after the opening day of the next succeeding session of Congress. **Report to Congress.**

**Sec. 11. Geological and Geophysical Exploration.** -

Any agency of the United States and any person authorized by the Secretary may conduct geological and geophysical explorations in the outer Continental Shelf, which do not interfere with or endanger actual operations under any lease maintained or granted pursuant to this Act and which are **NOT** unduly harmful to aquatic life in such area.

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67 Stat. 469

sec. **19. Reservations.** -

**(a) The President of the United States may, from time to time, withdraw from disposition any of the unleased lands of the outer Continental Shelf.**

**Was.**

**(b) In time of war, or when the President shall so prescribe, the United States the right of first refusal to purchase at the market price all or any portion of any mineral produced from the outer Continental Shelf.**

**(c) All leases issued under this Act, and leases, the maintenance and operation of which are authorized under this Act, shall contain or be construed to contain a provision whereby authority is vested in the Secretary, upon a recommendation of the Secretary of Defense, during a state of war or national emergency by the Congress or the President of the United States after the effective date of this Act, to suspend operations under any lease; and all such leases shall contain or be construed to contain provisions for the payment of just compensation to the lessee whose operations are thus suspended.**

**Natioanl defense areas.**

**(d) The United States reserves and retains the right to designate by end through the Secretary of Defense, with the approval of the President, as areas restricted from exploration and operation that part of the outer Continental Shelf needed for defense; and so long as such designation remains in effect no exploration or operations may be conducted on any part of the surface of such area except with the concurrence of the Secretary of Defense; and if operations or production under any lease theretofore issued on lands within any such restricted area shall be suspended, any payment of rentals, minimum royalty, and royalty prescribed by such lease likewise shall be suspended during such period of suspension of operation and production, and the term of such lease shall be extended by adding thereto any such suspension period, and the United States shall be liable to the lease for such compensation as is required to be paid under the Constitution of the United States.**

**Uranium, thorium, etc. 60 Stat. 760. 42 USC 1806.**

**(e) All uranium, thorium, and all other materials determined pursuant to paragraph (1) of subsection (b) of section 5 of the Atomic Energy Act of 1946, as amended, to be peculiarly essential to the production of fissionable material, contained in whatever concentration, in deposits in the subsoil or seabed of the outer Continental Shelf are hereby reserved for the use of the United States**

**Helium**

**(f) The United States reserves and retains the ownership of and the right to extract all helium, under such rules and regulations shall be prescribed by the Secretary, contained in gas produced from any portion of the outer Continental Shelf which may be subject to any lease maintained or granted pursuant to this Act, but the helium shall be extracted from such gas so as to cause no substantial delay in the delivery of gas produced to the purchaser of such gas.**

**Sec. 13. Naval Petroleum Reserve Executive Order Repealed.** -

**18 F.R. 405.**

**Executive Order Numbered 10426, dated January 16, 1953, entitled "Setting Aside Submerged Lands of the Continental Shelf as a Naval Petroleum Reserve," is hereby revoked.**

**Sec. 14. Prior Claims Not Affected.** -

**Nothing herein contained affect such rights, if any, as may have been acquired under any law of the United States by any person in lands subject to this Act and such rights, if any, shall be governed by the law in effect at the time they may have been acquired: Provided, however, that nothing herein contained is intended or shall be construed as a finding, interpretation, or construction by the Congress that the law under which such rights may be claimed in fact applies to the lands subject to this Act or authorizes compels the granting of such rights in such lands and that the determination of the applicability or effect of such law shall be unaffected by anything herein contained.**

**Sec. 15. Report by Secretary. -**

As soon as practicable after the end of each fiscal Year, the Secretary shall submit to the President of the Senate and the Speaker of the House of Representatives a report detailing the amounts of all moneys received and expended in connection with the administration of this Act during the preceding fiscal year.

**Sec. 16. Appropriation. -**

There is hereby authorized to be appropriated sums as may be necessary to carry out the provisions of this Act.

**Sec. 17. separability. -**

If any provision of this Act, or any section, subsection, sentence, clause, phrase or individual word, or the application thereof to any person or circumstance is held invalid, the validity of the remainder of the Act and of the application of any such provision, section, subsection, sentence, clause, phrase or individual word to other persons and circumstances shall not be affected hereby.

Approved August 7, 1953.