§ 3483.1 Diligent development and continued operation requirement.

(a) General requirements. (1) Except as provided at paragraph (b) of this section, each Federal coal lease and LMU is required to achieve diligent development.

(2) Once the operator/lessee of a Federal coal lease or LMU has achieved diligent development, the operator/lessee shall maintain continued operation on the Federal lease or LMU for every continued operation year thereafter, except as provided in § 3483.3 of this title.

(b) Federal coal leases issued prior to August 4, 1976, until the first readjustment of the lease after August 4, 1976, shall be subject to the Federal lease terms, including those that describe the minimum production requirement, except that:

(1) An operator/lessee holding such a lease may elect to be subject to the rules of this part by notifying the authorized officer in writing prior to August 30, 1983.

(ii) Such election shall consist of a written request, in triplicate, to the authorized officer that a Federal lease(s) be subject to the rules of this part, and shall contain the following—

(A) Name and address of the operator/lessee of record.

(B) Federal lease number(s).

(C) Certified record of annual Federal coal production since August 4, 1976, for the Federal lease(s) that the operator/lessee requests to have credited toward diligent development in accordance with § 3483.5 of this title.

(i) Upon verification by the authorized officer of the reported annual Federal coal production, the authorized officer shall notify the operator/lessee by certified mail, return receipt requested, that the election has been approved. The effective date of the election shall be the most recent royalty reporting period prior to the submittal of the election to the authorized officer.

(ii) Upon the effective date of the first lease readjustment after August 4, 1976, all such Federal leases shall be subject to the rules of this part.

(c) Any Federal coal lease included in an LMU shall be subject to the diligent development and continued operation requirements imposed on the LMU in lieu of those diligent development and continued operation requirements that would apply to the Federal lease individually.


§ 3483.2 Termination or cancellation for failure to meet diligent development and maintain continued operation.

(a) Any Federal coal lease or LMU which has not achieved diligent development shall be terminated by DOI.
§ 3483.3 Suspension of continued operation or operations and production.

(a) Applications for suspensions of continued operation must be filed in triplicate in the office of the authorized officer. The authorized officer, if he or she determines an application to be in the public interest, may approve the application or terminate suspensions that have been or may be granted.

(1) The authorized officer must suspend the requirement for continued operation by the period of time he or she determines that strikes, the elements, or casualties not attributable to the operator/lessee have interrupted operations under the Federal coal lease or LMU.

(2) The authorized officer may suspend the requirement for continued operation upon the payment of advance royalty in accordance with §3481.0-6 of this title for any operation. The authorized officer, upon notifying the operator/lessee 6 months in advance, may cease to accept advance royalty in lieu of the requirement for continued operation.

(b) In the interest of conservation, the authorized officer is authorized to act on applications for suspension of operations and production filed pursuant to paragraph (b) of this section, direct suspension of operations and production, and terminate such suspensions which have been or may be granted. Applications by an operator/lessee for relief from any operations and production requirements of a Federal lease shall contain justification for the

§ 3483.4 Payment of advance royalty in lieu of continued operation.

(a) Advance royalty may only be accepted in lieu of continued operation