

Sec.

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§ 1701. Congressional statement of findings and purposes

(a) Congress finds that—

(1) the Secretary of the Interior should enforce effectively and uniformly existing regulations under the mineral leasing laws providing for the inspection of production activities on lease sites on Federal and Indian lands;

(2) the system of accounting with respect to royalties and other payments due and owing on oil and gas produced from such lease sites is archaic and inadequate;

(3) it is essential that the Secretary initiate procedures to improve methods of accounting for such royalties and payments and to provide for routine inspection of activities related to the production of oil and gas on such lease sites; and

(4) the Secretary should aggressively carry out his trust responsibility in the administration of Indian oil and gas.

(b) It is the purpose of this chapter—

(1) to clarify, reaffirm, expand, and define the responsibilities and obligations of lessees,

operators, and other persons involved in transportation or sale of oil and gas from the Federal and Indian lands and the Outer Continental Shelf;

(2) to clarify, reaffirm, expand and define the authorities and responsibilities of the Secretary of the Interior to implement and maintain a royalty management system for oil and gas leases on Federal lands, Indian lands, and the Outer Continental Shelf;

(3) to require the development of enforcement practices that ensure the prompt and proper collection and disbursement of oil and gas revenues owed to the United States and Indian lessors and those inuring to the benefit of States;

(4) to fulfill the trust responsibility of the United States for the administration of Indian oil and gas resources; and

(5) to effectively utilize the capabilities of the States and Indian tribes in developing and maintaining an efficient and effective Federal royalty management system.

(Pub. L. 97-451, § 2, Jan. 12, 1983, 96 Stat. 2448.)

EFFECTIVE DATE OF 1996 AMENDMENT

Pub. L. 104-185, § 11, Aug. 13, 1996, 110 Stat. 1717, provided that: "Except as provided by section 115(h) [30 U.S.C. 1724(h)], section 111(h) [30 U.S.C. 1721(h)], section 111(k)(5) [30 U.S.C. 1721(k)(5)], and section 117 [30 U.S.C. 1726] of the Federal Oil and Gas Royalty Management Act of 1982 (as added by this Act), this Act [see Short Title of 1996 Amendment note below], and the amendments made by this Act, shall apply with respect to the production of oil and gas after the first day of the month following the date of the enactment of this Act [Aug. 13, 1996]."

EFFECTIVE DATE

Pub. L. 97-451, title III, § 305, Jan. 12, 1983, 96 Stat. 2461, provided that: "The provisions of this Act [enacting this chapter, amending sections 188 and 191 of this title, and enacting provisions set out as notes under this section and sections 1714 and 1752 of this title] shall apply to oil and gas leases issued before, on, or after the date of the enactment of this Act [Jan. 12, 1983], except that in the case of a lease issued before such date, no provision of this Act or any rule or regulation prescribed under this Act shall alter the express and specific provisions of such a lease."

SHORT TITLE OF 1996 AMENDMENT

Pub. L. 104-185, § 1, Aug. 13, 1996, 110 Stat. 1700, provided that: "This Act [enacting sections 1721a and 1724 to 1726 of this title, amending sections 1702, 1712, 1721, and 1735 of this title, repealing section 1339 of Title 43, Public Lands, and enacting provisions set out as notes under this section, section 1732 of this title, and section 1339 of Title 43] may be cited as the 'Federal Oil and Gas Royalty Simplification and Fairness Act of 1996'."

SHORT TITLE

Pub. L. 97-451, § 1, Jan. 12, 1983, 96 Stat. 2447, provided that: "This Act [enacting this chapter, amending sections 188 and 191 of this title, and enacting provisions set out as notes under this section and sections 1714 and 1752 of this title] may be cited as the 'Federal Oil and Gas Royalty Management Act of 1982'."

APPLICABILITY OF 1996 AMENDMENT

Pub. L. 104-185, § 9, Aug. 13, 1996, 110 Stat. 1717, provided that: "The amendments made by this Act [see Short Title of 1996 Amendment note above] shall not apply with respect to Indian lands, and the provisions of the Federal Oil and Gas Royalty Management Act of

1982 [30 U.S.C. 1701 et seq.] as in effect on the day before the date of enactment of this Act [Aug. 13, 1996] shall continue to apply after such date with respect to Indian lands."

Pub. L. 104-185, §10, Aug. 13, 1996, 110 Stat. 1717, provided that: "This Act [see Short Title of 1996 Amendment note above] shall not apply to any privately owned minerals."

CONSTRUCTION OF 1996 AMENDMENT

Pub. L. 104-185, §12, Aug. 13, 1996, 110 Stat. 1717, provided that: "Nothing in this Act [see Short Title of 1996 Amendment note above] shall be construed to give a State a property right or interest in any Federal lease or land."

§ 1702. Definitions

For the purposes of this chapter, the term—

(1) "Federal land" means all land and interests in land owned by the United States which are subject to the mineral leasing laws, including mineral resources or mineral estates reserved to the United States in the conveyance of a surface or nonmineral estate;

(2) "Indian allottee" means any Indian for whom land or an interest in land is held in trust by the United States or who holds title subject to Federal restriction against alienation;

(3) "Indian lands" means any lands or interest in lands of an Indian tribe or an Indian allottee held in trust by the United States or which is subject to Federal restriction against alienation or which is administered by the United States pursuant to section 1613(g) of title 43, including mineral resources and mineral estates reserved to an Indian tribe or an Indian allottee in the conveyance of a surface or nonmineral estate, except that such term does not include any lands subject to the provisions of section 3 of the Act of June 28, 1906 (34 Stat. 539);

(4) "Indian tribe" means any Indian tribe, band, nation, pueblo, community, rancheria, colony, or other group of Indians, including the Metlakatla Indian Community of Annette Island Reserve, for which any land or interest in land is held by the United States in trust or which is subject to Federal restriction against alienation or which is administered by the United States pursuant to section 1613(g) of title 43;

(5) "lease" means any contract, profit-share arrangement, joint venture, or other agreement issued or approved by the United States under a mineral leasing law that authorizes exploration for, extraction of, or removal of oil or gas;

(6) "lease site" means any lands or submerged lands, including the surface of a severed mineral estate, on which exploration for, or extraction or removal of, oil or gas is authorized pursuant to a lease;

(7) "lessee" means any person to whom the United States issues an oil and gas lease or any person to whom operating rights in a lease have been assigned;

(8) "mineral leasing law" means any Federal law administered by the Secretary authorizing the disposition under lease of oil or gas;

(9) "oil or gas" means any oil or gas originating from, or allocated to, the Outer Continental Shelf, Federal, or Indian lands;

(10) "Outer Continental Shelf" has the same meaning as provided in the Outer Continental Shelf Lands Act (Public Law 95-372);

(11) "operator" means any person, including a lessee, who has control of, or who manages operations on, an oil and gas lease site on Federal or Indian lands or on the Outer Continental Shelf;

(12) "person" means any individual, firm, corporation, association, partnership, consortium, or joint venture;

(13) "production" means those activities which take place for the removal of oil or gas, including such removal, field operations, transfer of oil or gas off the lease site, operation monitoring, maintenance, and workover drilling;

(14) "royalty" means any payment based on the value or volume of production which is due to the United States or an Indian tribe or an Indian allottee on production of oil or gas from the Outer Continental Shelf, Federal, or Indian lands, or any minimum royalty owed to the United States or an Indian tribe or an Indian allottee under any provision of a lease;

(15) "Secretary" means the Secretary of the Interior or his designee;

(16) "State" means the several States of the Union, the District of Columbia, Puerto Rico, the territories and possessions of the United States, and the Trust Territory of the Pacific Islands;

(17) "adjustment" means an amendment to a previously filed report on an obligation, and any additional payment or credit, if any, applicable thereto, to rectify an underpayment or overpayment on an obligation;

(18) "administrative proceeding" means any Department of the Interior agency process in which a demand, decision or order issued by the Secretary or a delegated State is subject to appeal or has been appealed;

(19) "assessment" means any fee or charge levied or imposed by the Secretary or a delegated State other than—

(A) the principal amount of any royalty, minimum royalty, rental bonus, net profit share or proceed of sale;

(B) any interest; or

(C) any civil or criminal penalty;

(20) "commence" means—

(A) with respect to a judicial proceeding, the service of a complaint, petition, counterclaim, cross claim, or other pleading seeking affirmative relief or seeking credit or recoupment: *Provided*, That if the Secretary commences a judicial proceeding against a designee, the Secretary shall give notice of that commencement to the lessee who designated the designee, but the Secretary is not required to give notice to other lessees who may be liable pursuant to section 1712(a) of this title, for the obligation that is the subject of the judicial proceeding; or

(B) with respect to a demand, the receipt by the Secretary or a delegated State or a lessee or its designee (with written notice to the lessee who designated the designee) of the demand;

(21) "credit" means the application of an overpayment (in whole or in part) against an