

the end of the third month following the month in which the lessee or its designee receives the determination from the Secretary. Subject to the full and timely monthly payment of royalties to all parties in accordance with the terms of the proposed allocation of production for the unit or communitization agreement, the Secretary shall waive interest due on obligations subject to the determination until the end of the third month following the month in which the lessee or its designee receives the determination from the Secretary. This subsection shall not apply to unit or communitization agreements containing Indian lands.

(Pub. L. 97-451, title I, § 111, Jan. 12, 1983, 96 Stat. 2455; Pub. L. 99-514, § 2, Oct. 22, 1986, 100 Stat. 2095; Pub. L. 104-185, § 6(a)-(e), (h)(1), Aug. 13, 1996, 110 Stat. 1712-1715; Pub. L. 104-200, § 1(3)-(6), Sept. 22, 1996, 110 Stat. 2421; Pub. L. 113-67, div. A, title III, § 305(a), Dec. 26, 2013, 127 Stat. 1183; Pub. L. 113-291, div. B, title XXX, § 3021(c)(2), Dec. 19, 2014, 128 Stat. 3761; Pub. L. 114-94, div. C, title XXXII, § 32301, Dec. 4, 2015, 129 Stat. 1741; Pub. L. 118-81, § 2, Sept. 20, 2024, 138 Stat. 1520.)

#### Editorial Notes

##### REFERENCES IN TEXT

The Emergency Petroleum Allocation Act of 1973, referred to in subsec. (e), is Pub. L. 93-159, Nov. 27, 1973, 87 Stat. 628, which was classified generally to chapter 16A (§ 751 et seq.) of Title 15, Commerce and Trade, and was omitted from the Code pursuant to section 760g of Title 15, which provided for the expiration of the President's authority under that chapter on Sept. 30, 1981.

##### CODIFICATION

Section is comprised of section 111 of Pub. L. 97-451. Subsec. (g) of section 111 of Pub. L. 97-451 amended section 191(a) of this title.

##### AMENDMENTS

2024—Subsec. (j). Pub. L. 118-81 amended subsec. (j) generally. Prior to amendment, text read as follows: “The Secretary shall issue all determinations of allocations of production for units and communitization agreements within 120 days of a request for determination. If the Secretary fails to issue a determination within such 120-day period, the Secretary shall waive interest due on obligations subject to the determination until the end of the month following the month in which the determination is made.”

2015—Subsec. (h). Pub. L. 114-94 redesignated subsec. (j) as (h), struck out “If the estimated payment exceeds the actual royalties due, interest is owed on the overpayment.” after “underpaid amount.”, and struck out former subsec. (h) which related to lessee or designee interest.

Subsec. (i). Pub. L. 114-94, § 32301(1), (2), redesignated subsec. (k) as (i) and struck out former subsec. (i) which related to limitation on interest.

Subsec. (j). Pub. L. 114-94, § 32301(2), redesignated subsec. (l) as (j). Former subsec. (j) redesignated (h).

Subsecs. (k), (l). Pub. L. 114-94, § 32301(2), redesignated subsecs. (k) and (l) as (i) and (j), respectively.

2014—Subsec. (h). Pub. L. 113-291 substituted “a rate equal to the sum of the Federal short-term rate determined under section 6621(b) of title 26 plus 1 percentage point.” for “the rate obtained by applying the provisions of subparagraphs (A) and (B) of section 6621(a)(1) of title 26, but determined without regard to the sentence following subparagraph (B) of section 6621(a)(1).”

2013—Subsec. (i). Pub. L. 113-67 inserted subsec. heading; designated first sentence as par. (1), inserted heading, and substituted “Interest shall not be paid on any

excessive overpayment.” for “Upon a determination by the Secretary that an excessive overpayment (based upon all obligations of a lessee or its designee for a given reporting month) was made for the sole purpose of receiving interest, interest shall not be paid on the excessive amount of such overpayment.”; and designated second sentence as par. (2) and inserted heading.

1996—Pub. L. 104-185, § 6(h)(1), substituted “Royalty terms and conditions, interest, and penalties” for “Royalty interest, penalties and payments” in section catchline.

Subsec. (h). Pub. L. 104-185, § 6(a), added subsec. (h).

Subsec. (i). Pub. L. 104-200, § 1(3), inserted “not” after “receiving interest, interest shall”.

Pub. L. 104-185, § 6(b), added subsec. (i).

Subsec. (j). Pub. L. 104-200, § 1(4), (5), substituted “date royalties are due” for “rate royalties are due”, “interest is owed on the underpaid amount” for “interest is owned on the underpaid amount”, and “interest is owed on the overpayment” for “interest is owned on the overpayment”.

Pub. L. 104-185, § 6(c), added subsec. (j).

Subsec. (k). Pub. L. 104-185, § 6(d), added subsec. (k).

Subsec. (k)(4). Pub. L. 104-200, § 1(6), substituted “additional royalties due” for “additional royalties dues”.

Subsec. (l). Pub. L. 104-185, § 6(e), added subsec. (l).

1986—Subsecs. (a), (b), (d). Pub. L. 99-514 substituted “Internal Revenue Code of 1986” for “Internal Revenue Code of 1954”, which for purposes of codification was translated as “title 26” thus requiring no change in text.

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE OF 2013 AMENDMENT

Pub. L. 113-67, div. A, title III, § 305(b), Dec. 26, 2013, 127 Stat. 1183, provided that: “The amendment made by subsection (a) [amending this section] shall take effect on July 1, 2014.”

##### EFFECTIVE DATE OF 1996 AMENDMENT

Amendment by Pub. L. 104-185 applicable with respect to production of oil and gas after the first day of the month following Aug. 13, 1996, except as provided by subsecs. (h) and (k)(5) of this section, see section 11 of Pub. L. 104-185, set out as a note under section 1701 of this title.

##### APPLICABILITY OF 1996 AMENDMENT

Amendment by Pub. L. 104-185 not applicable to any privately owned minerals or with respect to Indian lands, see sections 9 and 10 of Pub. L. 104-185, set out as a note under section 1701 of this title.

##### PAYMENT OF INTEREST CHARGES FROM CURRENT RECEIPTS

Pub. L. 108-447, div. E, title I, Dec. 8, 2004, 118 Stat. 3053, as amended by Pub. L. 110-161, div. F, title I, Dec. 26, 2007, 121 Stat. 2109, provided in part: “That in fiscal year 2005 and thereafter, notwithstanding 30 U.S.C. 191(a) and 43 U.S.C. 1338, the Secretary shall pay amounts owed to States and Indian accounts under the provisions of 30 U.S.C. 1721(b) and (d) from amounts received as current receipts from bonuses, royalties, interest collected from lessees and designees, and rentals of the public lands and the outer continental shelf under provisions of the Mineral Leasing Act (30 U.S.C. 181 et seq.), and the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.), which are not payable to a State or the Reclamation Fund.”

#### § 1721a. Adjustments and refunds

##### (a) Adjustments to royalties paid to Secretary or a delegated State

(1) If, during the adjustment period, a lessee or its designee determines that an adjustment or

refund request is necessary to correct an underpayment or overpayment of an obligation, the lessee or its designee shall make such adjustment or request a refund within a reasonable period of time and only during the adjustment period. The filing of a royalty report which reflects the underpayment or overpayment of an obligation shall constitute prior written notice to the Secretary or the applicable delegated State of an adjustment.

(2)(A) For any adjustment, the lessee or its designee shall calculate and report the interest due attributable to such adjustment at the same time the lessee or its designee adjusts the principle<sup>1</sup> amount of the subject obligation, except as provided by subparagraph (B).

(B) In the case of a lessee or its designee who determines that subparagraph (A) would impose a hardship, the Secretary or such delegated State shall calculate the interest due and notify the lessee or its designee within a reasonable time of the amount of interest due, unless such lessee or its designee elects to calculate and report interest in accordance with subparagraph (A).

(3) An adjustment or a request for a refund for an obligation may be made after the adjustment period only upon written notice to and approval by the Secretary or the applicable delegated State, as appropriate, during an audit of the period which includes the production month for which the adjustment is being made. If an overpayment is identified during an audit, then the Secretary or the applicable delegated State, as appropriate, shall allow a credit or refund in the amount of the overpayment.

(4) For purposes of this section, the adjustment period for any obligation shall be the six-year period following the date on which an obligation became due. The adjustment period shall be suspended, tolled, extended, enlarged, or terminated by the same actions as the limitation period in section 1724 of this title.

#### (b) Refunds

##### (1) In general

A request for refund is sufficient if it—

(A) is made in writing to the Secretary and, for purposes of section 1724 of this title, is specifically identified as a demand;

(B) identifies the person entitled to such refund;

(C) provides the Secretary information that reasonably enables the Secretary to identify the overpayment for which such refund is sought; and

(D) provides the reasons why the payment was an overpayment.

##### (2) Payment by Secretary of the Treasury

The Secretary shall certify the amount of the refund to be paid under paragraph (1) to the Secretary of the Treasury who shall make such refund. Such refund shall be paid from amounts received as current receipts from sales, bonuses, royalties (including interest charges collected under this section) and rentals of the public lands and the Outer Continental Shelf under the provisions of the Min-

eral Leasing Act [30 U.S.C. 181 et seq.] and the Outer Continental Shelf Lands Act [43 U.S.C. 1331 et seq.], which are not payable to a State or the Reclamation Fund. The portion of any such refund attributable to any amounts previously disbursed to a State, the Reclamation Fund, or any recipient prescribed by law shall be deducted from the next disbursements to that recipient made under the applicable law. Such amounts deducted from subsequent disbursements shall be credited to miscellaneous receipts in the Treasury.

#### (3) Payment period

A refund under this subsection shall be paid or denied (with an explanation of the reasons for the denial) within 120 days of the date on which the request for refund is received by the Secretary. Such refund shall be subject to later audit by the Secretary or the applicable delegated State and subject to the provisions of this chapter.

#### (4) Prohibition against reduction of refunds or credits

In no event shall the Secretary or any delegated State directly or indirectly claim or offset any amount or amounts against, or reduce any refund or credit (or interest accrued thereon) by the amount of any obligation the enforcement of which is barred by section 1724 of this title.

(Pub. L. 97-451, title I, §111A, as added Pub. L. 104-185, §5(a), Aug. 13, 1996, 110 Stat. 1710.)

#### Editorial Notes

##### REFERENCES IN TEXT

The Mineral Leasing Act, referred to in subsec. (b)(2), is act Feb. 25, 1920, ch. 85, 41 Stat. 437, which is classified generally to chapter 3A (§181 et seq.) of this title. For complete classification of this Act to the Code, see Short Title note set out under section 181 of this title and Tables.

The Outer Continental Shelf Lands Act, referred to in subsec. (b)(2), is act Aug. 7, 1953, ch. 345, 67 Stat. 462, which is classified generally to subchapter III (§1331 et seq.) of chapter 29 of Title 43, Public Lands. For complete classification of this Act to the Code, see Short Title note set out under section 1301 of Title 43 and Tables.

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE

Section applicable with respect to production of oil and gas after the first day of the month following Aug. 13, 1996, see section 11 of Pub. L. 104-185, set out as an Effective Date of 1996 Amendment note under section 1701 of this title.

##### APPLICABILITY

Section not applicable to any privately owned minerals or with respect to Indian lands, see sections 9 and 10 of Pub. L. 104-185, set out as an Applicability of 1996 Amendment note under section 1701 of this title.

#### § 1722. Injunction and specific enforcement authority

##### (a) Civil action by Attorney General

In addition to any other remedy under this chapter or any mineral leasing law, the Attorney General of the United States or his designee

<sup>1</sup>So in original. Probably should be "principal".