

Public Law 91-245

AN ACT

May 12, 1970
[S. 1193]

To authorize the Secretary of the Interior to prevent terminations of oil and gas leases in cases where there is a nominal deficiency in the rental payment, and to authorize him to reinstate under some conditions oil and gas leases terminated by operation of law for failure to pay rental timely.

Mineral Leasing
Act, amendments.

60 Stat. 956;
76 Stat. 943.

Oil and gas
leases, rein-
statement.
76 Stat. 943.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 31(b) of the Mineral Leasing Act of 1920 (41 Stat. 450), as amended (30 U.S.C. 188(b)), is amended by changing the period at the end thereof to a colon and adding the following: "Provided, That if the rental payment due under a lease is paid on or before the anniversary date but either (1) the amount of the payment has been or is hereafter deficient and the deficiency is nominal, as determined by the Secretary by regulation, or (2) the payment was calculated in accordance with the acreage figure stated in the lease, or in any decision affecting the lease, or made in accordance with a bill or decision which has been rendered by him and such figure, bill, or decision is found to be in error resulting in a deficiency, such lease shall not automatically terminate unless (1) a new lease had been issued prior to the date of this Act or (2) the lessee fails to pay the deficiency within the period prescribed in a notice of deficiency sent to him by the Secretary."

SEC. 2. Section 31(c) of the Mineral Leasing Act of 1920 (41 Stat. 450), as amended (30 U.S.C. 188(c)), is amended to read as follows:

"(c) Where any lease has been or is hereafter terminated automatically by operation of law under this section for failure to pay on or before the anniversary date the full amount of rental due, but such rental was paid on or tendered within twenty days thereafter, and it is shown to the satisfaction of the Secretary of the Interior that such failure was either justifiable or not due to a lack of reasonable diligence on the part of the lessee, the Secretary may reinstate the lease if—

"(1) a petition for reinstatement, together with the required rental, including back rental accruing from the date of termination of the lease, is filed with the Secretary; and

"(2) no valid lease has been issued affecting any of the lands covered by the terminated lease prior to the filing of said petition. The Secretary shall not issue any new lease affecting any of the lands covered by such terminated lease for a reasonable period, as determined in accordance with regulations issued by him. In any case where a reinstatement of a terminated lease is granted under this subsection and the Secretary finds that the reinstatement of such lease will not afford the lessee a reasonable opportunity to continue operations under the lease, the Secretary may, at his discretion, extend the term of such lease for such period as he deems reasonable: *Provided*, That (A) such extension shall not exceed a period equivalent to the time beginning when the lessee knew or should have known of the termination and ending on the date the Secretary grants such petition; (B) such extension shall not exceed a period equal to the unexpired portion of the lease or any extension thereof remaining at the date of termination; and (C) when the reinstatement occurs after the expiration of the term or extension thereof the lease may be extended from the date the Secretary grants the petition."

Approved May 12, 1970.