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TO THE . . . CODE
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Title 25—Indians

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For changes on and after
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SUBCHAPTERS P--Q--LANDS, SUBSURFACE ESTATES AND RESOURCES

SUBCHAPTER P--MINING

Part 171--Leasing of Tribal Lands for Mining

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HOW TO ACQUIRE LEASES

§ 171.2 *Leases to be made by tribes.* Indian tribes, bands or groups may, with the approval of the Secretary of the Interior or his authorized representative, lease their land for mining purposes. No oil and gas lease shall be approved unless it has first been offered at an advertised sale in accordance with § 171.3. Leases for minerals other than oil and gas shall be advertised for bids as prescribed in § 171.3 unless the Commissioner grants to the Indian owners written permission to negotiate for a lease. Negotiated leases, accompanied by proper bond and other supporting papers, shall be filed with the Superintendent of the appropriate Indian Agency within 30 days after such permission shall have been granted by the Commissioner to negotiate the lease. The appropriate Area Director is authorized in proper cases to grant a reasonable extension of this period prior to its expiration. The right is reserved to the Secretary of the Interior to direct that negotiated leases be rejected and that they be advertised for bids. All leases shall be approved by the Secretary of the Interior or his duly authorized representative.

[23 F. R. 9393, Dec. 4, 1958]

§ 171.3 *Sale of oil and gas leases.* (a) At such times and in such manner as he may deem appropriate, after being authorized by the tribal council or other authorized representative of the tribe, the superintendent shall publish notices at least thirty days prior to the sale, unless a shorter period is authorized by the Commissioner of Indian Affairs, that oil and gas leases on specific tracts, each of

which shall be in a reasonably compact body, will be offered to the highest responsible bidder for a bonus consideration, in addition to stipulated rentals and royalties. Each bid must be accompanied by a cashier's check, certified check, or postal money order, payable to the payee designated in the invitation to bid, in an amount not less than 25 percent of the bonus bid. Within 30 days after notification of being the successful bidder, said bidder must remit the balance of the bonus, the first year's rental, and his share of the advertising costs, and shall file with the superintendent the lease in completed form. The superintendent may, for good and sufficient reasons, extend the time for the completion and submission of the lease form, but no extension shall be granted for remitting the balance of moneys due. If the successful bidder fails to pay the full consideration within said period, or fails to file the completed lease within said period or extension thereof, or if the lease is disapproved through no fault of the lessor or the Department of the Interior, 25 percent of the bonus bid will be forfeited for the use and benefit of the Indian lessor.

[Paragraph (a) amended, 23 F. R. 7068, Sept. 12, 1958]

RENTS AND ROYALTIES

§ 171.14a *Suspension of operations and production on leases for minerals other than oil and gas.*

The Secretary of the Interior or his authorized representative, after obtaining the consent of the tribe, may authorize suspension of operating and producing requirements on mining leases for minerals other than oil and gas whenever during the primary term of the leases, it is considered that marketing facilities are inadequate or economic conditions unsatisfactory. Applications by lessees for relief from all operating and producing requirements on such mineral leases shall be filed in triplicate in the office of the Regional Mining Supervisor of the Geological Survey and a copy thereof filed with the Superintendent. Complete information must be furnished showing the necessity for such relief. Suspension of operations and production shall not relieve the lessee

from the obligations of continued payment of the annual rental or the minimum royalty.

[24 F. R. 9540, Nov. 26, 1959]

§ 171.25 Fees.

Unless otherwise authorized by the Secretary of the Interior or his authorized representative, each lease, mining permit, sublease, or assignment shall be accompanied at the time of filing by a fee of \$10. Such fee will not be required on sand and gravel permits issued to States, counties, or other municipal bodies. (25 U.S.C. 413)

[24 F. R. 7049, Oct. 2, 1959]

§ 171.26 *Assignments and overriding royalties.* . . .

(d) Agreements creating overriding royalties or payments out of production on oil and gas leases shall not be considered as interests in the leases as such term is used in this section. Agreements creating overriding royalties or payments out of production are hereby authorized and the approval of the Department of the Interior or any agency thereof shall not be required with respect thereto, but such agreements shall be subject to the condition that nothing in any such agreement shall be construed as modifying any of the obligations of the lessee, including, but not limited to, obligations for diligent development and operation, protection against drainage, compliance with oil and gas operating regulations (30 CFR Part 221), and the requirement for departmental approval before abandonment of any well. All such obligations are to remain in full force and effect, the same as if free of any such royalties or payments. The existence of agreements creating overriding royalties or payments out of production, whether or not actually paid, shall not be considered as justification for the approval of abandonment of any well. Nothing in this paragraph revokes the requirement for approval of assignments and other instruments which is required in this section, but any overriding royalties or payments out of production created by the terms of such assignments or instruments shall be subject to the condition stated above. Agreements creating overriding royalties or payments out of production need not be filed with the Superintendent unless incorporated in assignments or instruments required to be filed pursuant to this section.

COMPLICATION: In § 171.26 the headline was amended to read as set forth above, and paragraph (d) was added, 23 F. R. 9758, Dec. 18, 1958.

§ 171.30 Forms.

Leases, assignments, and other instruments shall be on forms prescribed by the Secretary of the Interior or his authorized representative and may be obtained from the superintendent or other officer having jurisdiction over the lands [24 F. R. 7049, Oct. 2, 1959]

Part 172--Leasing of Allotted Lands for Mining

Sec.

- 172.5 Execution of leases by Superintendents. [Revised]
172.15a Suspension of operations and production on leases for minerals other than oil and gas. [Added]
172.22 Assignments and overriding royalties. [Amended]
172.31 Fees. [Revised]
172.32 Forms. [Revised]

§ 172.5 *Execution of leases by Superintendents.*

The Superintendent shall execute leases on behalf of unknown owners of future contingent interests, and on behalf of minors and persons who are incompetent by reason of mental incapacity.

[24 F. R. 1568, Mar. 3, 1959]

§ 172.15a *Suspension of operations and production on leases for minerals other than oil and gas.*

The Secretary of the Interior or his authorized representative may authorize suspension of operating and producing requirements on mining leases for minerals other than oil and gas whenever it is considered that marketing facilities are inadequate or economic conditions unsatisfactory. Applications by lessees for relief from all operating and producing requirements on such mineral leases shall be filed in triplicate in the office of the Regional Mining Supervisor of the Geological Survey and a copy thereof filed with the Superintendent. Complete information must be furnished showing the necessity for such relief. Suspension of operations and production shall not relieve the lessee from the obligations of continued payment of the annual rental or the minimum royalty.

[24 F. R. 9511, Nov. 26, 1959]