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SUBCHAPTERS P--Q--LANDS, SUBSURFACE ESTATES AND RESOURCES

SUBCHAPTER P--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]

§ 172.22 *Assignments and overriding royalties.*

(d) An agreement creating overriding royalties or payments out of production on oil and gas leases under this part shall be subject to the provisions of § 171.26 (d) of this subchapter, or as hereafter amended.

CODIFICATION: In § 172.22, the headnote was amended to read as set forth above, and paragraph (d) was added, 23 F. R. 9758, Dec. 18, 1958.

§ 172.31 Fees.

The provisions of § 171.25 of this chapter, or as hereafter amended, are applicable to this part.

[24 F.R. 7974, Oct. 2, 1959]

§ 172.32 Forms.

The provisions of § 171.30 of this chapter, or as hereafter amended, are applicable to this part.

[24 F.R. 7974, Oct. 2, 1959]

Part 173--Leasing of Lands in Crow Indian Reservation, Montana, for Mining

Sec.

- 173.13 Payments [Amended]
- 173.16 Annual rentals and expenditures for development on mining leases other than oil and gas. [Revised]
- 173.16a Suspension of operations and production on leases for minerals other than oil or gas. [Added]
- 173.21 Assignments and overriding royalties. [Amended]
- 173.28 Fees. [Revised]
- 173.29 Forms [Revised]

§ 173.13 Payments.

CODIFICATION: In § 173.13(a), the reference "§ 195.4" was changed to read "§ 173.4", 24 F.R. 6342, Aug. 7, 1959.

§ 173.16 Annual rentals and expenditures for development on mining leases other than oil and gas.

The provisions of § 171.14 of this subchapter, or as hereafter amended, are applicable to leases under this part.

[24 F.R. 63 2, Aug. 7, 1959]

§ 173.16a Suspension of operations and production on leases for minerals other than oil and gas.

The provisions of § 171.14a of this sub-

chapter are applicable to leases under this part.

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

§ 173.21 *Assignments and overriding royalties.*

(d) An agreement creating overriding royalties or payments out of production on oil and gas leases under this part shall be subject to the provisions of § 171.26 (d) of this subchapter, or as hereafter amended.

CODIFICATION: In § 173.21, the headnote was amended to read as set forth above, and paragraph (d) was added, 23 F. R. 9758, Dec. 18, 1958.

§ 173.28 Fees.

The provisions of § 171.25 of this chapter, or as hereafter amended, are applicable to this part.

[24 F.R. 7949, Oct. 2, 1959]

§ 173.29 Forms.

The provisions of § 171.30 of this chapter, or as hereafter amended, are applicable to this part.

[24 F.R. 7949, Oct. 2, 1959]

Part 174--Leasing of Restricted Lands of Members of Five Civilized Tribes, Oklahoma, for Mining

HOW TO ACQUIRE LEASES

Sec.

- 174.7 Fees. [Revised]
- OPERATIONS
- 174.38 Assignments and overriding royalties. [Amended]

REMOVAL OF RESTRICTIONS

- 174.47 Forms. [Revised]

HOW TO ACQUIRE LEASES

§ 174.7 Fees.

The provisions of § 171.25 of this chapter, or as hereafter amended, are applicable to this part.

[24 F.R. 7949, Oct. 2, 1959]

OPERATIONS

§ 174.38 *Assignments and overriding royalties.*

(b) An agreement creating overriding royalties or payments out of production on oil and gas leases under this part shall be subject to the provisions of § 171.26

(d) of this subchapter, or as hereafter amended.

CODIFICATION: In § 174.38, the headnote was amended to read as set forth above, the existing text was designated paragraph (a), and paragraph (b) was added, 23 F. R. 9758, Dec. 18, 1958.

REMOVAL OF RESTRICTIONS

§ 174.47 Forms.

The provisions of § 171.30 of this chapter, or as hereafter amended, are applicable to this part.

[24 F.R. 7949, Oct. 2, 1959]

SUBCHAPTER Q--OIL AND GAS

Part 183--Leasing of Osage Reservation Lands for Oil and Gas Mining

OIL MINING LEASES

Sec.

- 183.4 Drilling obligations. [Revised]
- 183.16 Surrender of lease. [Revised]

HOW TO ACQUIRE LEASES OF TRIBAL LANDS

- 183.42 Rental period after consent of Superintendent to begin operations on homesteads. [Superseded]
- 183.43 Lessee's process agents. [Revised]

ASSIGNMENTS

- 183.40 Approval of lease instruments. [Amended]

§ 183.4 *Drilling obligations.* (a) Lessee shall drill at least one well to the Mississippi Lime, unless oil or gas is found in paying quantities at a lesser depth, on the land covered by his lease, within 12 months from the date of approval of the lease, or the lease may be held for the full five-year primary term without drilling, upon payment to the Superintendent for the lessor of rental at the rate of one dollar per acre per annum, payable annually in advance, beginning one year after the date of approval of the lease. This lease shall terminate as to both parties unless such advance rental shall be received at the Osage Agency or shall have been mailed as indicated by postmark, on or before the due date: *Provided*, That the time within which a well shall be drilled shall not begin to run on any restricted homestead selection until the consent of the Superintendent to drilling on such homestead shall have been given, nor shall

PART 176--LEAD AND ZINC MINING OPERATIONS AND LEASES, QUAPAW AGENCY

Sec.

- 176.23a Suspension of operations and production on leases for minerals other than oil and gas. [Added]

§ 176.23a *Suspension of operations and production on leases for minerals other than oil and gas.*

The provisions of § 172.15a of this subchapter are applicable to leases under this part.

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

advance rental become due until the next anniversary date of the lease following the date of such consent: *Provided further*, That the Superintendent in his discretion may direct the drilling of any undrilled lease, if in his opinion the interests of the Osage Tribe warrant: *Provided further*, That whenever the Commissioner of Indian Affairs shall consider the marketing facilities inadequate to take care of the production he may direct the suspension of drilling operations on this lease. The completion of a well to the Mississippi Lime, or production of oil or gas in paying quantities from a lesser depth than the Mississippi Lime, for such time as such production shall continue, after the lease has entered a rental status, shall relieve the lessee from any further payment of rentals for the balance of the primary term of the lease for which rental has not been paid. Should such production cease, rental shall commence on the next anniversary date of the lease. Rental shall be paid on the basis of a full year, and no refund will be made of advance rental paid in compliance with the regulations in this part.

(b) Prior to the expiration of a term of a lease, the Osage Tribal Council may, with the approval of the Superintendent, and a finding by him that such action is in the best interest of the Osage Tribe, grant an extension of the term of the lease for a period of not to exceed six months for the purpose of enabling the lessee to drill a well to the Mississippi Lime unless oil or gas is found in paying quantities at a lesser depth. [23 F. R. 7133, Sept. 16, 1958]