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Indians

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Revised as of April 1, 1988

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party, then all parties shall join in the application for cancellation.

(8) That all required fees and papers must be in the mail or received on or before the date upon which rents and royalties become due, in order for the lessee and his surety to be relieved from liability for the payment of such royalties and rentals.

(9) If there has been a contest respecting a lease or leases, the approved, the disapproved, or the canceled parts thereof will be held in the office of the superintendent for 5 days after the Department's decision has been promulgated, by mail or delivery, and will not be delivered, if within that period a motion for review and reconsideration be filed, until such motion is passed upon by the Department.

(10) In the event oil or gas is being drained from the leased premises by wells not covered by a lease; the lease, or any part of it, may be surrendered, only on such terms and conditions as the Secretary of the Interior may determine to be reasonable and equitable.

(c) No part of any advance rental shall be refunded to the lessee nor shall he be relieved, by reason of any subsequent surrender or cancellation of the lease, from the obligation to pay said advance rental when it becomes due.

§ 211.27a Prospecting permits.

With the consent of the tribal authorities the superintendent may issue permits to prospect for minerals other than oil and gas upon tribal lands. Such permits must describe the area to be prospected and definitely state the period of time within which such work is permitted. No ores shall be removed from the reservation under such permits, except samples for assay and experimental purposes. A prospecting permit will not give the permittee any preference right to a lease, unless specifically so stated in the permit, and all permits granting a preference right to a lease must comply with all the laws and regulations applicable to mineral leases on tribal Indian lands.

§ 211.28 Effective date of regulations.

The regulations in this part shall become effective and in full force from and after the date of approval, and shall be subject to change or alteration at any time by the Secretary of the Interior: *Provided*, That no regulations made after the approval of any lease shall operate to affect the term of the lease, rate of royalty, rental, or acreage unless agreed to by both parties to the lease. All former regulations governing the leasing of tribal lands for mining purposes are superseded by the regulations in this part.

§ 211.29 Exemption of leases made by organized tribes.

The regulations in this part may be superseded by the provisions of any tribal constitution, bylaw or charter issued pursuant to the Indian Reorganization Act of June 18, 1934 (48 Stat. 984; 25 U.S.C. 461-479), the Alaska Act of May 1, 1936 (49 Stat. 1250; 48 U.S.C. 362, 258a), or the Oklahoma Indian Welfare Act of June 26, 1936 (49 Stat. 1967; 25 U.S.C., and Sup., 501-509), or by ordinance, resolution or other action authorized under such constitution, bylaw or charter. The regulations in this part, in so far as they are not so superseded, shall apply to leases made by organized tribes if the validity of the lease depends upon the approval of the Secretary of the Interior.

§ 211.30 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 FR 7949, Oct. 2, 1959. Redesignated at 47 FR 13327, Mar. 30, 1982]

PART 212—LEASING OF ALLOTTED LANDS FOR MINING

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AUTHORITY: 35 Stat. 783, as amended; 25 U.S.C. 396, unless otherwise noted.

SOURCE: 22 FR 10592, Dec. 24, 1957, unless otherwise noted. Redesignated at 47 FR 13327, Mar. 30, 1982.

§ 212.1 Definitions.

(a) The term "superintendent" in this part refers to the superintendent or other officer of the Bureau of Indian Affairs or of the Government who may have jurisdiction over the allotments involved.

(b) The term "supervisor" in this part refers to a representative of the Secretary of the Interior, under direction of the Director of the United States Geological Survey, authorized and empowered to supervise and direct operations under oil and gas or other mining leases, to furnish scientific and technical information and advice, to ascertain and record the amount and value of production, and to determine and record rentals and royalties due and paid.

CROSS REFERENCE: For rules and regulations of the Geological Survey, see 30 CFR Chapter II.

§ 212.2 Applications.

Application for leases should be made to the superintendent having jurisdiction over the lands.

§ 212.3 No leases made to Government employees.

No lease, assignment thereof, or interest therein will be approved to any employee or employees of the United States Government whether connected with the Bureau or otherwise, and no employee of the Interior Department shall be permitted to acquire any interest in such leases by ownership of stock in corporations having leases or in any other manner.

(R.S. 2078; 25 U. S. C. 68)

§ 212.4 Sale of oil and gas leases.

(a) At such times and in such manner as he may deem appropriate, 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 superin-

tendent 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 balance of monies 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.

(b) All notices or advertisements of sales of oil and gas leases shall reserve to the Secretary of the Interior the right to reject all bids when in his judgment the interests of the Indians will be best served by so doing, and that if no satisfactory bid is received, or if the accepted bidder fails to complete the lease, or if the Secretary of the Interior shall determine that it is unwise in the interests of the Indians to accept the highest bid, the Secretary may readvertise such lease for sale, or if deemed advisable, with the consent of the Indian owners, a lease may be made by private negotiations. The successful bidder or bidders will be required to pay his or their share of the advertising costs. Amounts received from unsuccessful bidders will be returned; but when no bid is accepted on a tract, the costs of advertising will be assessed against the applicant who requested that said tract be advertised.

§ 212.4a Leases for subsurface storage of oil or gas.

The provisions of § 211.3a of this subchapter are applicable to leases under this part.

[25 FR 9836, Oct. 14, 1960. Redesignated at 47 FR 13327, Mar. 30, 1982]

§ 212.5 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 FR 1568, Mar. 3, 1959. Redesignated at 47 FR 13327, Mar. 30, 1982]

§ 212.6 Leases for minerals other than oil and gas.

Leases for minerals other than oil and gas shall be advertised for bids as prescribed in § 212.4 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 (35 Stat. 783; 25 U.S.C. 396).

§ 212.7 Requirements of corporate lessees.

If the applicant for lease is a corporation it shall file evidence of authority of its officers to execute papers, and with its first application it shall also file:

(a) A certified copy of its articles of incorporation, and, if foreign to the State in which the lands are located, evidence showing compliance with the corporation laws thereof.

(b) Lists of officers, principal stockholders, and directors, with post office addresses and number of shares held by each.

(c) A sworn statement of the proper officer showing:

(1) The total number of shares of the capital stock actually issued and the amount of cash paid into the treasury on each share sold; or, if paid in property, the kind, quantity, and value of the same paid per share.

(2) Of the stock sold, how much remains unpaid and subject to assessment.

(3) The amount of cash the company has in its treasury and elsewhere.

(4) The property, exclusive of cash, owned by the company and its value.

(5) The total indebtedness of the company and the nature of its obligations.

§ 212.8 Information; corporate lessees and stockholders.

Statements of changes in officers and stockholders shall be furnished by a corporation lessee to the superintendent on January 1 of each year, and at such other times as may be requested. Affidavits may also be required of individual stockholders at any time, setting forth in what corporations or with what persons, firms, or associations such individual stockholders are interested in mining leases of restricted Indian lands within the State, and whether they hold such interests for themselves or in trust.

§ 212.9 Leases of undivided inherited lands.

(a) If the allottee is deceased and the heirs to or devisees of any interest in the allotment have not been determined, or, if determined, some or all of them cannot be located, mining leases of such interests may be executed by the Superintendent, provided that such leases have been offered for sale to the highest responsible qualified bidder, at public auction, or on sealed bids, after at least 30 days' notice and advertisement unless a shorter period is authorized by the Commissioner of Indian Affairs.

(b) If the heirs include a life tenant, the lease must be accompanied by an agreement between such life tenant and the remaindermen, providing for the division of the rents and royalties subject to approval of the Commissioner of Indian Affairs or his authorized representative.

CROSS REFERENCE: For regulations relating to the establishment of heirship, see Part 15 of this chapter.

§ 212.10 Bonds.

The provisions of § 211.6 of this subchapter, or as hereafter amended, are applicable to leases under this part.

§ 212.11 Additional information.

The superintendent may, either before or after approval of a lease, call for any additional information desired to carry out the regulations in this part. If a lessee shall fail to furnish the papers necessary to put his lease and bond in proper form for consideration, the superintendent shall forward such lease for disapproval.

§ 212.12 Term of leases.

The provisions of § 211.10 of this subchapter, as amended, are applicable to leases under this part.

§ 212.13 Acreage limitation.

The provisions of § 211.9, of this subchapter, as amended, are applicable to leases under this part.

§ 212.14 Payment of rentals and royalties.

(a) Except as provided in paragraphs (b), (d) and (f) of this section, all rents, royalties and other payments due under leases which have been or may be approved in accordance with this part shall be paid by check or bank draft to the order of the Treasurer of the United States and transmitted through the supervisor to the Superintendent for deposit to the credit of the various lessors. When lessees and purchasers are instructed, in writing, by the Superintendent, which instructions shall be complete as to lessors for each lease, separate remittances for each payment due each lessor shall be made to the Superintendent. Any payments under this paragraph, covering lands or interests therein from which supervision by the Secretary of the Interior has been relinquished may continue to be made in the manner provided by this paragraph until ten days after notice of such relinquishment of supervision has been mailed to the lessee.

(b) The Superintendent may, in his discretion, whenever it appears to be in the best interest of any lessor, authorize and direct the lessee to pay directly to the lessor, the legal guardian of any lessor under guardianship, or to the parent of any minor, the rents, royalties and other payments due under leases which have been or may be approved in accordance with the regulations in this part. Any such authority for direct payment shall be in writing, addressed to the owner or owners of the lease, and shall expressly provide for its revocation or modifi-

cation at any time, in writing, by the Superintendent, and shall either name a bank to receive deposit of such payments, or shall give the mailing address of each lessor. Written authorization for direct payment and written revocations or modifications thereof shall become a part of the lease and shall be distributed as in the case of original leases. All such revocations or modifications shall have a 5-day grace period after date of receipt. Rents, royalties, and other payments paid in accordance therewith shall constitute full compliance with the requirements of the lease pertaining to such payments.

(c) Rents and royalties paid pursuant to paragraphs (a) and (b) of this section on producing leases shall be supported by statements acceptable to the Secretary or his duly authorized representative, to be transmitted to the Supervisor, in duplicate, covering each lease, identified by contract number and lease number. Such statements shall show the specific items of rents or royalties for which remittances are made, shall identify each remittance by the remittance number, date, amount, and name of each payee, shall show the total amount of royalties or rental paid, and shall be supported by a copy of the purchaser's settlement or pipeline statement for each lease under which royalties are paid.

(d) Rents paid on nonproducing leases pursuant to paragraphs (a) and (b) of this section shall be supported by a statement, acceptable to the Superintendent, to be transmitted to the Superintendent covering each lease, identified by contract number and lease number. Each remittance shall be identified by the remittance number, date, amount, name of each payee, and dates of mailing or remittances. Date of mailing, or, if remittance is sent by registered mail, the date of registration receipts covering remittances mailed, shall be considered as date of payment.

(e) In the event of the discovery of minerals in paying quantities all advance payments shall be allowed as credit on stipulated royalties for the year for which the payment is made. No refund will be made under oil, gas, or other mining leases, in the event the royalty on production for any year is not sufficient to equal the advance payment for that year, nor will any part of the moneys so paid be refunded to the lessee because of any subsequent surrender or cancellation of the lease, nor shall the lessee be relieved from the obligations to pay said advance rental annually when it becomes due by reason of any subsequent surrender or cancellation of the lease.

(f) For leases other than oil and gas, all advance rental for the first year shall be paid to the Superintendent at the time of filing the lease, and the amounts so paid shall be and become the property of the lessor if the lease be disapproved because of the lessee's failure to meet the requirements of the law or the regulations in this part, or because of any other fault or defect chargeable to the lessee.

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

The provisions of § 211.14 of this subchapter, as amended, are applicable to leases other than oil and gas under this part.

(Secs. 16, 17, 48 Stat. 987, 988, sec. 9, 49 Stat. 1968, sec. 4, 52 Stat. 348; 25 U.S.C. 396d, 476, 477, 509)

§ 212.15a 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 be 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 FR 9511, Nov. 26, 1959. Redesignated at 47 FR 13327, Mar. 30, 1982]

§ 212.16 Rentals and royalties for oil and gas leases.

The lessee shall pay, beginning with the date of approval of oil and gas leases by the Secretary of the Interior, a rental of $1.25 per acre per annum in advance during the continuance thereof, the rental so paid for any one year to be credited on the royalty for that year, together with a royalty of 12½ percent of the value or amount of all oil, gas, and/or natural gasoline, and/or all other hydrocarbon substances produced and saved from the land leased save and except oil, and/or gas used by the lessee for development and operation purposes on the lease, which oil or gas shall be royalty free. A higher rate of royalty may be fixed by the Secretary of the Interior or his authorized representative, prior to the advertisement of land for oil and gas leases. During the period of supervision, "value" for the purposes of the lease may, in the discretion of the Secretary, be calculated on the basis of the highest price paid or offered (whether calculated on the basis of short or actual volume) at the time of production for the major portion of the oil of the same gravity, and gas, and/or natural gasoline, and/or all other hydrocarbon substances produced and sold from the field where the leased lands are situated, and the actual volume of the marketable product less the content of foreign substances as determined by the oil and gas supervisor. The actual amount realized by the lessee from the sale of said products may, in the discretion of the Secretary of the Interior, be deemed mere evidence of or conclusive evidence of such value. When paid in value, such royalties shall be due and payable monthly on the last day of the calendar month following the calendar month in which produced; when royalty on oil produced is paid in kind, such royalty oil shall be delivered in tanks provided by the lessee on the premises where produced without cost to the lessor unless otherwise agreed to by the parties thereto, at such time as may be required by the lessor. The lessee shall not be required to hold such royalty oil in storage longer than 30 days after the end of the calendar month in which said oil is produced. The lessee shall be in no manner responsible or held liable for loss or destruction of such oil in storage caused by acts of God. All rental and royalty payments, except as provided in sections 4(c) and 8(a) of the lease (Form 5-154h, revised April 24, 1935), shall be made by check or draft drawn on a solvent bank, open for the transaction of business on the day the check or draft is issued, to the order of the Superintendent. Except the advance rental for the first year, which, as provided in § 212.14 shall be paid to the superintendent when the lease is filed, payments shall be transmitted through the oil and gas supervisor, shall be accompanied by a statement by the lessee, in triplicate, showing the specific items of rental or royalty that the remittance is intended to cover, and shall be made at such times as the lease provides. In determining the value for royalty purposes of products, such as natural gasoline, that are derived from treatment of gas, a reasonable allowance for the cost of manufacture shall be made, such allowance to be two-thirds of the value of the marketable product unless otherwise determined by the Secretary of the Interior on application of the lessee or on his own initiative, and that royalty will be computed on the value of gas or casing-head gas, or on the products thereof (such as residue gas, natural gasoline, propane, butane, etc.), whichever is the greater.

§ 212.17 Preference of Government to purchase oil.

In time of war or other public emergency any of the executive departments of the United States Government shall have the option to purchase at the highest posted market price on the date of sale all or any part of the oil produced under any lease.

§ 212.18 Royalty rates for minerals other than oil and gas.

Unless otherwise authorized by the Commissioner of Indian Affairs, the minimum rates for minerals other than oil and gas shall be as follows:

(a) For substances other than gold, silver, copper, lead, zinc, tungsten, coal, asphaltum and allied substances, oil, and gas, the lessee shall pay quarterly or as otherwise provided in the lease, a royalty of not less than 10 percent of the value, at the nearest shipping point, of all ores, metals, or minerals marketed.

(b) For gold and silver the lessee shall pay quarterly or as otherwise provided in the lease, a royalty of not less than 10 percent to be computed on the value of bullion as shown by mint returns after deducting forwarding charges to the point of sale; and for copper, lead, zinc, and tungsten, a royalty of not less than 10 percent to be computed on the value of ores and concentrates as shown by reduction returns after deducting freight charges to the point of sale. Duplicate returns shall be filed by the lessee with the Superintendent within 10 days after the ending of the quarter or other period specified in the lease within which such returns are made: *Provided, however,* That the lessee shall pay a royalty of not less than 10 percent of the value of the ore or concentrates sold at the mine unless otherwise provided in the lease.

(c) For coal the lessee shall pay quarterly or as otherwise provided in the lease, a royalty of not less than 10 cents per ton of 2,000 pounds of mine run, or coal as taken from the mine, including what is commonly called "slack."

(d) For asphaltum and allied substances the lessee shall pay quarterly or as otherwise provided in the lease, a royalty of not less than 10 cents per ton of 2,000 pounds on crude material or not less than 60 cents per ton on refined substances.

§ 212.19 Payment of royalties by purchasers of oil; division orders.

(a) Lessees may make arrangement with the purchasers of oil for the payment of the royalties to the superintendent of such purchasers, but such arrangement, if made, shall not operate to relieve a lessee from responsibility should the purchaser fail or refuse to pay royalties when due. Where lessees avail themselves of this privilege, division orders permitting the pipe line companies or other purchasers of the oil to withhold the royalty interest shall be executed and forwarded to the oil and gas supervisor for approval, as pipe line companies are not permitted to accept or run oil from leased Indian lands until after the approval of a division order showing that the lessee has a lease regularly approved and in effect. The right is reserved for the oil and gas supervisor to cancel a division order at any time or require the pipe line company to discontinue to run the oil of any lessee who fails to operate the lease property or otherwise violates the provisions of the lease, of the regulations in this part, or of the operating regulations.

(b) Lessee or his representative shall actually be present when oil taken under division orders is run by pipe line companies and lessee shall be responsible for the correct measurement and report of oil so run; otherwise the approval of division order may be revoked.

CROSS REFERENCE: For oil and gas operating regulations of the Geological Survey, see 30 CFR Part 221.

§ 212.20 Time of royalty payments.

Royalty payments on all leases shall be made monthly, on or before the last day of the calendar month following the calendar month for which such payment is to be made.

§ 212.21 Stipulations.

The lessee under any lease heretofore approved may, by stipulation (Form 5-154i), with the consent of the lessor and the approval of the Secretary of the Interior make such approved lease subject to all the terms, conditions, and provisions contained in the regulations in this part and in the lease form currently in use.

§ 212.22 Assignments and overriding royalties.

(a) Leases hereafter approved, or any interest therein, may be assigned

or transferred only with the approval of the Secretary of the Interior, and to procure such approval the assignee must be qualified to hold such lease under existing rules and regulations, and shall furnish a satisfactory bond for the faithful performance of the covenants and conditions thereof.

(b) No lease or any interest therein or the use of such lease shall be assigned, sublet, or transferred, directly or indirectly, by working or drilling contract, or otherwise, without the consent of the Secretary of the Interior.

(c) Assignments of leases and stipulations modifying the terms of existing leases shall be filed with the superintendent within 30 days after the date of execution.

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

[22 FR 10592, Dec. 24, 1957, as amended at 23 FR 9758, Dec. 18, 1958. Redesignated at 47 FR 13327, Mar. 30, 1982]

§ 212.23 Cancellations.

(a) A lease will be cancelled by the Secretary of the Interior for good cause upon application of the lessor or lessee, or if at any time the Secretary is satisfied that the provisions of the lease or of any regulations heretofore or hereafter prescribed have been violated. When the lessee applies for cancellation he must, before the same will be considered, pay a surrender fee of $1 and all royalties and rents due to the date of completion of such application, surrender all parts of the lease actually delivered to him, and furnish a duly recorded release of the acreage covered by the application if the lease thereon has been recorded: *Provided*, That where the application is made by an assignee to whom no copy of the lease was delivered he will be required to surrender only his copy of the assignment.

(b) If the lease is owned in undivided interests by more than one person, firm, or corporation all shall join in the application for cancellation.

(c) All required fees and papers must be at least in the mail on or before the date upon which rents and royalties become due in order for the lessee and his surety to be relieved from liability for the payment thereof.

(d) If there has been a contest respecting a lease or leases, the approved, disapproved or canceled parts thereof will be held in the office of the superintendent for 5 days after promulgation by him, by mailing or delivery of the department's decision, and will not be delivered if within that period a motion for review or reconsideration be filed until such motion is passed upon by the department.

(e) No part of any advance rentals shall be refunded to the lessee, nor shall he be relieved from his obligation to pay rentals annually when due by reason of any subsequent surrender or cancellation of the lease. Upon cancellation of a lease the lessor shall be entitled to take immediate possession of the land.

§ 212.24 Operation and development regulations.

(a) Lessees will be required to carry out and observe the operating regulations now or hereafter in force governing oil and gas operations on restricted Indian lands. Operations will not be permitted under any lease requiring approval of the Secretary of the Interior until the approved lease has been delivered.

(b) All leases issued under the provisions of the regulations in this part shall be subject to imposition by the Secretary of such restrictions as to time or times for the drilling of wells and as to the production from any well or wells as in his judgment may be necessary or proper for the protection of the natural resources of the leased land and in the interests of the Indian lessor. In the exercise of his judgment the Secretary may take into consideration among other things the Federal laws, State laws or regulations by competent Federal or State authorities or lawful agreements among operators regulating either drilling or production or both, and also any regulatory action desired by tribal authorities.

(c) All leases issued pursuant to the regulations in this part shall be subject to a co-operative or unit develop-

ment plan affecting the leased lands if and when required by the Secretary of the Interior.

§ 212.25 Inspection of books and accounts.

Lessees shall agree to allow the lessors and their agents or any authorized representative of the Interior Department to enter, from time to time, upon and into all parts of the leased premises for the purposes of inspection, and shall further agree to keep a full and correct account of all operations and make reports thereof, as required by the regulations of the Department governing operations on public and restricted Indian lands; and their books and records showing manner of operations and persons interested shall be open at all times for examination of such officers of the department as shall be instructed in writing by the Secretary of the Interior or authorized by regulations to make such examinations.

§ 212.26 Leases on unrestricted lands.

All leases of any description whatever executed by an allottee on land from all of which the restrictions against alienation had been removed before such execution may be executed without any provision for reference to or supervision by the Secretary of the Interior or any official of the Department of the Interior; and the superintendent shall refuse to accept for consideration any lease covering land from all of which restrictions had been removed before such execution.

§ 212.27 Leases executed before removal of restrictions.

All leases executed before the removal of restrictions against alienation on land from all of which restrictions against alienation shall be removed after such execution, if such leases contain specific provision or approval by the Secretary of the Interior, whether now filed with the Department of the Interior or presented for consideration hereafter, will be considered and acted upon by the Department as heretofore.

§ 212.28 Removal of restrictions.

(a) Oil and gas leases heretofore or hereafter approved and leases for other minerals now or hereafter in force on land from all of which restrictions against alienation have been or shall be removed, even if such leases contain provisions authorizing supervision by the Department, shall, after such removal of restrictions against alienation, be operated entirely free from such supervision, and the authority and power delegated to the Secretary of the Interior in said leases shall cease, and all payments required to be made to the superintendent shall thereafter be made to lessor or the then owner of said land; and changes in regulations thereafter made by the Secretary of the Interior applicable to oil and gas leases shall not apply to such leased land from which said restrictions are removed.

(b) In the event restrictions are removed from a part of the land included in any lease to which this section applies the entire lease shall continue subject to the supervision of the Secretary of the Interior, and all royalties thereunder shall be paid to the superintendent until such time as the lessor and lessee shall furnish the Secretary of the Interior satisfactory information that adequate arrangements have been made to account for the oil, gas, or mineral upon the restricted land, separately from that upon the unrestricted. Thereafter the restricted land only shall be subject to the supervision of the Secretary of the Interior: *Provided*, That the unrestricted portion shall be relieved from such supervision as in the lease or regulations provided.

§ 212.29 Terms applying after relinquishment.

Sections 8 and 9 of the approved oil and gas lease (Form 5-154h, as revised Apr. 24, 1935), relative to relinquishment of supervision and terms operative after such relinquishment, read as follows:

8. Relinquishment of supervision by the Secretary of the Interior. Should the Secretary of the Interior, at any time during the life of this instrument, relinquish supervision as to all or part of the acreage covered hereby, such relinquishment shall not bind lessee until said Secretary shall have given 30 days' written notice. Until said requirements are fulfilled, lessee shall continue to

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make all payments due hereunder as heretofore in section 3(c). After notice of relinquishment has been received by lessee, as herein provided, this lease shall be subject to the following further conditions:

(a) All rentals and royalties thereafter accruing shall be paid in the following manner: Rentals and royalties shall be paid to lessor or his successors in title, or to a trustee appointed under the provisions of section 9 hereof. Rentals and royalties shall be paid directly to lessor or his successors in title, or to said trustee as the case may be.

(b) If, at the time supervision is relinquished by the Secretary of the Interior, lessee shall have made all payments then due hereunder, and shall have fully performed all obligations on its part to be performed up to the time of such relinquishment, then the bond given to secure the performance hereof, on file in the Indian Office, shall be of not further force or effect.

(c) Should such relinquishment affect only part of the acreage, then lessee may continue to drill and operate the land covered hereby as an entirety: *Provided*, That the lessee shall pay in the manner prescribed by section 3(c), for the benefit of lessor such proportion of all rentals and royalties due hereunder as the acreage retained under the supervision of the Secretary of the Interior bears to the entire acreage of the lease, the remainder of such rentals and royalties to be paid directly to lessor or his successors in title or said trustee as the case may be, as provided in subdivision (a) of this section.

9. Division of fee. It is covenanted and agreed that should the fee of said land be divided into separate parcels, held by different owners, or should the rental or royalty interest hereunder be so divided in ownership, after the execution of this lease and after the Secretary of the Interior relinquishes supervision hereof, the obligations of lessee hereunder shall not be added to or changed in any manner whatsoever save as specifically provided by the terms of this lease. Notwithstanding such separate ownership, lessee may continue to drill and operate said premises as an entirety: *Provided*, That each separate owner shall receive such proportion of all rentals and royalties accruing after the vesting of his title as the acreage of the fee, or rental or royalty interest, bears to the entire acreage covered by the lease; or to the entire rental and royalty interest as the case may be: *Provided further*, That if, at any time after departmental supervision hereof is relinquished, in whole or in part, there shall be four or more parties entitled to rentals or royalties hereunder, whether said parties are so entitled by virtue of undivided interests or by virtue of ownership hereby, of separate parcels of the land covered lessee at his election may withhold the payment of further rentals or royalties (except as to the portion due the Indian lessor while under restriction), until all of said parties shall agree upon and designate in writing and in a recordable instrument a trustee to receive all payments due hereunder on behalf of said parties and their respective successors in title. Payments to said trustee shall constitute lawful payments hereunder, and the sole risk of an improper or unlawful distribution of said funds by said trustee shall rest upon the parties naming said trustee and their respective successors in title.

These, or similar provisions, will be contained in all leases.

§ 212.30 Removal of restrictions upon part of acreage.

Should the removal of restrictions affect only part of the acreage covered by an oil and gas lease containing provisions to the effect that the royalties accruing under the lease, where the fee is divided into separate parcels, shall be paid tc each owner in the proportion which his acreage bears to the entire acreage covered by the lease, the lessee or assignee of such unrestricted portion will be required to make the reports required by the regulations in this part and the operating regulations with respect to the beginning of drilling operations, completion of wells, and production, the same as if the restrictions had not been removed. In the event the unrestricted portion of the leased premises is producing, the owners of the lease thereon will be required to pay the portion of the royalties due the Indian lessor at the time and in the manner specified by the regulations in this part.

§ 212.31 Fees.

The provisions of § 211.25 of this chapter, or as hereafter amended, are applicable to this part.

[24 FR 7974, Oct. 2, 1959. Redesignated at 47 FR 13327, Mar. 30, 1982]

§ 212.32 Forms.

The provisions of § 211.30 of this chapter, or as hereafter amended, are applicable to this part.

[24 FR 7974, Oct. 2, 1959. Redesignated at 47 FR 13327, Mar. 30, 1982]

§ 212.33 Individual tribal assignments excluded.

The reference in this part to "allottees" and "allotments" does not include assignments of tribal lands made pursuant to tribal constitutions for the use of individual Indians and assignees of such lands; but such tribal assignments may be leased by Indians to whom mineral rights have been so assigned, subject to the terms of the tribal constitution and subject to the approval of the Secretary of the Interior for such periods of time as are authorized by existing law. In the leasing of such lands preference will be given to Indian cooperative associations and to individual Indians.

(Secs. 16, 17, 48 Stat. 987, 988; 25 U.S.C. 476, 477)

PART 213—LEASING OF RESTRICTED LANDS OF MEMBERS OF FIVE CIVILIZED TRIBES, OKLAHOMA, FOR MINING

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AUTHORITY: Sec. 2, 35 Stat. 312, sec. 18, 41 Stat. 426, sec. 1, 45 Stat. 495, sec. 1, 47 Stat. 777; 25 U.S.C. 356. Interpret or apply secs. 3, 11, 35 Stat. 313, 316, sec. 8, 47 Stat. 779, unless otherwise noted.

SOURCE: 22 FR 10599, Dec. 24, 1957, unless otherwise noted. Redesignated at 47 FR 13327, Mar. 30, 1982.

CROSS REFERENCE: For oil and gas operating regulations of the Geological Survey, see 30 CFR Part 221.

§ 213.1 Definitions.

Area Director. The term "Area Director" in this part refers to the officer in charge of the Five Civilized Tribes Indian Agency.