

Public Law 95-77  
95th Congress

An Act

To extend certain oil and gas leases by a period sufficient to allow the drilling of an ultradeep well.

July 30, 1977  
[H.R. 2502]

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Secretary of the Interior is authorized and directed to extend any lease issued pursuant to section 17 of the Act of February 20, 1920, as amended (30 U.S.C. 226), and which was committed to the cooperative or unit plan known as the Unit Agreement for the Development of the Pacific Creek Unit II Area covering certain leases owned by Rainbow Resources Group as of January 26, 1977, in the State of Wyoming, and which would otherwise terminate prior to July 23, 1981, until July 23, 1981, and so long thereafter as oil and gas is produced in paying quantities: *Provided, however,* That (a) the provisions of this Act shall not apply to any lease which has been assigned in whole or in part between the twenty-sixth day of January 1977, and the effective date of this Act; (b) any such lease which is assigned in whole or in part prior to the twenty-third day of July 1981 shall automatically terminate by operation of law and no longer be of any force or effect unless any such lease is assigned to one or more members of the Rainbow Resources Group or, alternatively, to the heirs or devisees in the case of the death of an individual owner; (c) all provisions restricting the assignment of leases as contained in paragraphs (a) and (b) shall cease as of July 23, 1981; (d) except as specifically modified herein as to such leases, all other provisions of the Act of February 20, 1920, as amended (41 Stat. 443, 30 U.S.C. 181, et seq.), shall be applicable as to such leases.

Pacific Creek  
Unit II Area,  
Wyo.  
Oil and gas leases  
extension.

Restriction.

SEC. 2. Notwithstanding any provision of any such lease, or provision of law or regulation to the contrary, from and after the twenty-third day of July 1977, the annual rental provided for in the leases described in section 1 of this Act shall be the sum of \$5 per acre for the period July 23, 1977, through July 22, 1978, and \$2 per annum thereafter.

Annual rental.

SEC. 3. The Secretary of the Interior is authorized and directed to specify terms and conditions for the diligent and prudent exploration and development of such leases, or the unit to which such leases have been committed, including requirements for the commencement of drilling operations, which such conditions shall be deemed a part of the lease agreement for each such lease.

Terms and  
conditions.

SEC. 4. If the Secretary of the Interior makes a determination that any of the terms and conditions imposed by him under the authority of section 3 of this Act for the prudent and diligent development of any such lease, or of a unit to which any such lease has been committed, have been violated, he shall give written notice of such violation to such lessee, or to the unit operator designated by such lessee, setting forth the nature of such violation and affording the lessee or designated unit operator a reasonable time in which to correct such violation. If such violation has not been corrected within the time stated in such notice, such lease shall immediately terminate and be of no further force or effect.

Violation, notice.

Termination.

SEC. 5. Notwithstanding any provision of law to the contrary, if any lands covered by a lease described in section 1 of this Act have been, or hereafter are, committed to an approved cooperative or unit plan of development and any part, or all of such lands, are thereafter segregated or eliminated from such approved or prescribed plan, such lease shall terminate as to those lands so segregated or eliminated from such approved or prescribed plan.

**Extensions,  
notice.**

SEC. 6. No lease subject to this Act shall be deemed to have been extended unless within thirty days after receiving written notice from the Secretary of the Interior of the terms and conditions to be imposed by him on such lease or leases pursuant to section 3 of this Act the record owner of such lease has agreed in writing to such conditions.

**Reinstatement.**

SEC. 7. If any lease described in section 1 of this Act has terminated by virtue of the provisions of the Act of February 25, 1920, as amended (41 Stat. 443; 30 U.S.C. 181, et seq.), prior to the date of the approval of this Act, the Secretary of the Interior is authorized and directed to reinstate such lease: *Provided, however,* That all of the provisions of this Act shall be fully applicable to such reinstated lease.

Approved July 30, 1977.

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**LEGISLATIVE HISTORY:**

HOUSE REPORT No. 95-374 (Comm. on Interior and Insular Affairs).  
SENATE REPORT No. 95-330 (Comm. on Energy and Natural Resources).  
CONGRESSIONAL RECORD, Vol. 123 (1977):

June 6, considered and passed House.

July 14, considered and passed Senate.

WEEKLY COMPILATION OF PRESIDENTIAL DOCUMENTS, Vol. 13, No. 32:  
Aug. 1, Presidential statement.