CODIFICATION

Section was not enacted as part of act Feb. 25, 1920, ch. 85, 41 Stat. 437, known as the Mineral Leasing Act, which comprises this chapter.

SUBCHAPTER II—COAL

§ 201. Leases and exploration

(a) Leases

(1) The Secretary of the Interior is authorized to divide any lands subject to this chapter which have been classified for coal leasing into leasing tracts of such size as he finds appropriate and in the public interest and which will permit the mining of all coal which can be economically extracted in such tract and thereafter he shall, in his discretion, upon the request of any qualified applicant or on his own motion, from time to time, offer such lands for leasing and shall award leases thereon by competitive bidding: *Provided*, That notwithstanding the competitive bidding requirement of this section, the Secretary may, subject to such conditions which he deems appropriate, negotiate the sale at fair market value of coal the removal of which is necessary and incidental to the exercise of a right-of-way permit issued pursuant to title V of the Federal Land Policy and Management Act of 1976 [43 U.S.C. 1761 et seq.]. No less than 50 per centum of the total acreage offered for lease by the Secretary in any one year shall be leased under a system of deferred bonus payment. Upon default or cancellation of any coal lease for which bonus payments are due, any unpaid remainder of the bid shall be immediately payable to the United States. A reasonable number of leasing tracts shall be reserved and offered for lease in accordance with this section to public bodies, including Federal agencies, rural electric cooperatives, or nonprofit corporations controlled by any of such entities: *Provided*, That the coal so offered for lease shall be for use by such entity or entities in implementing a definite plan to produce energy for their own use or for sale to their members or customers (except for short-term sales to others). No bid shall be accepted which is less than the fair market value, as determined by the Secretary, of the coal subject to the lease. Prior to his determination of the fair market value of the coal subject to the lease, the Secretary shall give opportunity for and consideration to public comments on the fair market value. Nothing in this section shall be construed to require the Secretary to make public his judgment as to the fair market value of the coal to be leased, or the comments he receives thereon prior to the issuance of the lease. He is authorized, in awarding leases for coal lands improved and occupied or claimed in good faith, prior to February 25, 1920, to consider and recognize equitable rights of such occupants or claimants.

(2)(A) The Secretary shall not issue a lease or leases under the terms of this chapter to any person, association, corporation, or any subsidiary, affiliate, or persons controlled by or under common control with such person, association, or corporation, where any such entity holds a lease or leases issued by the United States to coal deposits and has held such lease or leases for a period of ten years when such entity is not, except as provided for in section 207(b) of this title, producing coal from the lease deposits in commercial quantities. In computing the ten-year period referred to in the preceding sentence, periods of time prior to August 4, 1976, shall not be counted.

(B) Any lease proposal which permits surface coal mining within the boundaries of a National Forest which the Secretary proposes to issue under this chapter shall be submitted to the Governor of each State within which the coal deposits subject to such lease are located. No such lease may be issued under this chapter before the expiration of the sixty-day period beginning on the date of such submission. If any Governor to whom a proposed lease was submitted under this subparagraph objects to the issuance of such lease, such lease shall not be issued before the expiration of the six-month period beginning on the date the Secretary is notified by the Governor of such objection. During such six-month period, the Governor may submit to the Secretary a statement of reasons why such lease should not be issued and the Secretary shall, on the basis of such statement, reconsider the issuance of such lease.

(3)(A)(i) No lease sale shall be held unless the lands containing the coal deposits have been included in a comprehensive land-use plan and such sale is compatible with such plan. The Secretary of the Interior shall prepare such land-use plans on lands under his responsibility where such plans have not been previously prepared. The Secretary of the Interior shall inform the Secretary of Agriculture of substantial development interest in coal leasing on lands within the National Forest System. Upon receipt of such notification from the Secretary of the Interior, the Secretary of Agriculture shall prepare a comprehensive land-use plan for such areas where such plans have not been previously prepared. The plan of the Secretary of Agriculture shall take into consideration the proposed coal development in these lands: *Provided*, That where the Secretary of the Interior finds that because of non-Federal interest in the surface or because the coal resources are insufficient to justify the preparation costs of a Federal comprehensive land-use plan, the lease sale can be held if the lands containing the coal deposits have been included in either a comprehensive land-use plan prepared by the State within which the lands are located or a land use analysis prepared by the Secretary of the Interior.

(ii) In preparing such land-use plans, the Secretary of the Interior or, in the case of lands within the National Forest System, the Secretary of Agriculture, or in the case of a finding by the Secretary of the Interior that because of non-Federal interests in the surface or insufficient Federal coal, no Federal comprehensive land-use plans can be appropriately prepared, the responsible State entity shall consult with appropriate State agencies and local governments and the general public and shall provide an opportunity for public hearing on proposed plans prior to their adoption, if requested by any person having an interest which is, or may be, adversely affected by the adoption of such plans.

(iii) Leases covering lands the surface of which is under the jurisdiction of any Federal agency

other than the Department of the Interior may be issued only upon consent of the other Federal agency and upon such conditions as it may prescribe with respect to the use and protection of the nonmineral interests in those lands.

(B) Each land-use plan prepared by the Secretary (or in the case of lands within the National Forest System, the Secretary of Agriculture pursuant to subparagraph (A)(i)) shall include an assessment of the amount of coal deposits in such land, identifying the amount of such coal which is recoverable by deep mining operations and the amount of such coal which is recoverable by surface mining operations.

(C) Prior to issuance of any coal lease, the Secretary shall consider effects which mining of the proposed lease might have on an impacted community or area, including, but not limited to, impacts on the environment, on agricultural and other economic activities, and on public services. Prior to issuance of a lease, the Secretary shall evaluate and compare the effects of recovering coal by deep mining, by surface mining, and by any other method to determine which method or methods or sequence of methods achieves the maximum economic recovery of the coal within the proposed leasing tract. This evaluation and comparison by the Secretary shall be in writing but shall not prohibit the issuance of a lease; however, no mining operating plan shall be approved which is not found to achieve the maximum economic recovery of the coal within the tract. Public hearings in the area shall be held by the Secretary prior to the lease sale.

(D) No lease sale shall be held until after the notice of the proposed offering for lease has been given once a week for three consecutive weeks in a newspaper of general circulation in the county in which the lands are situated in accordance with regulations prescribed by the Secretary.

(E) Each coal lease shall contain provisions requiring compliance with the Federal Water Pollution Control Act (33 U.S.C. 1151–1175) [33 U.S.C. 1251 et seq.] and the Clean Air Act [42 U.S.C. 7401 et seq.].

(4)(A) The Secretary shall not require a surety bond or any other financial assurance to guarantee payment of deferred bonus bid installments with respect to any coal lease issued on a cash bonus bid to a lessee or successor in interest having a history of a timely payment of noncontested coal royalties and advanced coal royalties in lieu of production (where applicable) and bonus bid installment payments.

(B) The Secretary may waive any requirement that a lessee provide a surety bond or other financial assurance to guarantee payment of deferred bonus bid installment with respect to any coal lease issued before August 8, 2005, only if the Secretary determines that the lessee has a history of making timely payments referred to in subparagraph (A).

(5) Notwithstanding any other provision of law, if the lessee under a coal lease fails to pay any installment of a deferred cash bonus bid within 10 days after the Secretary provides written notice that payment of the installment is past due—

(A) the lease shall automatically terminate; and

(B) any bonus payments already made to the United States with respect to the lease shall not be returned to the lessee or credited in any future lease sale.

(b) Exploration

(1) The Secretary may, under such regulations as he may prescribe, issue to any person an exploration license. No person may conduct coal exploration for commercial purposes for any coal on lands subject to this chapter without such an exploration license. Each exploration license shall be for a term of not more than two years and shall be subject to a reasonable fee. An exploration license shall confer no right to a lease under this chapter. The issuance of exploration licenses shall not preclude the Secretary from issuing coal leases at such times and locations and to such persons as he deems appropriate. No exploration license will be issued for any land on which a coal lease has been issued. A separate exploration license will be required for exploration in each State. An application for an exploration license shall identify general areas and probable methods of exploration. Each exploration license shall contain such reasonable conditions as the Secretary may require, including conditions to insure the protection of the environment, and shall be subject to all applicable Federal, State, and local laws and regulations. Upon violation of any such conditions or laws the Secretary may revoke the exploration license.

(2) A licensee may not cause substantial disturbance to the natural land surface. He may not remove any coal for sale but may remove a reasonable amount of coal from the lands subject to this chapter included under his license for analysis and study. A licensee must comply with all applicable rules and regulations of the Federal agency having jurisdiction over the surface of the lands subject to this chapter. Exploration licenses covering lands the surface of which is under the jurisdiction of any Federal agency other than the Department of the Interior may be issued only upon such conditions as it may prescribe with respect to the use and protection of the nonmineral interests in those lands.

(3) The licensee shall furnish to the Secretary copies of all data (including, but not limited to, geological, geophyscal,[1] and core drilling analyses) obtained during such exploration. The Secretary shall maintain the confidentiality of all data so obtained until after the areas involved have been leased or until such time as he determines that making the data available to the public would not damage the competitive position of the licensee, whichever comes first.

(4) Any person who willfully conducts coal exploration for commercial purposes on lands subject to this chapter without an exploration license issued hereunder shall be subject to a fine of not more than $1,000 for each day of violation. All data collected by said person on any Federal lands as a result of such violation shall be made immediately available to the Secretary, who shall make the data available to the public as soon as it is practicable. No penalty under this

[1] So in original. Probably should be ''geophysical,''.

subsection shall be assessed unless such person is given notice and opportunity for a hearing with respect to such violation.

(Feb. 25, 1920, ch. 85, § 2(a), (b), 41 Stat. 438; June 3, 1948, ch. 379, § 1, 62 Stat. 289; Pub. L. 86–252, § 2, Sept. 9, 1959, 73 Stat. 490; Pub. L. 88–526, § 2(a), (b), Aug. 31, 1964, 78 Stat. 710; Pub. L. 94–377, §§ 2–4, Aug. 4, 1976, 90 Stat. 1083, 1085; Pub. L. 95–554, § 2, Oct. 30, 1978, 92 Stat. 2073; Pub. L. 109–58, title IV, § 436, Aug. 8, 2005, 119 Stat. 762.)

REFERENCES IN TEXT

This section, referred to in subsec. (a)(1), is section 2 of act Feb. 25, 1920, as amended, which is comprised of subsecs. (a) to (d). Subsecs. (a) and (b) of section 2 comprise this section, subsec. (c) of section 2 comprises section 202 of this title, and subsec. (d) of section 2, as added by section 5(b) of Pub. L. 94–377, comprises section 202a of this title.

The Federal Land Policy and Management Act of 1976, referred to in subsec. (a)(1), is Pub. L. 94–579, Oct. 21, 1976, 90 Stat. 2743, as amended. Title V of the Federal Land Policy and Management Act of 1976 is classified generally to subchapter V (§ 1761 et seq.) of chapter 35 of Title 43, Public Lands. For complete classification of this Act to the Code, see Short Title note set out under section 1701 of Title 43 and Tables.

The Federal Water Pollution Control Act, referred to in subsec. (a)(3)(E), is act June 30, 1948, ch. 758, 62 Stat. 1155, formerly classified to chapter 23 (§ 1151 et seq.) of Title 33, Navigation and Navigable Waters, which was completely revised by Pub. L. 92–500, § 2, Oct. 18, 1972, 86 Stat. 816, and is classified generally to chapter 26 (§ 1251 et seq.) of Title 33. For complete classification of this Act to the Code, see Short Title note set out under section 1251 of Title 33 and Tables.

The Clean Air Act, referred to in subsec. (a)(3)(E), is act July 14, 1955, ch. 360, 69 Stat. 322, as amended, which is classified generally to chapter 85 (§ 7401 et seq.) of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see Short Title note set out under section 7401 of Title 42 and Tables.

CODIFICATION

Section is comprised of subsecs. (a) and (b) of section 2 of act Feb. 25, 1920, as amended by section 1 of act June 3, 1948. Subsec. (c) of section 2 of act Feb. 25, 1920, is classified to section 202 of this title. Subsec. (d) of said section 2, as added by Pub. L. 94–377, § 5(b), Aug. 4, 1976, 90 Stat. 1086, is classified to section 202a of this title.

AMENDMENTS

2005—Subsec. (a)(4), (5). Pub. L. 109–58 added pars. (4) and (5).

1978—Subsec. (a)(1). Pub. L. 95–554 authorized negotiated fair market value sales of coal when exercising Federal land policy and management right-of-way permits.

1976—Subsec. (a). Pub. L. 94–377, § 2, designated existing provisions as par. (1), substituted provisions authorizing the division of any lands subject to this chapter which have been classified for coal leasing into tracts as the Secretary finds appropriate, in the public interest and will permit the mining of all economically extractable coal, such leases to be awarded by competitive bidding for provisions authorizing the division of classified or unclassified lands into tracts of forty acres, or multiples thereof, in such form as, in the Secretary's opinion will permit the most economical mining, such leases to be awarded by competitive bidding or by such other method adopted by general regulation, inserted provisions relating to deferred bonus payments leasing, leasing to public agencies, and to the fair market value of leases, struck out provision for notice of proposed offering for lease in a newspaper of general circulation prior to approval or issuance of a competitive lease of coal, and added pars. (2) and (3).

Subsec. (b). Pub. L. 94–377, § 4, designated existing provisions as par. (1), substituted provisions relating to the issuance, term and conditions of exploration licenses for provisions relating to the issuance of prospecting permits for a term of two years, for not exceeding 5125 acres, with an extension period of two years if the permittee has been unable, with the exercise of reasonable diligence to determine the existence or workability of coal deposits and desires further exploration, and added pars. (2) to (4).

1964—Subsec. (a). Pub. L. 88–526, § 2(a), removed limitation on a single competitive lease by striking out "but in no case exceeding two thousand five hundred and sixty acres in any one leasing tract," after "such tracts,".

Subsec. (b). Pub. L. 88–526, § 2(b), increased limitation on the area carried by a prospecting permit from 2,560 to 5,120 acres.

1959—Subsec. (a). Pub. L. 86–252 struck out "outside of the Territory of Alaska," after "United States,".

1948—Act June 3, 1948, amended section generally, dividing it into subsections (a) to (c) and making minor technical changes. Subsecs. (a) and (b) comprise this section and subsec. (c) is set out as section 202 of this title.

EFFECTIVE DATE OF 2005 AMENDMENT

Pub. L. 109–58, title IV, § 438, Aug. 8, 2005, 119 Stat. 763, provided that: "The amendments made by this subtitle [subtitle D (§§ 431–438) of title IV of Pub. L. 109–58, amending this section and sections 202a, 203, and 207 of this title] apply with respect to any coal lease issued before, on, or after the date of the enactment of this Act [Aug. 8, 2005]."

EFFECTIVE DATE OF 1976 AMENDMENT

Pub. L. 99–190, § 101(d) [title III, § 320], Dec. 19, 1985, 99 Stat. 1224, 1266, provided that: "The provisions of section 2(a)(2)(A) of the Mineral Lands Leasing Act of 1920 (41 Stat. 437) [subsec. (a)(2)(A) of this section], as amended by section 3 of the Federal Coal Leasing Amendments Act of 1976 (90 Stat. 1083) [Pub. L. 94–377, see 1976 Amendment note above] shall not take effect until December 31, 1986."

SAVINGS PROVISION

Section 4 of Pub. L. 94–377 provided that the amendment made by that section is subject to valid existing rights.

TRANSFER OF FUNCTIONS

Functions of Secretary of the Interior, referred to subsec. (a)(3)(D), to promulgate regulations under this chapter relating to fostering of competition for Federal leases transferred to Secretary of Energy by section 7152(b) of Title 42, The Public Health and Welfare. Section 7152(b) of Title 42 was repealed by Pub. L. 97–100, title II, § 201, Dec. 23, 1981, 95 Stat. 1407, and functions of Secretary of Energy returned to Secretary of the Interior. See House Report No. 97–315, pp. 25, 26, Nov. 5, 1981.

STUDY OF COAL LEASES BY DIRECTOR OF THE OFFICE OF TECHNOLOGY ASSESSMENT

Section 10 of Pub. L. 94–377 provided that the Director of the Office of Technology Assessment conduct a complete study of coal leases entered into by the United States under sections 201, 202, and 202a of this title, which study was to include an analysis of all mining activities, present and potential value of these leases, receipts to the Federal Government from these leases, and recommendations as to the feasibility of the use of deep mining technology in leased areas, with the results of his study to be submitted to Congress within one year after Aug. 4, 1976.

COAL MINING ON AREAS OF NATIONAL PARK, WILDLIFE, WILDERNESS PRESERVATION, TRAIL, SCENIC RIVERS, SYSTEMS NOT AUTHORIZED

Section 16 of Pub. L. 94–377 provided that: "Nothing in this Act [see Short Title of 1976 Amendment note

under section 181 of this title], or the Mineral Lands Leasing Act [this chapter] and the Mineral Leasing Act for Acquired Lands [section 351 et seq. of this title] which are amended by this Act, shall be construed as authorizing coal mining on any area of the National Park System, the National Wildlife Refuge System, the National Wilderness Preservation System, the National System of Trails, and the Wild and Scenic Rivers System, including study rivers designated under section 5(a) of the Wild and Scenic Rivers Act [section 1276(a) of Title 16, Conservation].''

ADMISSION OF ALASKA AS STATE

Admission of Alaska into the Union was accomplished Jan. 3, 1959, on issuance of Proc. No. 3269, Jan. 3, 1959, 24 F.R. 81, 73 Stat. c16, as required by sections 1 and 8(c) of Pub. L. 85–508, July 7, 1958, 72 Stat. 339, set out as notes preceding section 21 of Title 48, Territories and Insular Possessions.

§ 201–1. Repealed. Pub. L. 94–377, § 5(a), Aug. 4, 1976, 90 Stat. 1086

Section, Pub. L. 88–526, § 2(c), (d), Aug. 31, 1964, 78 Stat. 710, permitted the entering into of contracts for collective prospecting, development or operation of coalfields by lessees for the purpose of conserving natural resources.

SAVINGS PROVISION

Section 5(a) of Pub. L. 94–377 provided that the repeal of this section is subject to valid existing rights.

§ 201a. Repealed. June 3, 1948, ch. 379, § 8, 62 Stat. 291

Section, act Mar. 9, 1928, ch. 159, § 1, 45 Stat. 251, related to extension of coal prospecting permits.

§ 201b. Omitted

CODIFICATION

Section, act Mar. 9, 1928, ch. 159, § 2, 45 Stat. 251, provided for extension of coal permits already expired for a period of two years from Mar. 9, 1928.

§ 202. Common carriers; limitations of lease or permit

No company or corporation operating a common-carrier railroad shall be given or hold a permit or lease under the provisions of this chapter for any coal deposits except for its own use for railroad purposes; and such limitations of use shall be expressed in all permits and leases issued to such companies or corporations; and no such company or corporation shall receive or hold under permit or lease more than ten thousand two hundred and forty acres in the aggregate nor more than one permit or lease for each two hundred miles of its railroad lines served or to be served from such coal deposits exclusive of spurs or switches and exclusive of branch lines built to connect the leased coal with the railroad, and also exclusive of parts of the railroad operated mainly by power produced otherwise than by steam.

Nothing in this section and section 201 of this title shall preclude such a railroad of less than two hundred miles in length from securing one permit or lease thereunder but no railroad shall hold a permit or lease for lands in any State in which it does not operate main or branch lines.

(Feb. 25, 1920, ch. 85, § 2(c), 41 Stat. 438; June 13, 1944, ch. 244, 58 Stat. 275; June 3, 1948, ch. 379, § 1, 62 Stat. 289.)

CODIFICATION

Section is comprised of subsec. (c) of section 2 of act Feb. 25, 1920, as amended by section 1 of act June 3, 1948. Subsecs. (a) and (b) of section 2 of act Feb. 25, 1920, are classified to section 201 of this title. Subsec. (d) of said section 2, as added by Pub. L. 94–377, § 5(b), Aug. 4, 1976, 90 Stat. 1086, is classified to section 202a of this title.

AMENDMENTS

1948—Act June 3, 1948, reenacted this section without change except to make it subsec. (c) of section 2 of act Feb. 25, 1920.

1944—Act June 13, 1944, inserted ''more than ten thousand two hundred and forty acres in the aggregate nor'' before ''more than one permit'', substituted ''railroad lines served or to be served from such coal deposits'' for ''railroad line within the State in which such property is situated,'', and prohibited a railroad from holding a permit or lease for lands in any State in which it did not operate main or branch lines.

§ 202a. Consolidation of coal leases into logical mining unit

(1) Approval by Secretary; public hearing; definition

The Secretary, upon determining that maximum economic recovery of the coal deposit or deposits is served thereby, may approve the consolidation of coal leases into a logical mining unit. Such consolidation may only take place after a public hearing, if requested by any person whose interest is or may be adversely affected. A logical mining unit is an area of land in which the coal resources can be developed in an efficient, economical, and orderly manner as a unit with due regard to conservation of coal reserves and other resources. A logical mining unit may consist of one or more Federal leaseholds, and may include intervening or adjacent lands in which the United States does not own the coal resources, but all the lands in a logical mining unit must be under the effective control of a single operator, be able to be developed and operated as a single operation and be contiguous.

(2) Mining plan; requirements

(A) After the Secretary has approved the establishment of a logical mining unit, any mining plan approved for that unit must require such diligent development, operation, and production that the reserves of the entire unit will be mined within a period established by the Secretary which shall not be more than forty years.

(B) The Secretary may establish a period of more than 40 years if the Secretary determines that the longer period—

(i) will ensure the maximum economic recovery of a coal deposit; or

(ii) the longer period is in the interest of the orderly, efficient, or economic development of a coal resource.

(3) Conditions for approval

In approving a logical mining unit, the Secretary may provide, among other things, that (i) diligent development, continuous operation, and production on any Federal lease or non-Federal land in the logical mining unit shall be construed as occurring on all Federal leases in that logical mining unit, and (ii) the rentals and royalties for all Federal leases in a logical mining