unit may be combined, and advanced royalties paid for any lease within a logical mining unit may be credited against such combined royalties.

(4) Amendment to lease

The Secretary may amend the provisions of any lease included in a logical mining unit so that mining under that lease will be consistent with the requirements imposed on that logical mining unit.

(5) Leases issued before date of enactment of this Act

Leases issued before the date of enactment of this Act may be included with the consent of all lessees in such logical mining unit, and, if so included, shall be subject to the provisions of this section.

(6) Lessee required to form unit

By regulation the Secretary may require a lessee under this chapter to form a logical mining unit, and may provide for determination of participating acreage within a unit.

(7) Required acreage

No logical mining unit shall be approved by the Secretary if the total acreage (both Federal and non-Federal) of the unit would exceed twenty-five thousand acres.

(8) Acreage limitations for coal leases not waived

Nothing in this section shall be construed to waive the acreage limitations for coal leases contained in section 184(a) of this title.

(Feb. 25, 1920, ch. 85, § 2(d), as added Pub. L. 94–377, § 5(b), Aug. 4, 1976, 90 Stat. 1086; amended Pub. L. 109–58, title IV, § 433, Aug. 8, 2005, 119 Stat. 761.)

REFERENCES IN TEXT

The date of enactment of this Act, referred to in par. (5), probably means the date of enactment of Pub. L. 94–377, which was approved Aug. 4, 1976.

This section, referred to in pars. (5) and (8), 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 are classified to section 201 of this title, subsec. (c) of section 2 is classified to section 202 of this title, and subsec. (d) of section 2, as added by section 5(b) of Pub. L. 94–377, is classified to this section.

CODIFICATION

Section is comprised of subsec. (d) of section 2 of act Feb. 25, 1920, as added by Pub. L. 94–377. Subsecs. (a) and (b) of said section 2 are classified to section 201 of this title. Subsec. (c) of said section 2 is classified to section 202 of this title.

AMENDMENTS

2005—Par. (2). Pub. L. 109–58 designated existing provisions as subpar. (A) and added subpar. (B).

EFFECTIVE DATE OF 2005 AMENDMENT

Amendment by Pub. L. 109–58 applicable with respect to any coal lease issued before, on, or after Aug. 8, 2005, see section 438 of Pub. L. 109–58, set out as a note under section 201 of this title.

§ 203. Additional lands or deposits

(a) In general

(1) Except as provided in paragraph (3), on a finding by the Secretary under paragraph (2), any person, association, or corporation holding a lease of coal lands or coal deposits under the provisions of this chapter may with the approval of the Secretary of the Interior,[1] secure modifications of the original coal lease by including additional coal lands or coal deposits contiguous or cornering to those embraced in the lease.

(2) A finding referred to in paragraph (1) is a finding by the Secretary that the modifications—

(A) would be in the interest of the United States;

(B) would not displace a competitive interest in the lands; and

(C) would not include lands or deposits that can be developed as part of another potential or existing operation.

(3) In no case shall the total area added by modifications to an existing coal lease under paragraph (1)—

(A) exceed 960 acres; or

(B) add acreage larger than that in the original lease.

(b) Terms and conditions

The Secretary shall prescribe terms and conditions which shall be consistent with this chapter and applicable to all of the acreage in such modified lease except that nothing in this section shall require the Secretary to apply the production or mining plan requirements of sections 202a(2) and 207(c) of this title.

(c) Royalties

The minimum royalty provisions of section 207(a) of this title shall not apply to any lands covered by this modified lease prior to a modification until the term of the original lease or extension thereof which became effective prior to the effective date of this Act has expired.

(Feb. 25, 1920, ch. 85, § 3, 41 Stat. 439; Pub. L. 94–377, § 13(b), Aug. 4, 1976, 90 Stat. 1090; Pub. L. 95–554, § 3, Oct. 30, 1978, 92 Stat. 2074; Pub. L. 109–58, title IV, § 432, Aug. 8, 2005, 119 Stat. 760.)

REFERENCES IN TEXT

Sections 202a(2) and 207(c) of this title, referred to in subsec. (b), was in the original ''section 2(d)(2) and 7(c) of this Act (30 U.S.C. 201(d)(2) and 207(c))'', and was translated as sections 202a(2) and 207(c) of this title to reflect the probable intent of Congress.

The effective date of this Act, referred to in subsec. (c), probably means the date of enactment of Pub. L. 95–554, which was approved Oct. 30, 1978.

AMENDMENTS

2005—Pub. L. 109–58 designated first sentence as par. (1) of subsec. (a), substituted ''Except as provided in paragraph (3), on a finding by the Secretary under paragraph (2), any person'' for ''Any person'' and ''secure modifications of the original coal lease by including additional coal lands or coal deposits contiguous or cornering to those embraced in the lease'' for ''upon a finding by him that it would be in the interest of the United States, secure modifications of the original coal lease by including additional coal lands or coal deposits contiguous or cornering to those embraced in such lease, but in no event shall the total area added by such modifications to an existing coal lease exceed one hundred sixty acres, or add acreage larger than that in the original lease'', added pars. (2) and (3), and designated

[1] So in original. The comma probably should not appear.

second and third sentences as subsecs. (b) and (c), respectively.

1978—Pub. L. 95–554 authorized modification of leases to include coal lands or coal deposits cornering to those embraced in the leases and inserted provision respecting application of production or mining plan requirements of sections 202a(2) and 207(c) and minimum royalty provisions of section 207(a) of this title.

1976—Pub. L. 94–377 struck out the advantage to the lessee as one of the conditions for modification of the original lease, substituted provision prohibiting the addition of total area in excess of 160 acres or adding acreage larger than that in the original lease for provision limiting the total area embraced in such modified lease to an aggregate of 2560 acres, and inserted provision authorizing the Secretary to prescribe terms and conditions consistent with this chapter which shall be applicable to the total acreage in the modified lease.

EFFECTIVE DATE OF 2005 AMENDMENT

Amendment by Pub. L. 109–58 applicable with respect to any coal lease issued before, on, or after Aug. 8, 2005, see section 438 of Pub. L. 109–58, set out as a note under section 201 of this title.

SAVINGS PROVISION

Section 13(b) of Pub. L. 94–377 provided that the amendment made by that section is subject to valid existing rights.

§ 204. Repealed. Pub. L. 94–377, § 13(a), Aug. 4, 1976, 90 Stat. 1090

Section, act Feb. 25, 1920, ch. 85, § 4, 41 Stat. 439, provided for the leasing of an additional tract of land or coal deposit, not to exceed 2560 acres, upon a showing by a lessee that all workable deposits of coal would be exhausted, worked out, or removed within three years thereafter.

SAVINGS PROVISION

Section 13(a) of Pub. L. 94–377 provided that the repeal of this section is subject to valid existing rights.

§ 205. Consolidation of leases

If, in the judgment of the Secretary of the Interior, the public interest will be subserved thereby, lessees holding under lease areas not exceeding the maximum permitted under this chapter may consolidate their leases through the surrender of the original leases and the inclusion of such areas in a new lease of not to exceed two thousand five hundred and sixty acres of contiguous lands.

(Feb. 25, 1920, ch. 85, § 5, 41 Stat. 439.)

§ 206. Noncontiguous coal or phosphate tracts in single lease

Where coal or phosphate lands aggregating two thousand five hundred and sixty acres and subject to lease hereunder do not exist as contiguous areas, the Secretary of the Interior is authorized, if, in his opinion[1] the interests of the public and of the lessee will be thereby subserved, to embrace in a single lease noncontiguous tracts which can be operated as a single mine or unit.

(Feb. 25, 1920, ch. 85, § 6, 41 Stat. 439.)

[1] So in original. Probably should be followed by a comma.

§ 207. Conditions of lease

(a) Term of lease; annual rentals; royalties; readjustment of conditions

A coal lease shall be for a term of twenty years and for so long thereafter as coal is produced annually in commercial quantities from that lease. Any lease which is not producing in commercial quantities at the end of ten years shall be terminated. The Secretary shall by regulation prescribe annual rentals on leases. A lease shall require payment of a royalty in such amount as the Secretary shall determine of not less than 12½ per centum of the value of coal as defined by regulation, except the Secretary may determine a lesser amount in the case of coal recovered by underground mining operations. The lease shall include such other terms and conditions as the Secretary shall determine. Such rentals and royalties and other terms and conditions of the lease will be subject to readjustment at the end of its primary term of twenty years and at the end of each ten-year period thereafter if the lease is extended.

(b) Diligent development and continued operation; suspension of condition on payment of advance royalties

(1) Each lease shall be subject to the conditions of diligent development and continued operation of the mine or mines, except where operations under the lease are interrupted by strikes, the elements, or casualties not attributable to the lessee.

(2) The Secretary of the Interior, upon determining that the public interest will be served thereby, may suspend the condition of continued operation upon the payment of advance royalties.

(3) Advance royalties described in paragraph (2) shall be no less than the production royalty which would otherwise be paid and shall be computed on a fixed reserve to production ratio (determined by the Secretary).

(4) Advance royalties described in paragraph (2) shall be computed—

(A) based on—

(i) the average price in the spot market for sales of comparable coal from the same region during the last month of each applicable continued operation year; or

(ii) in the absence of a spot market for comparable coal from the same region, by using a comparable method established by the Secretary of the Interior to capture the commercial value of coal; and

(B) based on commercial quantities, as defined by regulation by the Secretary of the Interior.

(5) The aggregate number of years during the period of any lease for which advance royalties may be accepted in lieu of the condition of continued operation shall not exceed 20 years.

(6)[1] The amount of any production royalty paid for any year shall be reduced (but not below 0) by the amount of any advance royalties paid under a lease described in paragraph (5) to the extent that the advance royalties have not been

[1] So in original. Two pars. (6) have been enacted.