

completed in compliance with the rules of this part.

Subpart 3485—Reports, Royalties and Records

§ 3485.1 Reports.

(a) *Exploration reports.* The operator/lessee shall file with the authorized officer the information required in paragraph (b) of this section. Such filing shall be within 30 days after the end of each calendar year and promptly upon completion or suspension of exploration operations, unless otherwise provided in the exploration license or Federal lease, and at such other times as the authorized officer may request.

(b) *Exploration report content.* The exploration report shall contain the following information:

(1) Location(s) and serial number(s) of the federally leased or licensed lands.

(2) Nature of exploration operations.

(3) Number of holes drilled and/or other work performed during the year or report period.

(4) Total footage drilled during the year or other period as determined by the authorized officer.

(5) Map showing all holes drilled, other excavations, and the coal outcrop lines.

(6) Analyses of coal and other pertinent tests obtained from exploration operations during the year.

(7) Copies of all in-hole mechanical or geophysical stratigraphic surveys or logs, such as electric logs, gamma ray-neutron logs, sonic logs, or any other logs. The records shall include a log of all strata penetrated and conditions encountered such as water, quicksand, gas, or any unusual conditions.

(8) Status of reclamation of the disturbed areas.

(9) A statement on availability and location of all drill hole logs and representative drill cores retained by the operator/lessee pursuant to § 3484.1(a) of this title.

(10) Any other information requested by the authorized officer.

(c) Any coal reserve base, minable reserve base or recoverable coal reserves estimates generated from an exploration license shall be submitted to the

authorized officer within 1 year after completion of drilling operations.

(d) *Production reports and payments.*

(1) Operators/lessees shall report on USGS Form 9-373A, within 30 days after expiration of the period covered by the report, all coal mined, the basis for computing Federal royalty and any other form requirements, and shall make all payments due. Acceptance of the report and payment shall not be construed as an accord and satisfaction on the operator/lessee's Federal royalty obligation.

(2) Licensees shall report all coal mined on a semiannual basis on the report form provided.

(3) Non-Federal LMU production shall be reported in accordance with § 3487.1(h)(1) of this title.

(e) *Penalty.* If an operator/lessee knowingly records or reports less than the true weight or value of coal mined, the authorized officer shall impose a penalty equal to either double the amount of Federal royalty due on the shortage or the full value, as determined in § 3485.2 of this title, of the shortage. If, after notice, an operator/lessee or licensee maintains false records or files false reports, the authorized officer may recommend to the responsible officer of the surface managing agency that action be initiated to cancel the Federal lease or license, in addition to the imposition of any penalties.

(f) *Confidentiality.* Confidentiality of any information required under this section shall be determined in accordance with § 3487.1(h)(1) of this title.

§ 3485.2 Royalties.

(a) Provisions for the payment of advance royalty in lieu of continued operation are contained at § 3483.4 of this title.

(b) An overriding royalty interest, production payment, or similar interest that exceeds 50 percent of royalty first payable to the United States under the Federal lease, or when added to any other overriding royalty interest exceeds that percentage, except those created in order to finance a mine, shall not be created by a Federal lease transfer or surface owner consent. However, when an interest in the Federal lease or operating agreement