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117TH CONGRESS
2^D SESSION

H. R. 1517

[Report No. 117-632]

To amend the Mineral Leasing Act to make certain adjustments to the fiscal terms for fossil fuel development and to make other reforms to improve returns to taxpayers for the development of Federal energy resources, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 2, 2021

Ms. PORTER (for herself, Mr. GRIJALVA, and Mr. LOWENTHAL) introduced the following bill; which was referred to the Committee on Natural Resources

DECEMBER 14, 2022

Additional sponsors: Mr. CLEAVER, Ms. LEE of California, Ms. SCHAKOWSKY, Ms. DEGETTE, Ms. MCCOLLUM, Mr. COHEN, Mr. WELCH, Mr. LEVIN of California, Mr. CARTWRIGHT, Mr. HORSFORD, Mr. CASTEN, Ms. JAYAPAL, Mr. PAYNE, Mr. MCNERNEY, Mr. QUIGLEY, and Ms. MATSUI

DECEMBER 14, 2022

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italics]

[For text of introduced bill, see copy of bill as introduced on March 2, 2021]

A BILL

To amend the Mineral Leasing Act to make certain adjustments to the fiscal terms for fossil fuel development and to make other reforms to improve returns to taxpayers for the development of Federal energy resources, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 *This Act may be cited as the “Ending Taxpayer Wel-*
 5 *fare for Oil and Gas Companies Act of 2021”.*

6 **SEC. 2. TABLE OF CONTENTS.**

7 *The table of contents for this Act is the following:*

- Sec. 1. Short title.*
- Sec. 2. Table of contents.*
- Sec. 3. Onshore fossil fuel royalty rates.*
- Sec. 4. Minimum bid amount.*
- Sec. 5. Onshore oil and gas rental rates.*
- Sec. 6. Inspection fee.*
- Sec. 7. Penalties.*
- Sec. 8. Royalty relief.*
- Sec. 9. Royalty in kind.*
- Sec. 10. Amendments to definitions.*
- Sec. 11. Compliance reviews.*
- Sec. 12. Liability for royalty payments.*
- Sec. 13. Recordkeeping.*
- Sec. 14. Adjustments and refunds.*
- Sec. 15. Obligation period.*
- Sec. 16. Tolling agreements and subpoenas.*
- Sec. 17. Appeals.*
- Sec. 18. Assessments.*
- Sec. 19. Pilot project on automatic data transfer.*
- Sec. 20. Penalty for late or incorrect reporting of data.*
- Sec. 21. Required recordkeeping for natural gas plants.*
- Sec. 22. Shared penalties.*
- Sec. 23. Applicability to other minerals.*
- Sec. 24. Entitlements.*
- Sec. 25. Royalties on all extracted methane.*

8 **SEC. 3. ONSHORE FOSSIL FUEL ROYALTY RATES.**

9 *The Mineral Leasing Act (30 U.S.C. 181 et seq.) is*
 10 *amended—*

11 *(1) in section 7—*

12 *(A) by striking “12¹/₂” and inserting*
 13 *“18.75”; and*

14 *(B) by adding at the end the following:*

1 “(d) *PERIODIC EVALUATION OF ROYALTY RATES.*—
2 *The Secretary shall establish a periodic process of evalu-*
3 *ating increases in royalty rates to achieve a fair market*
4 *value return for the public. The process should include:*

5 “(1) *publishing annually the average, weighted*
6 *by relative production per State, of the top fossil fuel*
7 *royalty rates charged by States for fossil fuels produc-*
8 *tion on State-owned public lands;*

9 “(2) *evaluating triennially increases in the Fed-*
10 *eral fossil fuel royalty rates above the minimum rates*
11 *required under this Act to match the production-*
12 *weighted average of State royalty rates. The triennial*
13 *review shall include and benefit from public partici-*
14 *pation through written comment, public hearings and*
15 *other meetings open to all interested parties; and*

16 “(3) *submitting the triennial evaluation to Con-*
17 *gress, including a summary of the views expressed in*
18 *the public participation processes related to the eval-*
19 *uation.*”.

20 (2) *in section 17, by—*

21 (A) *striking “12.5” each place such term*
22 *appears and inserting “18.75”; and*

23 (B) *striking “12^{1/2}” each place such term*
24 *appears and inserting “18.75”; and*

1 (3) in section 31(e), by striking “16²/₃” both
2 places such term appears and inserting “25”.

3 **SEC. 4. MINIMUM BID AMOUNT.**

4 Section 17 of the Mineral Leasing Act (30 U.S.C. 226)
5 is amended—

6 (1) in subsection (b)(1)(B)—

7 (A) by striking “\$2 per acre” and inserting
8 “\$10 per acre, except as otherwise provided by
9 this paragraph”; and

10 (B) by striking “Federal Onshore Oil and
11 Gas Leasing Reform Act of 1987” and inserting
12 “Ending Taxpayer Welfare for Oil and Gas
13 Companies Act of 2021”;

14 (2) in subsection (b)(2)(C), by striking “\$2 per
15 acre” and inserting “\$10 per acre”; and

16 (3) by adding at the end the following:

17 “(q) INFLATION ADJUSTMENT.—The Secretary shall—

18 “(1) by regulation, at least once every 4 years,
19 adjust each of the dollar amounts that apply under
20 subsections (b)(1)(B), (b)(2)(C), and (d) to reflect the
21 change in the Consumer Price Index for All Urban
22 Consumers published by the Bureau of Labor Statis-
23 tics; and

24 “(2) publish each such regulation in the Federal
25 Register.”.

1 **SEC. 5. ONSHORE OIL AND GAS RENTAL RATES.**

2 *The Mineral Leasing Act (30 U.S.C. 181 et seq.) is*
3 *amended—*

4 *(1) in section 17(d)—*

5 *(A) by striking “\$1.50 per acre” and insert-*
6 *ing “\$3 per acre”; and*

7 *(B) by striking “\$2 per acre” and inserting*
8 *“\$5 per acre”; and*

9 *(2) in section 31(e), by striking “\$10” and in-*
10 *serting “\$20”.*

11 **SEC. 6. INSPECTION FEE.**

12 *(a) IN GENERAL.—Section 108 of the Federal Oil and*
13 *Gas Royalty Management Act of 1982 (30 U.S.C. 1718) is*
14 *amended by adding at the end the following:*

15 *“(d) INSPECTION FEE.—*

16 *“(1) IN GENERAL.—The designated operator*
17 *under each oil and gas lease on Federal or Indian*
18 *lands, or each unit and communitization agreement*
19 *that includes one or more such Federal or Indian*
20 *leases, that is subject to inspection under subsection*
21 *(b) and that is in force at the start of fiscal year*
22 *2021, shall pay a nonrefundable inspection fee in an*
23 *amount that, except as provided in paragraph (2), is*
24 *established by the Secretary by regulation and is suf-*
25 *ficient to recover the full costs incurred by the United*

1 *States for inspection and enforcement with respect to*
2 *such leases.*

3 “(2) *AMOUNT.*—*Until the effective date of regula-*
4 *tions under paragraph (1), the amount of the fee shall*
5 *be—*

6 “(A) *\$700 for each lease or unit or*
7 *communitization agreement with no active or in-*
8 *active wells, but with surface use, disturbance or*
9 *reclamation;*

10 “(B) *\$1,225 for each lease or unit or*
11 *communitization agreement with 1 to 10 wells,*
12 *with any combination of active or inactive wells;*

13 “(C) *\$4,900 for each lease or unit or*
14 *communitization agreement with 11 to 50 wells,*
15 *with any combination of active or inactive wells;*
16 *and*

17 “(D) *\$9,800 for each lease or unit or*
18 *communitization agreement with more than 50*
19 *wells, with any combination of active or inactive*
20 *wells.*

21 “(3) *DUE DATE.*—*Payment of the fee under this*
22 *section shall be due not later than 30 days after the*
23 *Secretary provides notice of the assessment of the fee.*

24 “(4) *PENALTY.*—*If the designated operator fails*
25 *to pay the full amount of the fee as prescribed in this*

1 *section, the Secretary may, in addition to utilizing*
2 *any other applicable enforcement authority, assess*
3 *civil penalties against the operator under section 109*
4 *in the same manner as if this section were a mineral*
5 *leasing law.*

6 *“(5) EXEMPTION FOR TRIBAL OPERATORS.—An*
7 *operator that is a Tribe or is controlled by a Tribe*
8 *is not subject to paragraph (1) with respect to a lease,*
9 *unit, or communitization agreement that is located*
10 *entirely on the lands of such Tribe.”.*

11 *(b) ASSESSMENT FOR FISCAL YEAR 2020.—The Sec-*
12 *retary of the Interior shall assess the fee under the amend-*
13 *ment made by subsection (a) for fiscal year 2020, and pro-*
14 *vide notice of such assessment to each designated operator*
15 *who is liable for such fee, by not later than 60 days after*
16 *the date of the enactment of this Act.*

17 **SEC. 7. PENALTIES.**

18 *(a) MINERAL LEASING ACT.—Section 41 of the Min-*
19 *eral Leasing Act (30 U.S.C. 195) is amended—*

20 *(1) in subsection (b), by striking “\$500,000” and*
21 *inserting “\$1,000,000”; and*

22 *(2) in subsection (c), by striking “\$100,000” and*
23 *inserting “\$250,000”.*

1 (b) *FEDERAL OIL AND GAS ROYALTY MANAGEMENT*
2 *ACT OF 1982.*—*The Federal Oil and Gas Royalty Manage-*
3 *ment Act of 1982 (30 U.S.C. 1701 et seq.) is amended—*

4 (1) *in section 109—*

5 (A) *in subsection (a), by striking “\$500”*
6 *and inserting “\$1,500”;*

7 (B) *in subsection (b), by striking “\$5,000”*
8 *and inserting “\$15,000”;*

9 (C) *in subsection (c), by striking “\$10,000”*
10 *and inserting “\$25,000”; and*

11 (D) *in subsection (d), by striking “\$25,000”*
12 *and inserting “\$75,000”; and*

13 (2) *in section 110, by striking “\$50,000” and in-*
14 *serting “\$150,000”.*

15 (c) *OUTER CONTINENTAL SHELF LANDS ACT.*—

16 (1) *CIVIL PENALTY, GENERALLY.*—*Section 24(b)*
17 *of the Outer Continental Shelf Lands Act (43 U.S.C.*
18 *1350(b)) is amended to read as follows:*

19 “(b) *CIVIL PENALTIES.*—

20 “(1) *IN GENERAL.*—*Except as provided in para-*
21 *graph (2), any person who fails to comply with any*
22 *provision of this Act, or any term of a lease, license,*
23 *or permit issued pursuant to this Act, or any regula-*
24 *tion or order issued under this Act, shall be liable for*
25 *a civil administrative penalty of not more than*

1 \$75,000 for each day of the continuance of such fail-
2 ure. The Secretary may assess, collect, and com-
3 promise any such penalty.

4 “(2) OPPORTUNITY FOR A HEARING.—No penalty
5 shall be assessed until the person charged with a vio-
6 lation has been given an opportunity for a hearing.

7 “(3) ADJUSTMENT FOR INFLATION.—The Sec-
8 retary shall, by regulation at least every 3 years, ad-
9 just the penalty specified in this paragraph to reflect
10 any increases in the Consumer Price Index (all items,
11 United States city average) as prepared by the De-
12 partment of Labor.

13 “(4) THREAT OF HARM.—If a failure described
14 in paragraph (1) constitutes or constituted a threat
15 of harm or damage to life, property, any mineral de-
16 posit, or the marine, coastal, or human environment,
17 a civil penalty of not more than \$150,000 shall be as-
18 sessed for each day of the continuance of the failure.”.

19 (2) KNOWING AND WILLFUL VIOLATIONS.—Sec-
20 tion 24(c) of the Outer Continental Shelf Lands Act
21 (43 U.S.C. 1350(c)) is amended by striking
22 “\$100,000” and inserting “\$1,000,000”.

23 (3) OFFICERS AND AGENTS OF CORPORATIONS.—
24 Section 24(d) of the Outer Continental Shelf Lands
25 Act (43 U.S.C. 1350(d)) is amended by striking

1 *“knowingly and willfully authorized, ordered, or car-*
2 *ried out” and inserting “authorized, ordered, carried*
3 *out, or through reckless disregard of the law caused”.*

4 **SEC. 8. ROYALTY RELIEF.**

5 (a) *GULF OF MEXICO ROYALTY RELIEF.*—*The fol-*
6 *lowing provisions of the Energy Policy Act of 2005 (42*
7 *U.S.C. 15801 et seq.) are hereby repealed:*

8 (1) *Section 344 (42 U.S.C. 15904) (relating to*
9 *incentives for natural gas production from deep wells*
10 *in the shallow waters of the Gulf of Mexico).*

11 (2) *Section 345 (42 U.S.C. 15905) (relating to*
12 *royalty relief for deep water production).*

13 (b) *ALASKA ROYALTY RELIEF.*—

14 (1) *PROVISIONS RELATING TO PLANNING AREAS*
15 *OFFSHORE ALASKA.*—*Section 8(a)(3)(B) of the Outer*
16 *Continental Shelf Lands Act (43 U.S.C.*
17 *1337(a)(3)(B)) is amended by striking “and in the*
18 *Planning Areas offshore Alaska” after “West lon-*
19 *gitude”.*

20 (2) *PROVISIONS RELATING TO NAVAL PETRO-*
21 *LEUM RESERVE IN ALASKA.*—*Section 107 of the Naval*
22 *Petroleum Reserves Production Act of 1976 (42*
23 *U.S.C. 6506a) is amended—*

24 (A) *in subsection (i)—*

25 (i) *by striking “(1) IN GENERAL”; and*

1 (ii) by striking paragraphs (2) through
2 (6); and
3 (B) by striking subsection (k).

4 **SEC. 9. ROYALTY IN KIND.**

5 (a) *ONSHORE OIL AND GAS LEASE ROYALTIES.*—Sec-
6 *tion 36 of the Mineral Leasing Act (30 U.S.C. 192) is*
7 *amended by inserting “, except that the Secretary may not*
8 *demand such payment in oil or gas if the amount of such*
9 *payment would exceed the amount necessary to fill the stra-*
10 *tegic petroleum reserve” after “in oil or gas”.*

11 (b) *OFFSHORE OIL AND GAS LEASE ROYALTIES.*—Sec-
12 *tion 27(a)(1) of the Outer Continental Shelf Lands Act (43*
13 *U.S.C. 1353(a)) is amended by striking the period at the*
14 *end and inserting “, except that the Secretary may not de-*
15 *mand such payment in oil or gas if the amount of such*
16 *payment would exceed the amount necessary to fill the stra-*
17 *tegic petroleum reserve.”.*

18 **SEC. 10. AMENDMENTS TO DEFINITIONS.**

19 Section 3 of the Federal Oil and Gas Royalty Manage-
20 *ment Act of 1982 (30 U.S.C. 1702) is amended—*

21 (1) in paragraph (20)(A), by striking “: Pro-
22 vided, That” and all that follows through “subject of
23 the judicial proceeding”;

1 (2) in paragraph (20)(B), by striking “(with
2 written notice to the lessee who designated the des-
3 ignee)”;

4 (3) in paragraph (23)(A), by striking “(with
5 written notice to the lessee who designated the des-
6 ignee)”;

7 (4) by amending paragraph (24) to read as fol-
8 lows:

9 “(24) ‘designee’ means a person who pays, off-
10 sets, or credits monies, makes adjustments, requests
11 and receives refunds, or submits reports with respect
12 to payments a lessee must make pursuant to section
13 102(a);”;

14 (5) in paragraph (25), in subparagraph (B)—

15 (A) by striking “(subject to the provisions of
16 section 102(a) of this Act)”; and

17 (B) in clause (ii), by striking subclause (IV)
18 and all that follows through the end of the sub-
19 paragraph and inserting the following:

20 “(IV) any assignment,
21 that arises from or relates to any lease,
22 easement, right-of-way, permit, or other
23 agreement regardless of form administered
24 by the Secretary for, or any mineral leasing
25 law related to, the exploration, production,

1 *and development of oil and gas or other en-*
2 *ergy resource on Federal lands or the Outer*
3 *Continental Shelf;”;*

4 *(6) in paragraph (29), by inserting “or permit”*
5 *after “lease”; and*

6 *(7) by striking “and” after the semicolon at the*
7 *end of paragraph (32), by striking the period at the*
8 *end of paragraph (33) and inserting a semicolon, and*
9 *by adding at the end the following new paragraphs:*

10 *“(34) ‘compliance review’ means an examination*
11 *of a lessee’s lease accounts to compare one or all ele-*
12 *ments of the royalty equation (volume, value, royalty*
13 *rate, and allowances) against anticipated elements of*
14 *the royalty equation to test for variances; and*

15 *“(35) ‘marketing affiliate’ means an affiliate of*
16 *a lessee whose function is to acquire the lessee’s pro-*
17 *duction and to market that production.”.*

18 **SEC. 11. COMPLIANCE REVIEWS.**

19 *Section 101 of the Federal Oil and Gas Royalty Man-*
20 *agement Act of 1982 (30 U.S.C. 1711) is amended by add-*
21 *ing at the end the following new subsection:*

22 *“(d) The Secretary may, as an adjunct to audits of*
23 *accounts for leases, conduct compliance reviews of accounts.*
24 *Such reviews shall not constitute nor substitute for audits*
25 *of lease accounts. The Secretary shall immediately refer any*

1 *disparity uncovered in such a compliance review to a pro-*
2 *gram auditor. The Secretary shall, before completion of a*
3 *compliance review, provide notice of the review to designees*
4 *whose obligations are the subject of the review.”.*

5 **SEC. 12. LIABILITY FOR ROYALTY PAYMENTS.**

6 *Section 102(a) of the Federal Oil and Gas Royalty*
7 *Management Act of 1982 (30 U.S.C. 1712(a)) is amended*
8 *to read as follows:*

9 *“(a) LIABILITY FOR ROYALTY PAYMENTS.—*

10 *“(1) TIME AND MANNER OF PAYMENT.—In order*
11 *to increase receipts and achieve effective collections of*
12 *royalty and other payments, a lessee who is required*
13 *to make any royalty or other payment under a lease,*
14 *easement, right-of-way, permit, or other agreement,*
15 *regardless of form, or under the mineral leasing laws,*
16 *shall make such payment in the time and manner as*
17 *may be specified by the Secretary or the applicable*
18 *delegated State.*

19 *“(2) DESIGNEE.—Any person who pays, offsets,*
20 *or credits monies, makes adjustments, requests and re-*
21 *ceives refunds, or submits reports with respect to pay-*
22 *ments the lessee must make is the lessee’s designee*
23 *under this Act.*

24 *“(3) LIABILITY.—Notwithstanding any other*
25 *provision of this Act, a designee shall be liable for*

1 *any payment obligation of any lessee on whose behalf*
2 *the designee pays royalty under the lease. The person*
3 *owning operating rights in a lease and a person own-*
4 *ing legal record title in a lease shall be liable for that*
5 *person’s pro rata share of payment obligations under*
6 *the lease.”.*

7 **SEC. 13. RECORDKEEPING.**

8 *Section 103(b) of the Federal Oil and Gas Royalty*
9 *Management Act of 1982 (30 U.S.C. 1713(b)) is amended*
10 *by striking “6” and inserting “7”.*

11 **SEC. 14. ADJUSTMENTS AND REFUNDS.**

12 *Section 111A of the Federal Oil and Gas Royalty Man-*
13 *agement Act of 1982 (30 U.S.C. 1721a) is amended—*

14 *(1) in subsection (a)—*

15 *(A) by amending paragraph (3) to read as*
16 *follows:*

17 *“(3)(A) An adjustment or a request for a refund*
18 *for an obligation may be made after the adjustment*
19 *period only upon written notice to and approval by*
20 *the Secretary or the applicable delegated State, as ap-*
21 *propriate, during an audit of the period which in-*
22 *cludes the production month for which the adjustment*
23 *is being made.*

24 *“(B) Except as provided in subparagraph (C),*
25 *no adjustment may be made with respect to an obli-*

1 *gation after the completion of an audit or compliance*
2 *review of such obligation unless such adjustment is*
3 *approved by the Secretary or the applicable delegated*
4 *State, as appropriate.*

5 *“(C) If an overpayment is identified during an*
6 *audit, the Secretary shall allow a credit in the*
7 *amount of the overpayment.”; and*

8 *(B) in paragraph (4)—*

9 *(i) by striking “six-year” and insert-*
10 *ing “four-year”; and*

11 *(ii) by striking “period shall” and in-*
12 *serting “period may”; and*

13 *(2) in subsection (b)(1)—*

14 *(A) in subparagraph (C), by striking*
15 *“and”;*

16 *(B) in subparagraph (D), by striking the*
17 *period and inserting “; and”; and*

18 *(C) by adding at the end the following:*

19 *“(E) is made within the adjustment period*
20 *for that obligation.”.*

21 **SEC. 15. OBLIGATION PERIOD.**

22 *Section 115(c) of the Federal Oil and Gas Royalty*
23 *Management Act of 1982 (30 U.S.C. 1724(c)) is amended*
24 *by adding at the end the following new paragraph:*

1 “(3) *ADJUSTMENTS*.—*In the case of an adjust-*
2 *ment under section 111A(a) in which a recoupment*
3 *by the lessee results in an underpayment of an obliga-*
4 *tion, the obligation becomes due on the date the lessee*
5 *or its designee makes the adjustment.*”.

6 **SEC. 16. TOLLING AGREEMENTS AND SUBPOENAS.**

7 (a) *TOLLING AGREEMENTS*.—*Section 115(d)(1) of the*
8 *Federal Oil and Gas Royalty Management Act of 1982 (30*
9 *U.S.C. 1724(d)(1)) is amended by striking “(with notice to*
10 *the lessee who designated the designee)”.*

11 (b) *SUBPOENAS*.—*Section 115(d)(2)(A) of the Federal*
12 *Oil and Gas Royalty Management Act of 1982 (30 U.S.C.*
13 *1724(d)(2)(A)) is amended by striking “(with notice to the*
14 *lessee who designated the designee, which notice shall not*
15 *constitute a subpoena to the lessee)”.*

16 **SEC. 17. APPEALS.**

17 *Section 115(h) of the Federal Oil and Gas Royalty*
18 *Management Act of 1982 (30 U.S.C. 1724(h)) is amended—*

19 (1) *in paragraph (1), in the heading, by striking*
20 *“33-MONTH” and inserting “48-MONTH”;*

21 (2) *by striking “33 months” each place it ap-*
22 *pears and inserting “48 months”; and*

23 (3) *by striking “33-month” each place it appears*
24 *and inserting “48-month”.*

1 **SEC. 18. ASSESSMENTS.**

2 *Section 116 of the Federal Oil and Gas Royalty Man-*
3 *agement Act of 1982 (30 U.S.C. 1724) is repealed.*

4 **SEC. 19. PILOT PROJECT ON AUTOMATIC DATA TRANSFER.**

5 *(a) PILOT PROJECT.—Not later than 2 years after the*
6 *date of enactment of this Act, the Secretary of the Interior*
7 *shall complete a pilot project with willing operators of oil*
8 *and gas leases on the outer Continental Shelf (as such term*
9 *is defined in the Outer Continental Shelf Lands Act (43*
10 *U.S.C. 1331 et seq.)) that assesses the costs and benefits of*
11 *automatic transmission of data regarding the volume and*
12 *quality of oil and gas produced under Federal leases on the*
13 *outer Continental Shelf in order to improve the production*
14 *verification systems used to ensure accurate royalty collec-*
15 *tion and audit.*

16 *(b) REPORT.—The Secretary shall submit to Congress*
17 *a report on findings and recommendations based on the*
18 *pilot project not later than 3 years after the date of enact-*
19 *ment of this Act.*

20 **SEC. 20. PENALTY FOR LATE OR INCORRECT REPORTING OF**
21 **DATA.**

22 *(a) IN GENERAL.—The Secretary of the Interior shall*
23 *issue regulations by not later than 1 year after the date*
24 *of enactment of this Act that establish a civil penalty for*
25 *late or incorrect reporting of data under the Federal Oil*

1 *and Gas Royalty Management Act of 1982 (30 U.S.C. 1701*
2 *et seq.).*

3 (b) *AMOUNT.*—*The amount of the civil penalty shall*
4 *be—*

5 (1) *an amount (subject to paragraph (2)) that*
6 *the Secretary determines is sufficient to ensure filing*
7 *of data in accordance with that Act; and*

8 (2) *not less than \$10 for each failure to file cor-*
9 *rect data in accordance with that Act.*

10 (c) *CONTENT OF REGULATIONS.*—*Except as provided*
11 *in subsection (b), the regulations issued under this section*
12 *shall be substantially similar to section 216.40 of title 30,*
13 *Code of Federal Regulations, as most recently in effect be-*
14 *fore the date of enactment of this Act.*

15 **SEC. 21. REQUIRED RECORDKEEPING FOR NATURAL GAS**
16 **PLANTS.**

17 *Not later than 1 year after the date of enactment of*
18 *this Act, the Secretary of the Interior shall publish final*
19 *regulations with respect to required recordkeeping of nat-*
20 *ural gas measurement data as set forth in section 250.1203*
21 *of title 30, Code of Federal Regulations (as in effect on the*
22 *date of enactment of this Act), to include operators and*
23 *other persons involved in the transporting, purchasing, or*
24 *selling of gas under the requirements of that rule, under*
25 *the authority provided in section 103 of the Federal Oil*

1 *and Gas Royalty Management Act of 1982 (30 U.S.C.*
2 *1713).*

3 **SEC. 22. SHARED PENALTIES.**

4 *Section 206 of the Federal Oil and Gas Royalty Man-*
5 *agement Act of 1982 (30 U.S.C. 1736) is amended by strik-*
6 *ing “Any payments under this section shall be reduced by*
7 *an amount equal to any payments provided or due to such*
8 *State or Indian tribe under the cooperative agreement or*
9 *delegation, as applicable, during the fiscal year in which*
10 *the civil penalty is received, up to the total amount pro-*
11 *vided or due for that fiscal year.”.*

12 **SEC. 23. APPLICABILITY TO OTHER MINERALS.**

13 *Section 304 of the Federal Oil and Gas Royalty Man-*
14 *agement Act of 1982 (30 U.S.C. 1753) is amended by add-*
15 *ing at the end the following new subsection:*

16 *“(e) APPLICABILITY TO OTHER MINERALS.—*

17 *“(1) Notwithstanding any other provision of law,*
18 *sections 107, 109, and 110 of this Act and the regula-*
19 *tions duly promulgated with respect thereto shall*
20 *apply to any lease authorizing the development of*
21 *coal or any other solid mineral on any Federal lands*
22 *or Indian lands, to the same extent as if such lease*
23 *were an oil and gas lease, on the same terms and con-*
24 *ditions as those authorized for oil and gas leases.*

1 “(2) Notwithstanding any other provision of law,
2 sections 107, 109, and 110 of this Act and the regula-
3 tions issued under such sections shall apply with re-
4 spect to any lease, easement, right-of-way, or other
5 agreement, regardless of form (including any royalty,
6 rent, or other payment due thereunder)—

7 “(A) under section 8(k) or 8(p) of the Outer
8 Continental Shelf Lands Act (43 U.S.C. 1337(k)
9 and 1337(p)); or

10 “(B) under the Geothermal Steam Act (30
11 U.S.C. 1001 et seq.), to the same extent as if such
12 lease, easement, right-of-way, or other agreement
13 were an oil and gas lease on the same terms and
14 conditions as those authorized for oil and gas
15 leases.

16 “(3) For the purposes of this subsection, the term
17 ‘solid mineral’ means any mineral other than oil, gas,
18 and geo-pressured-geothermal resources, that is au-
19 thorized by an Act of Congress to be produced from
20 public lands (as that term is defined in section 103
21 of the Federal Land Policy and Management Act of
22 1976 (43 U.S.C. 1702)).”.

23 **SEC. 24. ENTITLEMENTS.**

24 (a) *DIRECTED RULEMAKING.*—Not later than 180
25 days after the date of enactment of this Act, the Secretary

1 *of the Interior shall publish final regulations prescribing*
2 *when a Federal lessee or designee must report and pay roy-*
3 *alties on—*

4 *(1) the volume of oil and gas such lessee or des-*
5 *ignee produces or takes under a Federal lease or In-*
6 *dian lease; or*

7 *(2) the volume of oil and gas that such lessee or*
8 *designee is entitled to based on its ownership interest*
9 *under a unitization agreement for Federal leases or*
10 *Indian leases.*

11 *(b) 100 PERCENT ENTITLEMENT REPORTING AND PAY-*
12 *ING.—The Secretary shall give consideration to requiring*
13 *100 percent entitlement reporting and paying based on*
14 *Federal or Indian oil and gas lease ownership.*

15 **SEC. 25. ROYALTIES ON ALL EXTRACTED METHANE.**

16 *(a) ASSESSMENT ON ALL PRODUCTION.—*

17 *(1) IN GENERAL.—Except as provided in para-*
18 *graph (2), royalties otherwise authorized or required*
19 *under the mineral leasing laws (as that term is de-*
20 *finied in the Federal Oil and Gas Royalty Manage-*
21 *ment Act of 1982 (30 U.S.C. 1701 et seq.)) to be paid*
22 *for gas shall be assessed on all gas produced under the*
23 *mineral leasing laws, including—*

24 *(A) gas used or consumed within the area*
25 *of the lease tract for the benefit of the lease; and*

1 (B) all gas that is consumed or lost by vent-
2 ing, flaring, or fugitive releases through any
3 equipment during upstream operations.

4 (2) *EXCEPTION.*—Paragraph (1) shall not apply
5 with respect to—

6 (A) gas vented or flared for not longer than
7 48 hours in an acute emergency situation that
8 poses a danger to human health;

9 (B) gas injected into the ground on a lease
10 tract in order to enhance production of an oil or
11 gas well or for some other purpose; and

12 (C) gas used or consumed within the area
13 of the lease tract for the benefit of the lease when
14 the operator is a Tribe or is controlled by a
15 Tribe that is located entirely on the lands of such
16 Tribe.

17 (b) *CONFORMING AMENDMENTS.*—

18 (1) *MINERAL LEASING ACT.*—*The Mineral Leas-*
19 *ing Act is amended—*

20 (A) in section 14 (30 U.S.C. 223), by add-
21 ing at the end the following: “Notwithstanding
22 any other provision of this Act (including this
23 section), royalty shall be assessed with respect to
24 oil and gas, other than gas described in section
25 124(a)(2) of the *Ending Taxpayer Welfare for*

1 *Oil and Gas Companies Act of 2021, without re-*
2 *gard to whether oil or gas is removed or sold*
3 *from the leased land.”;*

4 *(B) in section 17 (30 U.S.C. 226), by strik-*
5 *ing “removed or sold” each place it appears;*

6 *(C) in section 22 (30 U.S.C. 251), by strik-*
7 *ing “sold or removed”; and*

8 *(D) in section 31 (30 U.S.C. 188), by strik-*
9 *ing “removed or sold” each place it appears.*

10 (2) *OUTER CONTINENTAL SHELF LANDS ACT.—*

11 *The Outer Continental Shelf Lands Act is amended—*

12 *(A) in section 6(a)(8) (43 U.S.C.*
13 *1335(a)(8)), by striking “saved, removed, or*
14 *sold” each place it appears; and*

15 *(B) in section 8(a) (43 U.S.C. 1337(a))—*

16 *(i) in paragraph (1), by striking*
17 *“saved, removed, or sold” each place it ap-*
18 *pears; and*

19 *(ii) by adding at the end the following:*

20 *“(9) Notwithstanding any other provision of this*
21 *Act (including this section), royalty under this Act*
22 *shall be assessed with respect to oil and gas, other*
23 *than gas described in section 124(a)(2) of the Ending*
24 *Taxpayer Welfare for Oil and Gas Companies Act of*

1 2021, without regard to whether oil or gas is removed
2 or sold from the leased land.”.

3 (c) *APPLICATION.*—*The provisions of this section and*
4 *the amendments made by this section shall apply only with*
5 *respect to leases issued on or after the date of the enactment*
6 *of this Act.*

Union Calendar No. 455

117TH CONGRESS
2^D SESSION

H. R. 1517

[Report No. 117-632]

A BILL

To amend the Mineral Leasing Act to make certain adjustments to the fiscal terms for fossil fuel development and to make other reforms to improve returns to taxpayers for the development of Federal energy resources, and for other purposes.

DECEMBER 14, 2022

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed