

Calendar No. 509

103^D CONGRESS
2^D SESSION

S. 1170

[Report No. 103-303]

A BILL

To amend the Mineral Leasing Act to provide for leasing of certain lands for oil and gas purposes.

JULY 7, 1994

Reported with amendments

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for oil and gas purposes.

IN THE SENATE OF THE UNITED STATES

JUNE 29 (legislative day, JUNE 22), 1993

Mr. CAMPBELL introduced the following bill; which was read twice and
referred to the Committee on Energy and Natural Resources

JULY 7, 1994

Reported, under authority of the order of the Senate of June 27 (legislative
day, June 7), 1994, by Mr. JOHNSTON, with amendments

[Omit the part struck through and insert the part printed in italic]

A BILL

To amend the Mineral Leasing Act to provide for leasing
of certain lands for oil and gas 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. Section 17 of the Mineral Leasing Act
4 (30 U.S.C. 226) is amended by adding the following new
5 subsection at the end thereof:

1 ~~“(a)(1)~~ *(p)(1)* AUTHORITY TO LEASE.—Notwith-
2 standing any other provision of law, the Secretary of the
3 Interior, in consultation with the Secretary of Energy,
4 may lease for oil and gas exploration, development and
5 production the public domain lands located in Garfield
6 County, Colorado, reserved by Executive order of the
7 President dated December 6, 1916 (as amended by Execu-
8 tive order of the President dated June 12, 1919), and by
9 Executive order of the President dated September 27,
10 1924, subject to valid existing rights, and pursuant to the
11 requirements of this Act.

12 “(2) MANAGEMENT.—The Secretary of the Interior,
13 through the Bureau of Land Management, shall hereafter
14 manage the surface estate in the lands covered by this
15 subsection, pursuant to the Federal Land Policy and Man-
16 agement Act of 1976 (43 U.S.C. 1701, et seq.), and other
17 laws applicable to the public lands.

18 ~~“(3) ROYALTY.—A lease of lands by the Secretary~~
19 ~~of the Interior under this subsection shall be conditioned~~
20 ~~upon the payment of a royalty pursuant to subsection (b)~~
21 ~~of this section, except that the Secretary may establish~~
22 ~~a sliding scale royalty of not less than 12.5 per centum~~
23 ~~and not more than 25 per centum in amount or value of~~
24 ~~the production removed or sold from the lease.~~

1 “(3)(A) Subject to the provisions of this paragraph, a
2 lease of lands by the Secretary of the Interior under this
3 subsection shall be conditioned upon the payment of a roy-
4 alty pursuant to subsection (b).

5 “(B) The Secretary of the Interior may establish a
6 sliding scale royalty of not less than 12.5 percent and not
7 more than 25 percent in value of the production removed
8 or sold from a lease under this subsection.

9 “(C) The royalty payable to the United States on oil
10 or gas produced on said lands, shall be paid in crude oil
11 of a quality acceptable to the Secretary of Energy produced
12 on or off the reserve and shall be deposited into the Strategic
13 Petroleum Reserve established pursuant to the Energy Pol-
14 icy and Conservation Act (42 U.S.C. 6235 et seq.): Pro-
15 vided, That 50 percent of the value that the Secretary estab-
16 lishes for the royalty oil shall be paid to the State from
17 amounts received which otherwise would be deposited to the
18 Treasury as miscellaneous receipts under section 35 of this
19 Act, as amended: Provided further, That with respect to
20 such royalty oil there shall be no payment to the reclama-
21 tion fund or the Treasury as miscellaneous receipts under
22 section 35 of this Act, as amended.

23 “(4) EXISTING EQUIPMENT.—The lease of lands by
24 the Secretary under this subsection may include the trans-
25 fer, at fair market value, of wells, gathering lines, and re-

1 lated equipment owned by the United States on the lands
2 referenced in paragraph (1) and suitable for use in the
3 exploration, development or production of hydrocarbons on
4 such ~~lands.~~” *lands.*

5 “(5) *COST MINIMIZATION.*—*The Secretary of the Inte-*
6 *rior shall take all actions necessary to ensure that the cost*
7 *of compliance with this section is minimized.*”