

105TH CONGRESS
2^D SESSION

S. 1616

To authorize the exchange of existing Federal oil and gas leases in the State of Montana, located in the Lewis and Clark National Forest and the Flathead National Forest, for credits in future Federal oil and gas lease sales in the Gulf of Mexico, and for other purposes.

IN THE SENATE OF THE UNITED STATES

FEBRUARY 5, 1998

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

A BILL

To authorize the exchange of existing Federal oil and gas leases in the State of Montana, located in the Lewis and Clark National Forest and the Flathead National Forest, for credits in future Federal oil and gas lease sales in the Gulf of Mexico, 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,*

1 **SECTION 1. EXCHANGE OF OIL AND GAS LEASES IN THE**
2 **LEWIS AND CLARK NATIONAL FOREST AND**
3 **THE FLATHEAD NATIONAL FOREST, STATE**
4 **OF MONTANA.**

5 (a) IN GENERAL.—Notwithstanding any other provi-
6 sion of law, the Secretary of the Interior may exchange
7 Federal oil and gas leases that are in existence and in
8 good standing as of the date of enactment of this Act and
9 are located in the exchange area described in subsection
10 (b) for credits that may be used—

11 (1) for bids in Federal oil and gas lease sales
12 or for royalty and rentals due under Federal leases
13 in the central and western planning areas of the
14 Gulf of Mexico for leases outside the zone defined
15 and governed by section 8(g)(2) of the Outer Con-
16 tinental Shelf Lands Act (43 U.S.C. 1337(g)(2)); or
17 (2) for bid, royalty, or rental payments due
18 under Federal oil and gas leases on Federal land
19 within the State of Montana.

20 (b) EXCHANGE AREA.—The exchange area referred
21 to in subsection (a) consists of—

22 (1) the portions of the Lewis and Clark Na-
23 tional Forest and the Flathead National Forest in
24 Flathead County, Glacier County, and Pondera
25 County, Montana (including the area known as the
26 “Badger-Two Medicine”), as delineated on the map

1 entitled “Exchange Area Map” and located in T. 27
2 N., R. 11 W., T. 28 N., R. 10–14 W., T. 29 N., R.
3 10–16 W., T. 30 N., R. 11–13 W., and T. 31 N.,
4 R. 12–13 W.; and

5 (2) the area covered by Federal oil and gas
6 lease no. MTM–53314, in Teton County, Montana.

7 (c) AMOUNT.—The amount of the credits shall be
8 based on investments made in the acquisition and develop-
9 ment of the leases before the date of enactment of this
10 Act and agreed to by the Secretary of the Interior and
11 the leaseholder.

12 (d) WITHDRAWAL FROM MINERAL LAWS.—Subject
13 to valid existing rights not relinquished, the exchange area
14 described in subsection (b)(1) is withdrawn from location
15 and entry under the mining laws and from leasing under
16 the mineral leasing laws.

17 (e) EFFECT OF USE OF CREDITS.—If a person that
18 receives a credit under subsection (a) uses the credit to
19 pay any rental or royalty due under any Federal oil and
20 gas lease on Federal land within the State of Montana,
21 the Secretary of the Interior shall pay the State of Mon-
22 tana, from amounts received from oil and gas leases on
23 Federal land that, but for this subsection, would be depos-
24 ited in the Treasury of the United States under section
25 35 of the Act of February 25, 1920 (commonly known

1 as the “Mineral Lands Leasing Act”) (41 Stat. 450, chap-
2 ter 85; 30 U.S.C. 191), the amount that the State would
3 have received under applicable law if the amount of the
4 royalty or rental had been paid in cash.

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