

117TH CONGRESS
1ST SESSION

H. R. 1517

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

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.

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

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

4 (1) in section 7—

5 (A) by striking “12½” and inserting
 6 “18.75”; and

7 (B) by adding at the end the following:

8 “(d) PERIODIC EVALUATION OF ROYALTY RATES.—

9 The Secretary shall establish a periodic process of evalu-
 10 ating increases in royalty rates to achieve a fair market
 11 value return for the public. The process should include:

12 “(1) publishing annually the average, weighted
 13 by relative production per State, of the top fossil

1 fuel royalty rates charged by States for fossil fuels
2 production on State-owned public lands;

3 “(2) evaluating triennially increases in the Fed-
4 eral fossil fuel royalty rates above the minimum
5 rates required under this Act to match the produc-
6 tion-weighted average of State royalty rates. The tri-
7 ennial review shall include and benefit from public
8 participation through written comment, public hear-
9 ings and other meetings open to all interested par-
10 ties; and

11 “(3) submitting the triennial evaluation to Con-
12 gress, including a summary of the views expressed in
13 the public participation processes related to the eval-
14 uation.”.

15 (2) in section 17, by—

16 (A) striking “12.5” each place such term
17 appears and inserting “18.75”; and

18 (B) striking “12½” each place such term
19 appears and inserting “18.75”; and

20 (3) in section 31(e), by striking “16⅔” both
21 places such term appears and inserting “25”.

22 **SEC. 4. MINIMUM BID AMOUNT.**

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

25 (1) in subsection (b)(1)(B)—

1 (A) by striking “\$2 per acre” and insert-
2 ing “\$5 per acre, except as otherwise provided
3 by this paragraph”; and

4 (B) by striking “Federal Onshore Oil and
5 Gas Leasing Reform Act of 1987” and insert-
6 ing “Ending Taxpayer Welfare for Oil and Gas
7 Companies Act of 2021”;

8 (2) in subsection (b)(2)(C), by striking “\$2 per
9 acre” and inserting “\$5 per acre”; and

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

11 “(q) INFLATION ADJUSTMENT.—The Secretary
12 shall—

13 “(1) by regulation, at least once every 4 years,
14 adjust each of the dollar amounts that apply under
15 subsections (b)(1)(B), (b)(2)(C), and (d) to reflect
16 the change in the Consumer Price Index for All
17 Urban Consumers published by the Bureau of Labor
18 Statistics; and

19 “(2) publish each such regulation in the Fed-
20 eral Register.”.

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

22 The Mineral Leasing Act (30 U.S.C. 181 et seq.) is
23 amended—

24 (1) in section 17(d)—

1 (A) by striking “\$1.50 per acre” and in-
2 serting “\$3 per acre”; and

3 (B) by striking “\$2 per acre” and insert-
4 ing “\$5 per acre”; and

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

7 **SEC. 6. INSPECTION FEE.**

8 (a) IN GENERAL.—Section 108 of the Federal Oil
9 and Gas Royalty Management Act of 1982 (30 U.S.C.
10 1718) is amended by adding at the end the following:

11 “(d) INSPECTION FEE.—

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

1 “(2) AMOUNT.—Until the effective date of reg-
2 ulations under paragraph (1), the amount of the fee
3 shall be—

4 “(A) \$700 for each lease or unit or
5 communitization agreement with no active or
6 inactive wells, but with surface use, disturbance
7 or reclamation;

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

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

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

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

23 “(4) PENALTY.—If the designated operator
24 fails to pay the full amount of the fee as prescribed
25 in this section, the Secretary may, in addition to uti-

1 lizing any other applicable enforcement authority,
2 assess civil penalties against the operator under sec-
3 tion 109 in the same manner as if this section were
4 a mineral leasing law.”.

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

11 **SEC. 7. PENALTIES.**

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

14 (1) in subsection (b), by striking “\$500,000”
15 and inserting “\$1,000,000”; and

16 (2) in subsection (c), by striking “\$100,000”
17 and inserting “\$250,000”.

18 (b) FEDERAL OIL AND GAS ROYALTY MANAGEMENT
19 ACT OF 1982.—The Federal Oil and Gas Royalty Man-
20 agement Act of 1982 (30 U.S.C. 1701 et seq.) is amend-
21 ed—

22 (1) in section 109—

23 (A) in subsection (a), by striking “\$500”
24 and inserting “\$1,500”;

1 (B) in subsection (b), by striking “\$5,000”
2 and inserting “\$15,000”;

3 (C) in subsection (c), by striking
4 “\$10,000” and inserting “\$25,000”; and

5 (D) in subsection (d), by striking
6 “\$25,000” and inserting “\$75,000”; and

7 (2) in section 110, by striking “\$50,000” and
8 inserting “\$150,000”.

9 (c) OUTER CONTINENTAL SHELF LANDS ACT.—

10 (1) CIVIL PENALTY, GENERALLY.—Section
11 24(b) of the Outer Continental Shelf Lands Act (43
12 U.S.C. 1350(b)) is amended to read as follows:

13 “(b) CIVIL PENALTIES.—

14 “(1) IN GENERAL.—Except as provided in para-
15 graph (2), any person who fails to comply with any
16 provision of this Act, or any term of a lease, license,
17 or permit issued pursuant to this Act, or any regula-
18 tion or order issued under this Act, shall be liable
19 for a civil administrative penalty of not more than
20 \$75,000 for each day of the continuance of such fail-
21 ure. The Secretary may assess, collect, and com-
22 promise any such penalty.

23 “(2) OPPORTUNITY FOR A HEARING.—No pen-
24 alty shall be assessed until the person charged with

1 a violation has been given an opportunity for a hear-
2 ing.

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

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

16 (2) KNOWING AND WILLFUL VIOLATIONS.—Sec-
17 tion 24(e) of the Outer Continental Shelf Lands Act
18 (43 U.S.C. 1350(e)) is amended by striking
19 “\$100,000” and inserting “\$1,000,000”.

20 (3) OFFICERS AND AGENTS OF CORPORA-
21 TIONS.—Section 24(d) of the Outer Continental
22 Shelf Lands Act (43 U.S.C. 1350(d)) is amended by
23 striking “knowingly and willfully authorized, or-
24 dered, or carried out” and inserting “authorized, or-

1 dered, carried out, or through reckless disregard of
2 the law caused”.

3 **SEC. 8. ROYALTY RELIEF.**

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

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

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

12 (b) ALASKA ROYALTY RELIEF.—

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

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

23 (A) in subsection (i)—

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

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

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

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

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

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

19 Section 3 of the Federal Oil and Gas Royalty Man-
20 agement 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
16 of section 102(a) of this Act)”;

17 (B) in clause (ii), by striking subclause
18 (IV) and all that follows through the end of the
19 subparagraph 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 leas-
25 ing law related to, the exploration, produc-

1 tion, and development of oil and gas or
2 other energy resource on Federal lands or
3 the Outer 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,
9 and by adding at the end the following new para-
10 graphs:

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

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

20 **SEC. 11. COMPLIANCE REVIEWS.**

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

24 “(d) The Secretary may, as an adjunct to audits of
25 accounts for leases, conduct compliance reviews of ac-

1 counts. Such reviews shall not constitute nor substitute
2 for audits of lease accounts. The Secretary shall imme-
3 diately refer any disparity uncovered in such a compliance
4 review to a program auditor. The Secretary shall, before
5 completion of a compliance review, provide notice of the
6 review to designees whose obligations are the subject of
7 the review.”.

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

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

12 “(a) LIABILITY FOR ROYALTY PAYMENTS.—

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

22 “(2) DESIGNEE.—Any person who pays, offsets,
23 or credits monies, makes adjustments, requests and
24 receives refunds, or submits reports with respect to

1 payments the lessee must make is the lessee's des-
2 ignee under this Act.

3 “(3) LIABILITY.—Notwithstanding any other
4 provision of this Act, a designee shall be liable for
5 any payment obligation of any lessee on whose be-
6 half the designee pays royalty under the lease. The
7 person owning operating rights in a lease and a per-
8 son owning legal record title in a lease shall be liable
9 for that person's pro rata share of payment obliga-
10 tions under the lease.”

11 **SEC. 13. RECORDKEEPING.**

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

15 **SEC. 14. ADJUSTMENTS AND REFUNDS.**

16 Section 111A of the Federal Oil and Gas Royalty
17 Management Act of 1982 (30 U.S.C. 1721a) is amend-
18 ed—

19 (1) in subsection (a)—

20 (A) by amending paragraph (3) to read as
21 follows:

22 “(3)(A) An adjustment or a request for a re-
23 fund for an obligation may be made after the adjust-
24 ment period only upon written notice to and ap-
25 proval by the Secretary or the applicable delegated

1 State, as appropriate, during an audit of the period
2 which includes the production month for which the
3 adjustment is being made.

4 “(B) Except as provided in subparagraph (C),
5 no adjustment may be made with respect to an obli-
6 gation after the completion of an audit or compli-
7 ance review of such obligation unless such adjust-
8 ment is approved by the Secretary or the applicable
9 delegated State, as appropriate.

10 “(C) If an overpayment is identified during an
11 audit, the Secretary shall allow a credit in the
12 amount of the overpayment.”; and

13 (B) in paragraph (4)—

14 (i) by striking “six-year” and insert-
15 ing “four-year”; and

16 (ii) by striking “period shall” and in-
17 serting “period may”; and

18 (2) in subsection (b)(1)—

19 (A) in subparagraph (C), by striking
20 “and”;

21 (B) in subparagraph (D), by striking the
22 period and inserting “; and”; and

23 (C) by adding at the end the following:

24 “(E) is made within the adjustment period
25 for that obligation.”.

1 **SEC. 15. OBLIGATION PERIOD.**

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

5 “(3) ADJUSTMENTS.—In the case of an adjust-
6 ment under section 111A(a) in which a recoupment
7 by the lessee results in an underpayment of an obli-
8 gation, the obligation becomes due on the date the
9 lessee or its designee makes the adjustment.”.

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

11 (a) TOLLING AGREEMENTS.—Section 115(d)(1) of
12 the Federal Oil and Gas Royalty Management Act of 1982
13 (30 U.S.C. 1724(d)(1)) is amended by striking “(with no-
14 tice to the lessee who designated the designee)”.

15 (b) SUBPOENAS.—Section 115(d)(2)(A) of the Fed-
16 eral Oil and Gas Royalty Management Act of 1982 (30
17 U.S.C. 1724(d)(2)(A)) is amended by striking “(with no-
18 tice to the lessee who designated the designee, which notice
19 shall not constitute a subpoena to the lessee)”.

20 **SEC. 17. APPEALS.**

21 Section 115(h) of the Federal Oil and Gas Royalty
22 Management Act of 1982 (30 U.S.C. 1724(h)) is amend-
23 ed—

24 (1) in paragraph (1), in the heading, by strik-
25 ing “33-MONTH” and inserting “48-MONTH”;

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

3 (3) by striking “33-month” each place it ap-
4 pears and inserting “48-month”.

5 **SEC. 18. ASSESSMENTS.**

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

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

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

20 (b) REPORT.—The Secretary shall submit to Con-
21 gress a report on findings and recommendations based on
22 the pilot project not later than 3 years after the date of
23 enactment of this Act.

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

3 (a) IN GENERAL.—The Secretary of the Interior shall
4 issue regulations by not later than 1 year after the date
5 of enactment of this Act that establish a civil penalty for
6 late or incorrect reporting of data under the Federal Oil
7 and Gas Royalty Management Act of 1982 (30 U.S.C.
8 1701 et seq.).

9 (b) AMOUNT.—The amount of the civil penalty shall
10 be—

11 (1) an amount (subject to paragraph (2)) that
12 the Secretary determines is sufficient to ensure filing
13 of data in accordance with that Act; and

14 (2) not less than \$10 for each failure to file
15 correct data in accordance with that Act.

16 (c) CONTENT OF REGULATIONS.—Except as provided
17 in subsection (b), the regulations issued under this section
18 shall be substantially similar to section 216.40 of title 30,
19 Code of Federal Regulations, as most recently in effect
20 before the date of enactment of this Act.

21 **SEC. 21. REQUIRED RECORDKEEPING FOR NATURAL GAS**
22 **PLANTS.**

23 Not later than 1 year after the date of enactment
24 of this Act, the Secretary of the Interior shall publish final
25 regulations with respect to required recordkeeping of nat-
26 ural gas measurement data as set forth in section

1 250.1203 of title 30, Code of Federal Regulations (as in
2 effect on the date of enactment of this Act), to include
3 operators and other persons involved in the transporting,
4 purchasing, or selling of gas under the requirements of
5 that rule, under the authority provided in section 103 of
6 the Federal Oil and Gas Royalty Management Act of 1982
7 (30 U.S.C. 1713).

8 **SEC. 22. SHARED PENALTIES.**

9 Section 206 of the Federal Oil and Gas Royalty Man-
10 agement Act of 1982 (30 U.S.C. 1736) is amended by
11 striking “Any payments under this section shall be re-
12 duced by an amount equal to any payments provided or
13 due to such State or Indian tribe under the cooperative
14 agreement or delegation, as applicable, during the fiscal
15 year in which the civil penalty is received, up to the total
16 amount provided or due for that fiscal year.”.

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

18 Section 304 of the Federal Oil and Gas Royalty Man-
19 agement Act of 1982 (30 U.S.C. 1753) is amended by
20 adding at the end the following new subsection:

21 “(e) APPLICABILITY TO OTHER MINERALS.—

22 “(1) Notwithstanding any other provision of
23 law, sections 107, 109, and 110 of this Act and the
24 regulations duly promulgated with respect thereto
25 shall apply to any lease authorizing the development

1 of coal or any other solid mineral on any Federal
2 lands or Indian lands, to the same extent as if such
3 lease were an oil and gas lease, on the same terms
4 and conditions as those authorized for oil and gas
5 leases.

6 “(2) Notwithstanding any other provision of
7 law, sections 107, 109, and 110 of this Act and the
8 regulations issued under such sections shall apply
9 with respect to any lease, easement, right-of-way, or
10 other agreement, regardless of form (including any
11 royalty, rent, or other payment due thereunder)—

12 “(A) under section 8(k) or 8(p) of the
13 Outer Continental Shelf Lands Act (43 U.S.C.
14 1337(k) and 1337(p)); or

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

21 “(3) For the purposes of this subsection, the
22 term ‘solid mineral’ means any mineral other than
23 oil, gas, and geo-pressured-geothermal resources,
24 that is authorized by an Act of Congress to be pro-
25 duced from public lands (as that term is defined in

1 section 103 of the Federal Land Policy and Manage-
2 ment Act of 1976 (43 U.S.C. 1702)).”.

3 **SEC. 24. ENTITLEMENTS.**

4 (a) DIRECTED RULEMAKING.—Not later than 180
5 days after the date of enactment of this Act, the Secretary
6 of the Interior shall publish final regulations prescribing
7 when a Federal lessee or designee must report and pay
8 royalties on—

9 (1) the volume of oil and gas such lessee or des-
10 ignee produces or takes under a Federal lease or In-
11 dian lease; or

12 (2) the volume of oil and gas that such lessee
13 or designee is entitled to based on its ownership in-
14 terest under a unitization agreement for Federal
15 leases or Indian leases.

16 (b) 100 PERCENT ENTITLEMENT REPORTING AND
17 PAYING.—The Secretary shall give consideration to re-
18 quiring 100 percent entitlement reporting and paying
19 based on Federal or Indian oil and gas lease ownership.

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

21 (a) ASSESSMENT ON ALL PRODUCTION.—

22 (1) IN GENERAL.—Except as provided in para-
23 graph (2), royalties otherwise authorized or required
24 under the mineral leasing laws (as that term is de-
25 fined in the Federal Oil and Gas Royalty Manage-

1 ment Act of 1982 (30 U.S.C. 1701 et seq.)) to be
2 paid for gas shall be assessed on all gas produced
3 under the mineral leasing laws, including—

4 (A) gas used or consumed within the area
5 of the lease tract for the benefit of the lease;
6 and

7 (B) all gas that is consumed or lost by
8 venting, flaring, or fugitive releases through any
9 equipment during upstream operations.

10 (2) EXCEPTION.—Paragraph (1) shall not
11 apply with respect to—

12 (A) gas vented or flared for not longer
13 than 48 hours in an acute emergency situation
14 that poses a danger to human health; and

15 (B) gas injected into the ground on a lease
16 tract in order to enhance production of an oil
17 or gas well or for some other purpose.

18 (b) CONFORMING AMENDMENTS.—

19 (1) MINERAL LEASING ACT.—The Mineral
20 Leasing Act is amended—

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

1 tion 124(a)(2) of the Ending Taxpayer Welfare
2 for Oil and Gas Companies Act of 2021, with-
3 out regard to whether oil or gas is removed or
4 sold from the leased land.”;

5 (B) in section 17 (30 U.S.C. 226), by
6 striking “removed or sold” each place it ap-
7 pears;

8 (C) in section 22 (30 U.S.C. 251), by
9 striking “sold or removed”; and

10 (D) in section 31 (30 U.S.C. 188), by
11 striking “removed or sold” each place it ap-
12 pears.

13 (2) OUTER CONTINENTAL SHELF LANDS ACT.—
14 The Outer Continental Shelf Lands Act is amend-
15 ed—

16 (A) in section 6(a)(8) (43 U.S.C.
17 1335(a)(8)), by striking “saved, removed, or
18 sold” each place it appears; and

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

20 (i) in paragraph (1), by striking
21 “saved, removed, or sold” each place it ap-
22 pears; and

23 (ii) by adding at the end the fol-
24 lowing:

1 “(9) Notwithstanding any other provision of
2 this Act (including this section), royalty under this
3 Act shall be assessed with respect to oil and gas,
4 other than gas described in section 124(a)(2) of the
5 Ending Taxpayer Welfare for Oil and Gas Compa-
6 nies Act of 2021, without regard to whether oil or
7 gas is removed or sold from the leased land.”.

8 (c) APPLICATION.—The provisions of this section and
9 the amendments made by this section shall apply only with
10 respect to leases issued on or after the date of the enact-
11 ment of this Act.

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