

118TH CONGRESS
2D SESSION

H. R. 7377

IN THE SENATE OF THE UNITED STATES

JULY 23, 2024

Received

AN ACT

To amend the Federal Oil and Gas Royalty Management Act of 1982 to improve the management of royalties from oil and gas leases, 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. SHORT TITLE.**

2 This Act may be cited as the “Royalty Resiliency
3 Act”.

4 **SEC. 2. DETERMINATION OF ALLOCATIONS OF PRODUC-**
5 **TION FOR UNITS AND COMMUNITIZATION**
6 **AGREEMENTS.**

7 Section 111(j) of the Federal Oil and Gas Royalty
8 Management Act of 1982 (30 U.S.C. 1721(j)), as amend-
9 ed by the Federal Oil and Gas Royalty Simplification and
10 Fairness Act of 1996 (Public Law 104–185), is amended
11 to read as follows:

12 “(j) The Secretary shall issue all determinations of
13 allocations of production for units and communitization
14 agreements within 120 days of a request for determina-
15 tion. Until the Secretary issues the determination, the les-
16 see or its designee of a lease in a unit or communitization
17 agreement shall report and pay royalties on oil and gas
18 production for each production month in accordance with
19 the terms of the proposed allocation of production for the
20 unit or communitization agreement. After the Secretary
21 issues the determination, the lessee or its designee shall,
22 as necessary, correct such reports and the amount of roy-
23 alties paid on oil and gas production under the unit or
24 communitization agreement by not later than the end of
25 the third month following the month in which the lessee
26 or its designee receives the determination from the Sec-

1 retary. Subject to the full and timely monthly payment
2 of royalties to all parties in accordance with the terms of
3 the proposed allocation of production for the unit or
4 communitization agreement, the Secretary shall waive in-
5 terest due on obligations subject to the determination until
6 the end of the third month following the month in which
7 the lessee or its designee receives the determination from
8 the Secretary. This subsection shall not apply to unit or
9 communization agreements containing Indian lands.”.

Passed the House of Representatives July 22, 2024.

Attest:

KEVIN F. MCCUMBER,

Clerk.