

105TH CONGRESS
2D SESSION

S. 1919

To provide for the energy security of the Nation through encouraging the production of domestic oil and gas resources from stripper wells on Federal lands, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 2, 1998

Mr. MURKOWSKI (for himself, Mr. NICKLES, Mrs. HUTCHISON, and Mr. DOMENICI) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To provide for the energy security of the Nation through encouraging the production of domestic oil and gas resources from stripper wells on Federal lands, 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 referred to as the “Federal Oil and
5 Gas Stripper Well Preservation Act of 1998”.

6 **SEC. 2. DEFINITIONS.**

7 (a) IN GENERAL.—In this Act:

1 (1) FEDERAL LAND.—The term “Federal land”
2 means land that is owned by the United States and
3 administered by the Secretary of the Interior, acting
4 through the Director of the Bureau of Land Man-
5 agement;

6 (2) SECRETARY.—The term “Secretary” means
7 the Secretary of the Interior; and,

8 (3) STRIPPER WELL.—The term “stripper well”
9 or “stripper well property” means a federal lease or
10 portion thereof segregated for royalty purposes, a
11 communitization agreement, or a participating area
12 of a unit agreement, operated by the same operator,
13 that produces an average of less than 15 barrels of
14 oil or 90 thousand cubic feet of natural gas per eligi-
15 ble well per day. The Secretary shall provide by rule
16 the relevant period during which production shall be
17 averaged for purposes of this definition.

18 **SEC. 3. AUTHORITY TO REDUCE ROYALTY RATES FOR**
19 **STRIPPER WELLS ON FEDERAL LANDS.**

20 (a) Notwithstanding any other provision of law, the
21 Secretary is hereby authorized and directed to provide per-
22 manent regulatory authority, which shall be updated from
23 time to time, to provide royalty rate reductions for strip-
24 per well properties on Federal lands.

1 (b) Current authority for stripper well royalty rate
2 reductions contained in 43 C.F.R. part 3100 shall be
3 amended in accordance with this Act.

4 **SEC. 4. SUSPENSION OF MINIMUM ROYALTY AND PER ACRE**
5 **RENTAL.**

6 (a) During the period of any royalty rate reduction
7 for stripper well properties on Federal lands, the Secretary
8 shall also suspend the minimum royalty and per acre lease
9 rental for so long as the royalty rate reduction is in effect.

10 (b) Once a royalty rate reduction for a stripper well
11 property on Federal lands is terminated by the Secretary,
12 the lease rental and minimum royalty shall be reinstated
13 to the applicable rate(s) that would pertain without regard
14 to any period of time elapsed during which the royalty rate
15 reduction or suspension of lease rental rate or minimum
16 royalty was in effect.

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