

106TH CONGRESS
1ST SESSION

H. R. 3432

To direct the Minerals Management Service to grant the State of Louisiana and its lessees a credit in the payment of Federal offshore royalties to satisfy the authorization for compensation contained in the Oil Pollution Act of 1990 for oil and gas drainage in the West Delta field.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 17, 1999

Mr. JOHN (for himself, Mr. TAUZIN, Mr. BAKER, Mr. McCRERY, Mr. JEFFERSON, Mr. COOKSEY, Mr. VITTER, Mr. ORTIZ, Mr. BRADY of Texas, Mr. GREEN of Texas, Mr. SMITH of Texas, Mr. QUINN, Mr. PETERSON of Pennsylvania, Mr. REYNOLDS, and Mr. ENGLISH) introduced the following bill; which was referred to the Committee on Resources

A BILL

To direct the Minerals Management Service to grant the State of Louisiana and its lessees a credit in the payment of Federal offshore royalties to satisfy the authorization for compensation contained in the Oil Pollution Act of 1990 for oil and gas drainage in the West Delta field.

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. ROYALTY RELIEF.**

4 (a) ROYALTY RELIEF.—The purpose of this Act is
5 to grant relief efficiently and expeditiously to the State
6 of Louisiana and the State lessees for moneys owed to the

1 State and the State lessees under section 6004(c) of Pub-
2 lic Law 101–380 (104 Stat. 558, 559) (herein referred
3 to as the “Oil Pollution Act of 1990”). Payment of Fed-
4 eral offshore royalties owed by the State lessees to the
5 United States under the Outer Continental Shelf Lands
6 Act may be withheld by the State lessees if, on or before
7 the date that the royalty payment concerned is due and
8 payable to the United States, the State lessees make a
9 payment to the State of Louisiana at a rate of 44 cents
10 for every \$1 of royalty withheld. Any royalty withheld in
11 accordance with this Act shall be treated as paid for pur-
12 poses of satisfying the royalty obligations of the State les-
13 sees. This subsection shall apply only to leased tracts (or
14 portions of leased tracts) lying seaward of the zone defined
15 and governed by section 8(g) of the Outer Continental
16 Shelf Lands Act (43 U.S.C. 1337(g)) or lying within such
17 zone but to which such section 8(g) does not apply.

18 (b) PERIOD OF ROYALTY RELIEF.—The royalty relief
19 granted under subsection (a) shall commence with respect
20 to royalty payments due and payable to the United States
21 after the date 60 days after the enactment of this Act
22 and shall end when the total of the royalty relief granted
23 under subsection (a) is equal to \$18,115,147, the full
24 amount of the total drainage claim for the West Delta
25 field, as set out on page 47 of Senate Report 101–534

1 (November 15, 1990), plus simple interest at 8 percent
2 per year on the outstanding principal balance from March
3 21, 1989, in accordance with section 6004(c) of Public
4 Law 101–380.

5 (c) MANNER OF PAYMENTS.—Payments by the State
6 lessees to the State of Louisiana under this Act shall be
7 made in a manner mutually agreed upon by the State of
8 Louisiana and the State lessees. Any dispute between the
9 State of Louisiana and the State lessees as to the manner
10 of payments to the State under this Act shall be resolved
11 by the Secretary of the Interior, acting through the Direc-
12 tor of the Minerals Management Service, in the exercise
13 of his discretion.

14 (d) REPORTS.—The State lessees shall provide a
15 quarterly report to the Director of the Minerals Manage-
16 ment Service listing the Federal leases for which royalty
17 payments are withheld pursuant to this Act. For each such
18 Federal lease the report shall detail the amount and dates
19 of production from those leases, the value of royalties due
20 on production from any such leases, and the outstanding
21 balance, if any, of royalty relief still owed to the State
22 lessees and the State of Louisiana under section 6004(c)
23 of Public Law 101–380.

24 (e) DEFINITION OF STATE LESSEES.—As used in
25 this Act, the term “State lessees” means those companies

1 or individuals, and their successors and assigns, that, on
2 the date of enactment of the Oil Pollution Act of 1990,
3 held lease rights in the State of Louisiana leases
4 SL10087, SL10088, and SL10187, but did not hold lease
5 rights in Federal lease OCS–G–5669.

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