

108TH CONGRESS  
2D SESSION

# H. R. 4515

To promote natural gas production from the abundant natural gas hydrate resources on the outer Continental Shelf and Federal lands in Alaska by providing royalty incentives, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 4, 2004

Mr. POMBO introduced the following bill; which was referred to the Committee on Resources

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## A BILL

To promote natural gas production from the abundant natural gas hydrate resources on the outer Continental Shelf and Federal lands in Alaska by providing royalty incentives, 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. GAS HYDRATE PRODUCTION INCENTIVE.**

4       (a) PURPOSE.—The purpose of this section is to pro-  
5       mote natural gas production from the abundant natural  
6       gas hydrate resources on the outer Continental Shelf and  
7       Federal lands in Alaska by providing royalty incentives.

8       (b) SUSPENSION OF ROYALTIES.—

1           (1) IN GENERAL.—The Secretary of the Inte-  
2           rior shall grant royalty relief for natural gas pro-  
3           duced from gas hydrate resources under any lease  
4           issued under the Outer Continental Shelf Lands Act  
5           (43 U.S.C. 1331 et seq.), and under any oil and gas  
6           lease issued for onshore Federal lands in Alaska, if  
7           the lease (eligible lease) is issued prior to January  
8           1, 2016, and production of natural gas from the gas  
9           hydrate resources commences prior to January 1,  
10          2018.

11          (2) AMOUNT OF RELIEF.—The Secretary shall  
12          grant royalty relief to an eligible lease as a suspen-  
13          sion volume of at least 50 billion cubic feet of nat-  
14          ural gas produced from gas hydrate resources per  
15          nine square mile leased tract, in addition to any  
16          other royalty relief provisions applicable to the eligi-  
17          ble lease not specifically granting a gas hydrate pro-  
18          duction incentive. The minimum suspension volume  
19          for leased tracts that are smaller or larger than nine  
20          square miles shall be adjusted on a proportional  
21          basis. For purposes of this section, the term “gas  
22          hydrate resources” includes both the natural gas  
23          content of the gas hydrates within the hydrate sta-  
24          bility zone and the free natural gas trapped by and  
25          beneath the hydrate stability zone.

1       (c) APPLICATION TO EXISTING LEASES.—Any relief  
2 granted under the authority of this section shall fully  
3 apply to leases in existence on the date of the enactment  
4 of this Act.

5       (d) RULEMAKINGS.—The Secretary shall complete  
6 any rulemakings implementing this section within 365  
7 days of the date of the enactment of this Act.

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