

117TH CONGRESS
2D SESSION

S. 5217

To promote the diligent development of Federal oil and gas leases, and
for other purposes.

IN THE SENATE OF THE UNITED STATES

DECEMBER 8, 2022

Mr. MENENDEZ (for himself and Mr. REED) introduced the following bill;
which was read twice and referred to the Committee on Energy and Nat-
ural Resources

A BILL

To promote the diligent development of Federal 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Use it or Lose it Act
5 of 2022”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

8 (1) COVERED LEASE.—The term “covered
9 lease” means a lease that authorizes the exploration
10 for, or production of, oil or natural gas under—

1 (A) section 17 of the Mineral Leasing Act
2 (30 U.S.C. 226); or

3 (B) the Outer Continental Shelf Lands Act
4 (43 U.S.C. 1331 et seq.).

5 (2) SECRETARY.—The term “Secretary” means
6 the Secretary of the Interior.

7 **SEC. 3. DILIGENT DEVELOPMENT OF FEDERAL OIL AND**
8 **GAS LEASES.**

9 (a) CLARIFICATION OF EXISTING LAW.—Each cov-
10 ered lease shall be diligently developed by the person hold-
11 ing the covered lease to ensure timely production from the
12 covered lease.

13 (b) REGULATIONS.—Not later than 180 days after
14 the date of enactment of this Act, the Secretary shall pro-
15 mulgate regulations with respect to covered leases that—

16 (1) establish requirements and benchmarks for
17 oil and gas development that will ensure that lease-
18 holders—

19 (A) diligently develop each covered lease;
20 and

21 (B) to the maximum extent practicable,
22 produce oil and gas from each covered lease
23 during the primary term of the covered lease;

24 (2) require each leaseholder to submit to the
25 Secretary a diligent development plan describing how

1 the lessee will meet the benchmarks established
2 under paragraph (1); and

3 (3) in establishing requirements under para-
4 graphs (1) and (2), take into account the differences
5 in development conditions and circumstances in the
6 areas to be developed.

7 **SEC. 4. NONPRODUCING LEASE FEE.**

8 (a) DEFINITION OF NONPRODUCING LEASE.—In this
9 section, the term “nonproducing lease” means a covered
10 lease under which no oil or natural gas has been extracted
11 during the applicable year, as determined by the Sec-
12 retary.

13 (b) AUTHORIZATION OF NONPRODUCING LEASE
14 FEE.—The Secretary shall charge to each person who
15 holds a nonproducing lease an annual, nonrefundable fee,
16 in an amount determined by the Secretary under sub-
17 section (c), for each nonproducing lease held by the per-
18 son.

19 (c) AMOUNT.—

20 (1) IN GENERAL.—Not later than 180 days
21 after the date of enactment of this Act, the Sec-
22 retary shall establish the fee authorized under sub-
23 section (b) in an amount determined by the Sec-
24 retary to be sufficient to adequately incentivize the

1 use of covered leases, but not less than \$10 per acre
2 per year for each nonproducing lease.

3 (2) INCREASE.—The Secretary shall by regula-
4 tion, at least once every 5 years, adjust the amount
5 of the fee established under paragraph (1) to reflect
6 any increase in inflation.

7 (d) DEPOSIT.—Amounts collected as fees authorized
8 under subsection (b) shall be deposited in the general fund
9 of the Treasury.

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