

105TH CONGRESS
2D SESSION

H. R. 4604

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 compensate for oil and gas drainage in the West Delta Field.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 18, 1998

Mr. TAUZIN (for himself, Mr. LIVINGSTON, Mr. BAKER, and Mr. JOHN) 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 compensate 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
7 State and the State lessees under section 6004(c) of Pub-
8 lic Law 101–380 (104 Stat. 558, 559). Payment of Fed-

1 eral offshore royalties owed by the States lessees to the
2 United States under the Outer Continental Shelf Lands
3 Act may be withheld by the State lessees if, on or before
4 the date that the royalty payment concerned is due and
5 payable to the United States, the State lessees make a
6 payment to the State of Louisiana at a rate of 44 cents
7 for every \$1.00 of royalty withheld.

8 (b) PERIOD OF ROYALTY RELIEF.—The royalty relief
9 granted under subsection (a) shall commence with respect
10 to royalty payments due and payable to the United States
11 after the date 60 days after the enactment of this Act
12 and shall end when the total of the royalty relief granted
13 under subsection (a) is equal to the full amount of the
14 authorization set forth in section 6004(c) of Public Law
15 101–380 plus simple interest at 8 percent per year from
16 March 21, 1989, in accordance with such section 6004(c).

17 (c) MANNER OF PAYMENTS.—Payments by the State
18 lessees to the State of Louisiana under this Act shall be
19 made in a manner mutually agreed upon by the State of
20 Louisiana and the States lessees. Any dispute between the
21 State of Louisiana and the State lessees as to the manner
22 of payments to the State under this Act shall be resolved
23 by the Secretary of the Interior, acting through the Direc-
24 tor of the Minerals Management Service, in the exercise
25 of his discretion.

1 (d) REPORTS.—The State lessees shall provide a
2 quarterly report to the Director of the Minerals Manage-
3 ment Service listing the Federal leases for which royalty
4 payments are withheld pursuant to this Act. For each such
5 Federal lease the report shall detail the amount and dates
6 of production from those leases, the value of royalties due
7 on production from any such leases, and the outstanding
8 balance, if any, of royalty relief still owed to the State
9 lessees and the State of Louisiana under section 6004(c)
10 of Public Law 101–380.

11 (d) DEFINITION OF STATE LESSEES.—As used in
12 this Act, the term “State lessees” means those companies
13 of individuals, and their successors and assigns, that, dur-
14 ing the Critical Time Period, as defined in the March 21,
15 1989 Third Party Factfinder Louisiana Boundary Study
16 provided to the Department of the Interior under contract
17 number 14–35–0001–30469, held lease rights in the State
18 of Louisiana leases SL10087, SL10088, and SL10187,
19 but did not hold lease rights in Federal Lease OCS–G–
20 5669.

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