

105TH CONGRESS
2D SESSION

S. 2500

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 10, 1998

Referred to the Committee on Resources

AN ACT

To protect the sanctity of contracts and leases entered into
by surface patent holders with respect to coalbed meth-
ane gas.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. PROTECTION OF SANCTITY OF CONTRACTS**
2 **AND LEASES OF SURFACE PATENT HOLDERS**
3 **WITH RESPECT TO COALBED METHANE GAS.**

4 (a) IN GENERAL.—Subject to subsection (b), the
5 United States shall recognize as not infringing upon any
6 ownership rights of the United States to coalbed methane
7 any—

8 (1) contract or lease covering any land that was
9 conveyed by the United States under the Act enti-
10 tled “An Act for the protection of surface rights of
11 entrymen”, approved March 3, 1909 (30 U.S.C. 81),
12 or the Act entitled “An Act to provide for agricul-
13 tural entries on coal lands”, approved June 22,
14 1910 (30 U.S.C. 83 et seq.), that was—

15 (A) entered into by a person who has title
16 to said land derived under said Acts, and

17 (B) that conveys rights to explore for, ex-
18 tract, and sell coalbed methane from said land;
19 or

20 (2) coalbed methane production from the lands
21 described in subsection (a)(1) by a person who has
22 title to said land and who, on or before the date of
23 enactment of this Act, has filed an application with
24 the State oil and gas regulating agency for a permit
25 to drill an oil and gas well to a completion target lo-
26 cated in a coal formation.

1 (b) APPLICATION.—Subsection (a)—

2 (1) shall apply only to a valid contract or lease
3 described in subsection (a) that is in effect on the
4 date of enactment of this Act;

5 (2) shall not otherwise change the terms or con-
6 ditions of, or affect the rights or obligations of any
7 person under such a contract or lease;

8 (3) shall apply only to land with respect to
9 which the United States is the owner of coal re-
10 served to the United States in a patent issued under
11 the Act of March 3, 1909 (30 U.S.C. 81), or the Act
12 of June 22, 1910 (30 U.S.C. 83 et seq.), the posi-
13 tion of the United States as the owner of the coal
14 not having passed to a third party by deed, patent
15 or other conveyance by the United States;

16 (4) shall not apply to any interest in coal or
17 land conveyed, restored, or transferred by the
18 United States to a federally recognized Indian tribe,
19 including any conveyance, restoration, or transfer
20 made pursuant to the Indian Reorganization Act,
21 June 18, 1934 (c. 576, 48 Stat. 984, as amended);
22 the Act of June 28, 1938 (c. 776, 52 Stat. 1209 as
23 implemented by the order of September 14, 1938, 3
24 Fed. Reg. 1425); and including the area described in

1 section 3 of Public Law 98–290; or any executive
2 order;

3 (5) shall not be construed to constitute a waiver
4 of any rights of the United States with respect to
5 coalbed methane production that is not subject to
6 subsection (a); and

7 (6) shall not limit the right of any person who
8 entered into a contract or lease before the date of
9 enactment of this Act, or enters into a contract or
10 lease on or after the date of enactment of this Act,
11 for coal owned by the United States, to mine and re-
12 move the coal and to release coalbed methane with-
13 out liability to any person referred to in subsection
14 (a)(1)(A) or (a)(2).

Passed the Senate October 9 (legislative day, Octo-
ber 2), 1998.

Attest:

GARY SISCO,
Secretary.