

109<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 4318

To terminate the effect of all provisions of Federal law that prohibit the expenditure of appropriated funds to conduct natural gas leasing and preleasing activities for any area of the Outer Continental Shelf, to terminate all withdrawals of Federal submerged lands of the Outer Continental Shelf from leasing for exploration for, and development and production of, natural gas, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 15, 2005

Mr. PETERSON of Pennsylvania (for himself and Mr. ABERCROMBIE) introduced the following bill; which was referred to the Committee on Resources, and in addition to the Committees on Energy and Commerce and Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To terminate the effect of all provisions of Federal law that prohibit the expenditure of appropriated funds to conduct natural gas leasing and preleasing activities for any area of the Outer Continental Shelf, to terminate all withdrawals of Federal submerged lands of the Outer Continental Shelf from leasing for exploration for, and development and production of, natural gas, 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,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Outer Continental  
3 Shelf Natural Gas Relief Act”.

4 **SEC. 2. TERMINATION OF PROHIBITIONS ON EXPENDI-**  
5 **TURES FOR, AND WITHDRAWALS FROM, OFF-**  
6 **SHORE GAS LEASING.**

7 (a) PROHIBITIONS ON EXPENDITURES.—All provi-  
8 sions of Federal law that prohibit the expenditure of ap-  
9 propriated funds to conduct natural gas leasing and  
10 preleasing activities for any area of the Outer Continental  
11 Shelf shall have no force or effect.

12 (b) REVOCATION WITHDRAWALS.—All withdrawals  
13 of Federal submerged lands of the Outer Continental Shelf  
14 from leasing, including withdrawals by the President  
15 under the authority of section 12(a) of the Outer Conti-  
16 nental Shelf Lands Act (43 U.S.C. 1341(a)), are hereby  
17 revoked and are no longer in effect with respect to the  
18 leasing of areas for exploration for, and development and  
19 production of, natural gas.

20 **SEC. 3. OUTER CONTINENTAL SHELF LEASING PROGRAM.**

21 (a) STATE APPROVAL REQUIREMENTS.—The Outer  
22 Continental Shelf Lands Act (43 U.S.C. 1331 et seq.) is  
23 amended by inserting after section 9 the following:

1 **“SEC. 10. STATE APPROVAL REQUIREMENT WITH RESPECT**  
2 **TO GAS LEASING.**

3 “The Secretary may not grant any gas lease for any  
4 area of the outer Continental Shelf that is located within  
5 20 miles of the coastline of a State unless the Governor  
6 of the State notifies the Secretary that the State approves  
7 of the granting of such a lease for such area.”.

8 (b) **MINIMUM AREA SUBJECT TO GAS LEASING.—**

9 (1) **REQUIREMENT.—**Section 18(a) of the Outer  
10 Continental Shelf Lands Act (43 U.S.C. 1344(a)) is  
11 amended by inserting after the second sentence the  
12 following: “The Secretary shall, in each 5-year pro-  
13 gram, include lease sales that when viewed as a  
14 whole propose to offer for gas leasing at least 75  
15 percent of the available unleased acreage within each  
16 outer Continental Shelf planning area.”.

17 (2) **APPLICATION.—**The amendment made by  
18 paragraph (1) shall apply with respect to the 5-year  
19 Outer Continental Shelf gas leasing program in ef-  
20 fect on the date of the enactment of this Act, and  
21 to each such 5-year program thereafter.

22 **SEC. 4. SHARING OF REVENUES.**

23 (a) **IN GENERAL.—**Section 8(g) of the Outer Conti-  
24 nental Shelf Lands Act (43 U.S.C. 1337(g)) is amended—

1 (1) in paragraph (2) by striking “Notwith-  
2 standing” and inserting “Except as provided in  
3 paragraph (6), and notwithstanding”;

4 (2) by redesignating paragraphs (6) and (7) as  
5 paragraphs (7) and (8); and

6 (3) by inserting after paragraph (5) the fol-  
7 lowing:

8 “(6) BONUS BIDS AND ROYALTIES AFTER SEP-  
9 TEMBER 30, 2006.—

10 “(A) NEW GAS LEASES.—Of amounts re-  
11 ceived by the United States as bonus bids and  
12 royalties under new Federal gas leases on sub-  
13 merged lands that are located within the sea-  
14 ward boundaries of a State established under  
15 section 4(a)(2)(A)—

16 “(i) 40 percent shall be paid to the  
17 State; and

18 “(ii) 10 percent shall be available for  
19 the Low-Income Home Energy Assistance  
20 Program under the Low-Income Home En-  
21 ergy Assistance Act of 1981 (42 U.S.C.  
22 8621 et seq.).

23 “(B) EXISTING GAS LEASES.—Of amounts  
24 received by the United States as bonus bids and  
25 royalties under existing Federal gas leases on

1 submerged lands that are located within the  
2 seaward boundaries of a State established  
3 under section 4(a)(2)(A), there shall be paid to  
4 the State—

5 “(i) in the case of amounts received in  
6 the first full fiscal year after the date of  
7 the enactment of the Outer Continental  
8 Shelf Natural Gas Relief Act, 10 percent;

9 “(ii) in the case of amounts received  
10 in the second full fiscal year after such  
11 date of enactment, 20 percent;

12 “(iii) in the case of amounts received  
13 in the third full fiscal year after such date  
14 of enactment, 30 percent; and

15 “(iv) in the case of amounts received  
16 in the fourth full fiscal year after such  
17 date of enactment and each fiscal year  
18 thereafter, 40 percent.

19 “(C) LEASED TRACT THAT LIES PAR-  
20 Tially WITHIN THE SEAWARD BOUNDARIES OF  
21 A STATE.—In the case of a leased tract that lies  
22 partially within the seaward boundaries of a  
23 State, the amounts of bonus bids and royalties  
24 from such tract that are subject to subpara-  
25 graph (A) or (B), as applicable, with respect to

1 such State shall be a percentage of the total  
2 amounts of bonus bids and royalties from such  
3 tract that is equivalent to the total percentage  
4 of surface acreage of the tract that lies within  
5 such seaward boundaries.

6 “(D) DEFINITIONS.—In this paragraph:

7 “(i) EXISTING FEDERAL GAS  
8 LEASE.—The term ‘existing Federal gas  
9 lease’ means a gas lease under this Act  
10 granted before the date of the enactment  
11 of the Outer Continental Shelf Natural  
12 Gas Relief Act.

13 “(ii) NEW FEDERAL GAS LEASE.—The  
14 term ‘new Federal gas lease’ means a gas  
15 lease under this Act granted on or after  
16 the date of the enactment of the Outer  
17 Continental Shelf Natural Gas Relief Act.

18 “(E) APPLICATION.—This paragraph shall  
19 apply to bonus bids and royalties received by  
20 the United States after September 30, 2006.”.

21 (b) ESTABLISHMENT OF STATE SEAWARD BOUND-  
22 ARIES.—Section 4(a)(2)(A) of the Outer Continental Shelf  
23 Lands Act (43 U.S.C. 1333(a)(2)(A)) is amended in the  
24 first sentence by striking “, and the President” and all  
25 that follows through the end of the sentence and inserting

1 the following: “. Such extended lines are deemed to be as  
2 indicated on the maps for each outer Continental Shelf  
3 region entitled ‘Alaska OCS Region State Adjacent Zone  
4 and OCS Planning Areas’, ‘Pacific OCS Region State Ad-  
5 jacent Zones and OCS Planning Areas’, ‘Gulf of Mexico  
6 OCS Region State Adjacent Zones and OCS Planning  
7 Areas’, and ‘Atlantic OCS Region State Adjacent Zones  
8 and OCS Planning Areas’, all of which are dated Sep-  
9 tember 2005 and on file in the Office of the Director, Min-  
10 erals Management Service.”.

11 **SEC. 5. NATURAL GAS-ONLY LEASING.**

12 Section 8 of the Outer Continental Shelf Lands Act  
13 (43 U.S.C. 1337) is amended by adding at the end the  
14 following subsection:

15 “(p) NATURAL GAS-ONLY LEASING.—

16 “(1) IN GENERAL.—The Secretary may issue  
17 leases under this section that authorize development  
18 and production only of natural gas and associated  
19 condensate in accordance with regulations promul-  
20 gated under paragraph (2).

21 “(2) REGULATIONS.—Before issuing any lease  
22 under paragraph (1), the Secretary must promulgate  
23 regulations that—

24 “(A) define what constitutes natural gas,  
25 condensate, and oil;

1           “(B) establish the lessee’s rights and obli-  
2           gations regarding condensate produced in asso-  
3           ciation with natural gas;

4           “(C) prescribe procedures and require-  
5           ments that the lessee of a lease issued under  
6           this subsection must follow if the lessee dis-  
7           covers oil deposits in the course of exploration  
8           or development; and

9           “(D) establish such other requirements for  
10          natural gas-only leases as the Secretary con-  
11          siders appropriate.

12          “(3) APPLICATION OF OTHER LAWS.—All provi-  
13          sions of this Act or any other Federal law or regula-  
14          tions that apply to oil and natural gas leases for the  
15          outer Continental Shelf shall apply to natural gas-  
16          only leases authorized under this subsection.

17          “(4) EXISTING LEASES.—At the request of the  
18          lessee of an oil and gas lease in effect under this sec-  
19          tion on the date of enactment of this subsection, and  
20          under the requirements prescribed in regulations  
21          promulgated under paragraph (2), the Secretary  
22          may restrict development under such a lease to nat-  
23          ural gas and associated condensate only.

24          “(5) OIL AND GAS LEASING PROGRAMS.—

1           “(A) PROGRAM FOR 2002–2007.—The Sec-  
2           retary may issue a natural gas-only lease in ac-  
3           cordance with this subsection before June 30,  
4           2007, without amending the outer Continental  
5           shelf leasing program that applies for the pe-  
6           riod beginning on the date of the enactment of  
7           this subsection and ending June 30, 2007, if  
8           the Secretary provides public notice and an op-  
9           portunity to comment on the proposed notice of  
10          sale.

11          “(B) PROGRAM FOR 2007–2012.—The Sec-  
12          retary may include provisions regarding  
13          issuance of natural gas-only leases in the outer  
14          Continental shelf leasing program that applies  
15          for the 5-year period beginning in 2007, not-  
16          withstanding any draft proposal for such pro-  
17          gram issued before the date of the enactment of  
18          this subsection.”.

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