

115TH CONGRESS
1ST SESSION

S. 481

To provide for the withdrawal and protection of certain Federal land in the State of Colorado, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 1, 2017

Mr. BENNET introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To provide for the withdrawal and protection of certain Federal land in the State of Colorado, 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 “Thompson Divide
5 Withdrawal and Protection Act of 2017”.

6 **SEC. 2. FINDINGS AND PURPOSES.**

7 (a) FINDINGS.—Congress finds that—

8 (1) the Thompson Divide in western Colorado
9 provides rural character, a robust agriculture-based

1 economy, and outstanding recreational and sporting
2 opportunities to the public;

3 (2) the Thompson Divide—

4 (A) provides important spring and summer
5 grazing land for historical ranching operations;
6 and

7 (B) was described by President Theodore
8 Roosevelt as a “great, wild country”;

9 (3) the Interior Board of Land Appeals has de-
10 termined that certain mineral leases previously
11 issued within the Thompson Divide are legally defi-
12 cient;

13 (4) the remedy to the deficiencies described in
14 paragraph (3) may result in protracted legal action
15 and uncertainty for surrounding communities and
16 industry; and

17 (5) the communities affected by the leases have
18 requested a solution that—

19 (A) addresses the leasing controversy; and

20 (B) provides long-term certainty for man-
21 agement of Federal land within the Thompson
22 Divide and the surrounding landscape.

23 (b) PURPOSES.—The purposes of this Act are—

24 (1) to provide for the cancellation of certain
25 Federal mineral leases in the Thompson Divide;

1 (2) subject to valid existing rights, to withdraw
 2 certain Federal land in the Thompson Divide area
 3 from future mineral and other disposal laws; and

4 (3) to provide a market-based form of reim-
 5 bursement for cancelled leases.

6 **SEC. 3. DEFINITIONS.**

7 In this Act:

8 (1) NORTH THOMPSON DIVIDE LEASE.—The
 9 term “North Thompson Divide Lease” means each
 10 of the Federal mineral leases numbered COC 66706,
 11 COC 66707, COC 66708, COC 66709, COC 66710,
 12 COC 66711, and COC 66712.

13 (2) SECRETARY.—The term “Secretary” means
 14 the Secretary of the Interior.

15 (3) SOUTH THOMPSON DIVIDE LEASE.—The
 16 term “South Thompson Divide Lease” means each
 17 of the Federal mineral leases numbered COC 66701,
 18 COC 66687, COC 66688, COC 66689, COC 66690,
 19 COC 66691, COC 66692, COC 66693, COC 66694,
 20 COC 66695, COC 66696, COC 66697, COC 66698,
 21 COC 66699, COC 66700, COC 66702, COC 66908,
 22 and COC 66909.

23 (4) STATE.—The term “State” means the State
 24 of Colorado.

1 (5) THOMPSON DIVIDE MAP.—The term
 2 “Thompson Divide map” means the map entitled
 3 “Greater Thompson Divide Area Map” and dated
 4 September 22, 2016.

5 (6) THOMPSON DIVIDE WITHDRAWAL AND PRO-
 6 TECTION AREA.—The term “Thompson Divide With-
 7 drawal and Protection Area” means the Federal
 8 land and minerals at Thompson Divide and adjacent
 9 areas in Gunnison County, Colorado, as generally
 10 depicted on the Thompson Divide map as the
 11 “Thompson Divide Withdrawal and Protection
 12 Area”.

13 (7) WOLF CREEK STORAGE FIELD DEVELOP-
 14 MENT RIGHTS.—

15 (A) IN GENERAL.—The term “Wolf Creek
 16 Storage Field development rights” means the
 17 development rights for each of the Federal min-
 18 eral leases numbered COC 007496, COC
 19 007497, COC 007498, COC 007499, COC
 20 007500, COC 007538, COC 008128, COC
 21 015373, COC 0128018, COC 051645, and
 22 COC 051646, and generally depicted on the
 23 Thompson Divide map as “Wolf Creek Storage
 24 Agreement”.

1 (B) EXCLUSIONS.—The term “Wolf Creek
2 Storage Field development rights” does not in-
3 clude any storage rights or related activities
4 within the area described in subparagraph (A).

5 **SEC. 4. THOMPSON DIVIDE WITHDRAWAL AND PROTEC-**
6 **TION AREA.**

7 (a) WITHDRAWAL.—Subject to valid existing rights,
8 the Thompson Divide Withdrawal and Protection Area is
9 withdrawn from all forms of—

10 (1) entry, appropriation, and disposal under the
11 public land laws;

12 (2) location, entry, and patent under the mining
13 laws; and

14 (3) operation of the mineral leasing, mineral
15 materials, and geothermal leasing laws.

16 (b) SURVEYS.—The exact acreage and legal descrip-
17 tion of the Thompson Divide Withdrawal and Protection
18 Area shall be determined by surveys approved by the Sec-
19 retary, in consultation with the Secretary of Agriculture.

20 **SEC. 5. NORTH THOMPSON DIVIDE LEASE EXCHANGE.**

21 (a) IN GENERAL.—Except as provided in subsection
22 (b), in exchange for the relinquishment by a leaseholder
23 of all North Thompson Divide Leases of the leaseholder,
24 the Secretary may issue to the leaseholder credits for bid,

1 royalty, or rental payments due under Federal oil and gas
2 leases on Federal land in the State.

3 (b) EXCEPTION.—If a North Thompson Divide Lease
4 has been cancelled by the Secretary before the date of en-
5 actment of this Act and the holder of the cancelled lease
6 has been compensated for the cancelled lease, the Sec-
7 retary may not issue credits for bid, royalty, or rental pay-
8 ments for the cancelled lease under subsection (a).

9 (c) AMOUNT OF CREDIT.—

10 (1) IN GENERAL.—The amount of the credits
11 issued to a holder of any North Thompson Divide
12 Leases relinquished under subsection (a) shall—

13 (A) be equal to the sum of—

14 (i) the amount of the bonus bids paid
15 for the applicable North Thompson Divide
16 Leases;

17 (ii) the amount of any rental paid for
18 the applicable North Thompson Divide
19 Leases as of the date on which the holder
20 of the applicable North Thompson Divide
21 Leases notifies the Secretary of the deci-
22 sion to relinquish the applicable North
23 Thompson Divide Leases; and

24 (iii) the amount of any expenses in-
25 curred by the holder of the applicable

1 North Thompson Divide Leases in the
2 preparation of drilling permits, sundry no-
3 tices, or other related submissions in fur-
4 therance of the development of the applica-
5 ble North Thompson Divide Leases as of
6 July 29, 2016, including any expenses re-
7 lated to the preparation of analyses under
8 the National Environmental Policy Act of
9 1969 (42 U.S.C. 4321 et seq.); and

10 (B) require the approval of the Secretary.

11 (2) EXCLUSION.—The amount of a credit
12 issued under subsection (a) shall not include any ex-
13 penses paid by the holder of a North Thompson Di-
14 vide Lease for legal fees or related expenses for legal
15 work with respect to a North Thompson Divide
16 Lease.

17 (d) CANCELLATION.—The North Thompson Divide
18 Leases, on relinquishment and without further action by
19 the Secretary, shall—

20 (1) be permanently cancelled; and

21 (2) not be reissued.

22 (e) CONDITIONS.—

23 (1) APPLICABLE LAW.—Except as otherwise
24 provided in this section, the exchange under this sec-
25 tion shall be conducted in accordance with—

1 (A) this Act; and

2 (B) other applicable laws (including regu-
3 lations).

4 (2) ACCEPTANCE OF CREDITS.—The Secretary
5 shall accept credits issued under subsection (a) in
6 the same manner as cash for the payments described
7 in that subsection.

8 (3) APPLICABILITY.—The use of the credits
9 issued under subsection (a) shall be subject to the
10 laws (including regulations) applicable to the pay-
11 ments described in that subsection, to the extent the
12 laws are consistent with this section.

13 (4) TREATMENT OF CREDITS.—All amounts in
14 the form of credits issued under subsection (a) ac-
15 cepted by the Secretary shall be considered to be
16 amounts received for the purposes of—

17 (A) section 35 of the Mineral Leasing Act
18 (30 U.S.C. 191); and

19 (B) section 20 of the Geothermal Steam
20 Act of 1970 (30 U.S.C. 1019).

21 **SEC. 6. SOUTH THOMPSON DIVIDE LEASE EXCHANGE.**

22 (a) IN GENERAL.—Except as provided in subsection
23 (b), in exchange for the relinquishment by a leaseholder
24 of all South Thompson Divide Leases of the leaseholder,
25 the Secretary may issue to the leaseholder credits for bid,

1 royalty, or rental payments due under Federal oil and gas
2 leases on Federal land in the State.

3 (b) EXCEPTION.—If a South Thompson Divide Lease
4 has been cancelled by the Secretary before the date of en-
5 actment of this Act and the holder of the cancelled lease
6 has been compensated for the cancelled lease, the Sec-
7 retary may not issue credits for bid, royalty, or rental pay-
8 ments for the cancelled lease under subsection (a).

9 (c) AMOUNT OF CREDIT.—

10 (1) IN GENERAL.—The amount of the credits
11 issued to the holder of any South Thompson Divide
12 Leases relinquished under subsection (a) shall—

13 (A) be equal to the sum of—

14 (i) the amount of the bonus bids paid
15 for the applicable South Thompson Divide
16 Leases;

17 (ii) the amount of any rental paid for
18 the applicable South Thompson Divide
19 Leases as of the date on which the holder
20 of the applicable South Thompson Divide
21 Leases notifies the Secretary of the deci-
22 sion to relinquish the applicable South
23 Thompson Divide Leases;

24 (iii) the amount of any expenses in-
25 curred by the holder of the applicable

1 South Thompson Divide Leases in the
2 preparation of drilling permits, sundry no-
3 tices, or other related submissions in fur-
4 therance of the development of the applica-
5 ble South Thompson Divide Leases as of
6 July 29, 2016, including any expenses re-
7 lated to the preparation of analyses under
8 the National Environmental Policy Act of
9 1969 (42 U.S.C. 4321 et seq.); and

10 (iv) the amount of any expenses in-
11 curred by the holder of the applicable
12 South Thompson Divide Leases in the pur-
13 chasing of rights and the preparation of
14 drilling permits, sundry notices, or other
15 related submissions in furtherance of the
16 development of the Wolf Creek Storage
17 Field development rights; and

18 (B) require the approval of the Secretary.

19 (2) EXCLUSION.—The amount of a credit
20 issued under subsection (a) shall not include any ex-
21 penses paid by the holder of a South Thompson Di-
22 vide Lease for legal fees or related expenses for legal
23 work with respect to a South Thompson Divide
24 Lease.

1 (d) CANCELLATION.—The South Thompson Divide
2 Leases, on relinquishment and without further action by
3 the Secretary, shall—

4 (1) be permanently cancelled; and

5 (2) not be reissued.

6 (e) CONDITIONS.—

7 (1) APPLICABLE LAW.—Except as otherwise
8 provided in this section, the exchange under this sec-
9 tion shall be conducted in accordance with—

10 (A) this Act; and

11 (B) other applicable laws (including regu-
12 lations).

13 (2) ACCEPTANCE OF CREDITS.—The Secretary
14 shall accept credits issued under subsection (a) in
15 the same manner as cash for the payments described
16 in that subsection.

17 (3) APPLICABILITY.—The use of the credits
18 issued under subsection (a) shall be subject to the
19 laws (including regulations) applicable to the pay-
20 ments described in that subsection, to the extent the
21 laws are consistent with this section.

22 (4) TREATMENT OF CREDITS.—All amounts in
23 the form of credits issued under subsection (a) ac-
24 cepted by the Secretary shall be considered to be
25 amounts received for the purposes of—

1 (A) section 35 of the Mineral Leasing Act
 2 (30 U.S.C. 191); and

3 (B) section 20 of the Geothermal Steam
 4 Act of 1970 (30 U.S.C. 1019).

5 (f) WOLF CREEK STORAGE FIELD DEVELOPMENT
 6 RIGHTS.—

7 (1) CONVEYANCE TO SECRETARY.—As a condi-
 8 tion precedent to the relinquishment of the South
 9 Thompson Divide Leases, a leaseholder shall perma-
 10 nently relinquish, transfer, and otherwise convey to
 11 the Secretary, in a form acceptable to the Secretary,
 12 all Wolf Creek Storage Field development rights of
 13 the leaseholder.

14 (2) LIMITATION OF TRANSFER.—Any interest
 15 acquired by the Secretary under paragraph (1) shall
 16 be held in perpetuity and not transferred, reissued,
 17 or otherwise used for mineral extraction.

18 **SEC. 7. METHANE LEASING IN THE LOWER NORTH FORK**
 19 **VALLEY.**

20 (a) INVENTORY.—Not later than 1 year after the
 21 date of enactment of this Act, the Secretary shall com-
 22 plete, or shall collaborate with agencies of the State or
 23 with institutions of higher education in the State to com-
 24 plete, an inventory of all significant emissions of methane

1 in the North Fork Valley, Colorado, including methane
2 emissions from active, inactive, and abandoned coal mines.

3 (b) LEASING PROGRAM.—

4 (1) IN GENERAL.—Not later than 1 year after
5 the date of completion of the inventory required
6 under subsection (a), the Secretary shall carry out,
7 to the extent permissible under applicable law, a
8 program to offer for lease Federal methane from ac-
9 tive, inactive, and abandoned coal mines, subject to
10 valid existing rights.

11 (2) CONDITIONS.—The program carried out
12 under paragraph (1) shall—

13 (A) only include methane that can be col-
14 lected and transported in a manner that does
15 not—

16 (i) endanger the safety of coal mine
17 workers; or

18 (ii) unreasonably interfere with ongo-
19 ing operations at coal mines; and

20 (B) provide for the owners or operators of
21 mines with leases that overlap potential meth-
22 ane leases under the program carried out under
23 paragraph (1) to elect to remove the areas from
24 potential methane leasing under the program if
25 the owners or operators determine that the con-

1 ditions described in subparagraph (A) are not
2 met.

3 (c) COAL MINE METHANE ELECTRICAL POWER GEN-
4 ERATION DEMONSTRATION PROGRAM.—

5 (1) IN GENERAL.—Not later than 2 years after
6 the date of completion of the inventory required
7 under subsection (a), the Secretary shall enter into
8 discussions with the eligible entities described in
9 paragraph (2) to develop a program to facilitate the
10 sale and delivery of methane that is subject to sub-
11 section (b), but which has not been leased under
12 that subsection, to one or more of the eligible enti-
13 ties to demonstrate the feasibility, cost-effectiveness,
14 and environmental benefits of producing electrical
15 power from methane from coal mines.

16 (2) DESCRIPTION OF ELIGIBLE ENTITY.—An el-
17 igible entity referred to in paragraph (1) is a rural
18 electric utility, energy cooperative, or municipal util-
19 ity with service area boundaries within 100 miles of
20 Paonia, Colorado.

21 (3) ESTABLISHMENT OF PRICING.—In facili-
22 tating the delivery of methane under paragraph (1),
23 the Secretary shall establish pricing for the sale and
24 delivery of methane that is sufficient to reimburse
25 all costs to the Secretary for the implementation and

1 management of the demonstration program devel-
2 oped under that paragraph.

3 (4) CONTRACTS.—The Secretary may contract
4 with the State or one or more institutions of higher
5 education in the State to provide services to the eli-
6 gible entities described in paragraph (2) to facilitate
7 the program developed under paragraph (1), with all
8 related costs to be included in the pricing established
9 under paragraph (3).

10 **SEC. 8. EFFECT.**

11 Unless expressly provided in this Act, nothing in this
12 Act—

13 (1) expands, diminishes, or impairs any valid
14 existing mineral leases, mineral interest, or other
15 property rights wholly or partially within the
16 Thompson Divide Withdrawal and Protection Area,
17 including access to the leases, rights, or land in ac-
18 cordance with applicable Federal, State, and local
19 laws (including regulations);

20 (2) prevents the capture of methane from ac-
21 tive, inactive, or abandoned coal mines covered by
22 this Act, in accordance with applicable law; or

- 1 (3) prevents access to, or the development of,
- 2 any new or existing coal mine or lease in Delta or
- 3 Gunnison County, Colorado.

○