

117TH CONGRESS
1ST SESSION

S. 2962

To amend the Mineral Leasing Act to ensure market competition in onshore oil and gas leasing, and for other purposes.

IN THE SENATE OF THE UNITED STATES

OCTOBER 7, 2021

Mr. HICKENLOOPER (for himself, Mr. HEINRICH, and Ms. ROSEN) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To amend the Mineral Leasing Act to ensure market competition in onshore oil and gas leasing, 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 “Competitive Onshore
5 Mineral Policy via Eliminating Taxpayer-Enabled Specu-
6 lation Act” or the “COMPETES Act”.

1 **SEC. 2. STATEMENT OF POLICY.**

2 It is the policy of the United States that the Sec-
3 retary of the Interior shall not issue onshore oil and gas
4 leases except through a competitive bidding process.

5 **SEC. 3. ELIMINATION OF NONCOMPETITIVE LEASING**
6 **UNDER THE MINERAL LEASING ACT.**

7 (a) OIL AND GAS LEASING.—Section 17 of the Min-
8 eral Leasing Act (30 U.S.C. 226) is amended—

9 (1) by striking subsection (a) and inserting the
10 following:

11 “(a) LEASING AUTHORITY.—

12 “(1) IN GENERAL.—All land subject to disposi-
13 tion under this Act that is known or believed to con-
14 tain oil or gas deposits may be leased by the Sec-
15 retary.

16 “(2) RECEIPT OF FAIR MARKET VALUE.—In
17 conducting leasing activities under this Act, the Sec-
18 retary shall ensure the receipt by the United States
19 of fair market value for—

20 “(A) any land or resources leased by the
21 United States; and

22 “(B) any rights conveyed by the United
23 States.”;

24 (2) in subsection (b)—

25 (A) in paragraph (1)(A)—

1 (i) in the first sentence, by striking
 2 “paragraphs (2) and (3) of this sub-
 3 section” and inserting “paragraph (2)”;
 4 and

5 (ii) by striking the last sentence; and
 6 (B) by striking paragraph (3);

7 (3) by striking subsection (c) and inserting the
 8 following:

9 “(c) ADDITIONAL ROUNDS OF COMPETITIVE BID-
 10 DING.—Land made available for leasing under subsection
 11 (b)(1) for which no bid is accepted or received, or the land
 12 for which a lease terminates, expires, is cancelled, or is
 13 relinquished, may be made available by the Secretary of
 14 the Interior for a new round of competitive bidding under
 15 that subsection.”; and

16 (4) by striking subsection (e) and inserting the
 17 following:

18 “(e) TERM OF LEASE.—

19 “(1) IN GENERAL.—Any lease issued under this
 20 section, including a lease for tar sand areas, shall be
 21 for a primary term of 10 years.

22 “(2) CONTINUATION OF LEASE.—A lease de-
 23 scribed in paragraph (1) shall continue after the pri-
 24 mary term of the lease for any period during which
 25 oil or gas is produced in paying quantities.

1 “(3) ADDITIONAL EXTENSIONS.—Any lease
 2 issued under this section for land on which, or for
 3 which under an approved cooperative or unit plan of
 4 development or operation, actual drilling operations
 5 were commenced prior to the end of the primary
 6 term of the lease and are being diligently prosecuted
 7 at the time the primary term of the lease ends shall
 8 be extended for 2 years and for any period there-
 9 after during which oil or gas is produced in paying
 10 quantities.”.

11 (b) CONFORMING AMENDMENTS.—Section 31 of the
 12 Mineral Leasing Act (30 U.S.C. 188) is amended—

13 (1) in subsection (d)(1), in the first sentence,
 14 by striking “or section 17(e) of this Act”;

15 (2) in subsection (e)—

16 (A) in paragraph (2)—

17 (i) by striking “either”; and

18 (ii) by striking “or the inclusion” and
 19 all that follows through “, all”; and

20 (B) in paragraph (3)—

21 (i) in subparagraph (A), by adding
 22 “and” after the semicolon;

23 (ii) by striking subparagraph (B); and

24 (iii) by striking “(3)(A) payment” and
 25 inserting the following:

1 “(3) payment”;

2 (3) in subsection (g)—

3 (A) in paragraph (1), by striking “as a
4 competitive” and all that follows through “of
5 this Act” and inserting “in the same manner as
6 the original lease issued pursuant to section
7 17”;

8 (B) by striking paragraph (2);

9 (C) by redesignating paragraphs (3) and
10 (4) as paragraphs (2) and (3), respectively; and

11 (D) in paragraph (2) (as so redesignated),
12 by striking “applicable to leases issued under
13 subsection 17(c) of this Act (30 U.S.C. 226(c))
14 except,” and inserting “except”;

15 (4) in subsection (h), by striking “subsections
16 (d) and (f) of this section” and inserting “subsection
17 (d)”;

18 (5) in subsection (i), by striking “(i)(1) In act-
19 ing” and all that follows through “of this section”
20 in paragraph (2) and inserting the following:

21 “(i) ROYALTY REDUCTION IN REINSTATED
22 LEASES.—In acting on a petition for reinstatement pursu-
23 ant to subsection (d)”;

24 (6) by striking subsection (f); and

- 1 (7) by redesignating subsections (g) through (j)
- 2 as subsections (f) through (i), respectively.

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