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(Original Signature of Member)

119TH CONGRESS
2D SESSION

H. R. _____

To amend the Energy Policy Act of 2005 and certain mineral leasing laws
to reform oil and gas royalty relief, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Ms. DEXTER introduced the following bill; which was referred to the
Committee on _____

A BILL

To amend the Energy Policy Act of 2005 and certain mineral
leasing laws to reform oil and gas royalty relief, 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 “Taxpayer Relief from
5 Big Oil Act”.

6 **SEC. 2. ROYALTY RELIEF REFORM.**

7 (a) GULF OF MEXICO ROYALTY RELIEF.—

1 (1) REPEAL.—Section 344 of the Energy Policy
2 Act of 2005 (42 U.S.C. 15904) is repealed.

3 (2) REGULATIONS.—Any regulations issued
4 under section 344 of the Energy Policy Act of 2005
5 before the date of enactment of this section shall
6 have no force or effect.

7 (b) ALASKA ROYALTY RELIEF.—

8 (1) PROVISIONS RELATING TO PLANNING AREAS
9 OFFSHORE ALASKA.—Section 8(a)(3)(B) of the
10 Outer Continental Shelf Lands Act (43 U.S.C.
11 1337(a)(3)(B)) is amended by striking “and in the
12 Planning Areas offshore Alaska” after “West lon-
13 gitude”.

14 (2) PROVISIONS RELATING TO NAVAL PETRO-
15 LEUM RESERVE IN ALASKA.—The Naval Petroleum
16 Reserves Production Act of 1976 is amended—

17 (A) in section 104(a) (42 U.S.C. 6504(a))
18 by striking “to the extent consistent with the
19 requirements of this Act for the exploration of
20 the reserve”; and

21 (B) in section 107 (42 U.S.C. 6506a)—

22 (i) in subsection (i)—

23 (I) by striking “(1) IN GEN-
24 ERAL.—”; and

1 (II) by striking paragraphs (2)
2 through (6);
3 (ii) by striking subsection (k); and
4 (iii) by redesignating subsections (l)
5 through (p) as subsections (k) through (o),
6 respectively.

7 (c) ROYALTY RELIEF REPORT.—Not later than 90
8 days after the date of enactment of this Act, and annually
9 thereafter, the Director of the Bureau of Land Manage-
10 ment and the Director of the Bureau of Ocean Energy
11 Management shall submit to the Committee on Natural
12 Resources of the House of Representatives and the Com-
13 mittee on Energy and Natural Resources of the Senate
14 a report detailing, with respect to the preceding year—

15 (1) the number of onshore and offshore oil and
16 gas royalty relief applicants;

17 (2) the number of onshore and offshore oil and
18 gas royalty relief applications approved or denied
19 and any reasoning provided by the agency for ap-
20 provals;

21 (3) the number of wells approved and denied
22 for royalty relief;

23 (4) the number of wells approved for royalty re-
24 lief that produced oil or gas during the period of 6

1 months beginning on the date on which an applica-
2 tion for royalty relief for the well was made;

3 (5) the average amount of production from
4 wells for which royalty relief was approved;

5 (6) the length of royalty relief periods;

6 (7) the new royalty rate for approved applica-
7 tions; and

8 (8) any estimates of the difference in revenue
9 and production resulting from the approved royalty
10 relief.

11 **SEC. 3. STANDARDIZED OIL AND GAS TRANSPORTATION AL-**
12 **LOWANCE.**

13 (a) IN GENERAL.—Not later than one year after the
14 date of enactment of this Act, the Secretary of the Inte-
15 rior, acting through the Office of Natural Resources Rev-
16 enue, shall issue or revise regulations to establish stand-
17 ardized transportation allowances for the calculation of oil
18 and gas royalties for—

19 (1) each Bureau of Land Management oil and
20 gas administrative boundaries; and

21 (2) each Outer Continental Shelf planning area
22 in which oil or gas is produced.

23 (b) MAXIMUM TRANSPORTATION ALLOWANCE.—
24 Each standardized transportation allowance established by

1 regulation under subsection (a) shall not exceed the lesser
2 of—

3 (1) the amount that is equal to 30 percent of
4 the total value of the oil and gas that is produced;
5 and

6 (2) the amount that is equal to actual and rea-
7 sonable transportation costs.