

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 7377
OFFERED BY MR. HUNT OF TEXAS**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Royalty Resiliency
3 Act”.

**4 SEC. 2. DETERMINATION OF ALLOCATIONS OF PRODUC-
5 TION FOR UNITS AND COMMUNITIZATION
6 AGREEMENTS.**

7 Section 111(j) of the Federal Oil and Gas Royalty
8 Management Act of 1982 (30 U.S.C. 1721(j)), as amend-
9 ed by the Federal Oil and Gas Royalty Simplification and
10 Fairness Act of 1996 (Public Law 104–185), is amended
11 to read as follows:

12 “(j) The Secretary shall issue all determinations of
13 allocations of production for units and communitization
14 agreements within 120 days of a request for determina-
15 tion. Until the Secretary issues the determination, the les-
16 see or its designee of a lease in a unit or communitization
17 agreement shall report and pay royalties on oil and gas
18 production for each production month in accordance with

1 the terms of the proposed allocation of production for the
2 unit or communitization agreement. After the Secretary
3 issues the determination, the lessee or its designee shall,
4 as necessary, correct such reports and the amount of roy-
5 alties paid on oil and gas production under the unit or
6 communitization agreement by not later than the end of
7 the third month following the month in which the lessee
8 or its designee receives the determination from the Sec-
9 retary. Subject to the full and timely monthly payment
10 of royalties to all parties in accordance with the terms of
11 the proposed allocation of production for the unit or
12 communitization agreement, the Secretary shall waive in-
13 terest due on obligations subject to the determination until
14 the end of the third month following the month in which
15 the lessee or its designee receives the determination from
16 the Secretary. This subsection shall not apply to unit or
17 communization agreements containing Indian lands.”.

