

Union Calendar No.

118TH CONGRESS
2^D SESSION

H. R. 7377

[Report No. 118-]

To amend the Federal Oil and Gas Royalty Management Act of 1982 to improve the management of royalties from oil and gas leases, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 15, 2024

Mr. HUNT (for himself, Mr. NEHLS, Mr. WEBER of Texas, and Mr. BABIN) introduced the following bill; which was referred to the Committee on Natural Resources

APRIL --, 2024

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italics]

[For text of introduced bill, see copy of bill as introduced on February 15, 2024]

A BILL

To amend the Federal Oil and Gas Royalty Management Act of 1982 to improve the management of royalties from oil and gas leases, and for other purposes.

1 **SECTION 1. SHORT TITLE.**

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

3 **SEC. 2. DETERMINATION OF ALLOCATIONS OF PRODUCTION**
4 **FOR UNITS AND COMMUNITIZATION**
5 **AGREEMENTS.**

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

11 *“(j) The Secretary shall issue all determinations of al-*
12 *locations of production for units and communitization*
13 *agreements within 120 days of a request for determination.*
14 *Until the Secretary issues the determination, the lessee or*
15 *its designee of a lease in a unit or communitization agree-*
16 *ment shall report and pay royalties on oil and gas produc-*
17 *tion for each production month in accordance with the*
18 *terms of the proposed allocation of production for the unit*
19 *or communitization agreement. After the Secretary issues*
20 *the determination, the lessee or its designee shall, as nec-*
21 *essary, correct such reports and the amount of royalties*
22 *paid on oil and gas production under the unit or*
23 *communitization agreement by not later than the end of*
24 *the third month following the month in which the lessee or*
25 *its designee receives the determination from the Secretary.*
26 *Subject to the full and timely monthly payment of royalties*

1 *to all parties in accordance with the terms of the proposed*
2 *allocation of production for the unit or communitization*
3 *agreement, the Secretary shall waive interest due on obliga-*
4 *tions subject to the determination until the end of the third*
5 *month following the month in which the lessee or its des-*
6 *ignee receives the determination from the Secretary. This*
7 *subsection shall not apply to unit or communization agree-*
8 *ments containing Indian lands.”.*