

Suspend the Rules and Pass the Bill, H.R. 7377, With an Amendment

(The amendment strikes all after the enacting clause and inserts a new text)

118TH CONGRESS
2^D SESSION

H. R. 7377

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

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 *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 “Royalty Resiliency
5 Act”.

1 **SEC. 2. DETERMINATION OF ALLOCATIONS OF PRODUC-**
2 **TION FOR UNITS AND COMMUNITIZATION**
3 **AGREEMENTS.**

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

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

1 communitization agreement, the Secretary shall waive in-
2 terest due on obligations subject to the determination until
3 the end of the third month following the month in which
4 the lessee or its designee receives the determination from
5 the Secretary. This subsection shall not apply to unit or
6 communization agreements containing Indian lands.”.