

112TH CONGRESS
1ST SESSION

S. 600

To promote the diligent development of Federal oil and gas leases, and
for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 16, 2011

Mr. MENENDEZ (for himself, Mr. SCHUMER, Mr. NELSON of Florida, Mr. WHITEHOUSE, Mr. DURBIN, Mr. FRANKEN, and Mr. MERKLEY) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To promote the diligent development of Federal 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 “Use It or Lose It Act
5 of 2011”.

6 **SEC. 2. DILIGENT DEVELOPMENT OF FEDERAL OIL AND**
7 **GAS LEASES.**

8 (a) CLARIFICATION OF EXISTING LAW.—Each lease
9 that authorizes the exploration for or production of oil or

1 natural gas under a provision of law described in sub-
2 section (b) shall be diligently developed by the person hold-
3 ing the lease in order to ensure timely production from
4 the lease.

5 (b) COVERED PROVISIONS.—Subsection (a) shall
6 apply to—

7 (1) section 17 of the Mineral Leasing Act (30
8 U.S.C. 226); and

9 (2) the Outer Continental Shelf Lands Act (43
10 U.S.C. 1331 et seq.).

11 **SEC. 3. NONPRODUCING LEASE FEE.**

12 (a) ONSHORE OIL AND GAS LEASES.—Section 17 of
13 the Mineral Leasing Act (30 U.S.C. 226) is amended by
14 adding at the end the following:

15 “(q) NONPRODUCING LEASE FEE.—In the case of
16 any lease for oil or gas issued on or after the date of enact-
17 ment of this subsection, as a condition of the lease, the
18 Secretary shall require the lessee to pay an annual fee of
19 \$4 per acre on the acres covered by the lease if production
20 is not occurring.”.

21 (b) OUTER CONTINENTAL SHELF OIL AND GAS
22 LEASES.—Section 8 of the Outer Continental Shelf Lands
23 Act (43 U.S.C. 1337(d)) is amended—

24 (1) by striking “(d) No bid” and inserting the
25 following:

1 “(d) DUE DILIGENCE.—

2 “(1) IN GENERAL.—No bid”; and

3 (2) by adding at the end the following:

4 “(2) NONPRODUCING LEASE FEE.—In the case
5 of any lease for oil or gas issued on or after the date
6 of enactment of this paragraph, as a condition of the
7 lease, the Secretary shall require the lessee to pay
8 an annual fee of \$4 per acre on the acres covered
9 by the lease if production is not occurring.”.

10 **SEC. 4. REGULATIONS.**

11 In the case of leases covered by this Act and the
12 amendments made by this Act, not later than 180 days
13 after the date of enactment of this Act, the Secretary of
14 the Interior shall issue regulations that—

15 (1) set forth requirements and benchmarks for
16 oil and gas development that will ensure that lease-
17 holders—

18 (A) diligently develop each lease; and

19 (B) to the maximum extent practicable,
20 produce oil and gas from each lease during the
21 primary term of the lease;

22 (2) require each leaseholder to submit to the
23 Secretary a diligent development plan describing how
24 the lessee will meet the benchmarks;

1 (3) in establishing requirements under para-
2 graphs (1) and (2), take into account the differences
3 in development conditions and circumstances in the
4 areas to be developed; and
5 (4) implement the fee requirements established
6 by the amendments made by section 3.

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