To amend the Mineral Leasing Act to ensure market competition in onshore oil and gas leasing, and for other purposes.

IN THE SENATE OF THE UNITED STATES

introduced the following bill; which was read twice and referred to the Committee on

A BILL

To amend the Mineral Leasing Act to ensure market competition in onshore oil and gas leasing, and for other purposes.

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Competitive Onshore Mineral Policy via Eliminating Taxpayer-Enabled Specu-
ation Act” or the “COMPETES Act”.

SEC. 2. STATEMENT OF POLICY.

It is the policy of the United States that the Sec-
retary of the Interior shall not issue onshore oil and gas leases except through a competitive bidding process.
SEC. 3. ELIMINATION OF NONCOMPETITIVE LEASING UNDER THE MINERAL LEASING ACT.

(a) OIL AND GAS LEASING.—Section 17 of the Mineral Leasing Act (30 U.S.C. 226) is amended—

(1) by striking subsection (a) and inserting the following:

“(a) LEASING AUTHORITY.—

“(1) IN GENERAL.—All land subject to disposition under this Act that is known or believed to contain oil or gas deposits may be leased by the Secretary.

“(2) RECEIPT OF FAIR MARKET VALUE.—In conducting leasing activities under this Act, the Secretary shall ensure the receipt by the United States of fair market value for—

“(A) any land or resources leased by the United States; and

“(B) any rights conveyed by the United States.”;

(2) in subsection (b)—

(A) in paragraph (1)(A)—

(i) in the first sentence, by striking “paragraphs (2) and (3) of this subsection” and inserting “paragraph (2)”;

and

(ii) by striking the last sentence; and
(B) by striking paragraph (3);

(3) by striking subsection (e) and inserting the following:

“(e) Additional Rounds of Competitive Bidding.—Land made available for leasing under subsection (b)(1) for which no bid is accepted or received, or the land for which a lease terminates, expires, is cancelled, or is relinquished, may be made available by the Secretary of the Interior for a new round of competitive bidding under that subsection.”; and

(4) by striking subsection (e) and inserting the following:

“(e) Term of Lease.—

“(1) In General.—Any lease issued under this section, including a lease for tar sand areas, shall be for a primary term of 10 years.

“(2) Continuation of Lease.—A lease described in paragraph (1) shall continue after the primary term of the lease for any period during which oil or gas is produced in paying quantities.

“(3) Additional Extensions.—Any lease issued under this section for land on which, or for which under an approved cooperative or unit plan of development or operation, actual drilling operations were commenced prior to the end of the primary
term of the lease and are being diligently prosecuted
at the time the primary term of the lease ends shall
be extended for 2 years and for any period there-
after during which oil or gas is produced in paying
quantities.”.

(b) CONFORMING AMENDMENTS.—Section 31 of the
Mineral Leasing Act (30 U.S.C. 188) is amended—
(1) in subsection (d)(1), in the first sentence,
by striking “or section 17(c) of this Act”;
(2) in subsection (e)—
(A) in paragraph (2)—
(i) by striking “either”; and
(ii) by striking “or the inclusion” and
all that follows through “, all”; and
(B) in paragraph (3)—
(i) in subparagraph (A), by adding
“and” after the semicolon;
(ii) by striking subparagraph (B); and
(iii) by striking “(3)(A) payment” and
inserting the following:
“(3) payment”;
(3) in subsection (g)—
(A) in paragraph (1), by striking “as a
competitive” and all that follows through “of
this Act” and inserting “in the same manner as
the original lease issued pursuant to section 17’’;

(B) by striking paragraph (2);

(C) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively; and

(D) in paragraph (2) (as so redesignated), by striking “applicable to leases issued under subsection 17(c) of this Act (30 U.S.C. 226(c)) except,’’ and inserting “except’’;

(4) in subsection (h), by striking “subsections (d) and (f) of this section” and inserting “subsection (d)”;

(5) in subsection (i), by striking “(i)(1) In acting’’ and all that follows through “of this section” in paragraph (2) and inserting the following:

“(i) Royalty Reduction in Reinstated Leases.—In acting on a petition for reinstatement pursuant to subsection (d)”;

(6) by striking subsection (f); and

(7) by redesignating subsections (g) through (j) as subsections (f) through (i), respectively.