

117TH CONGRESS  
1ST SESSION

**S.** \_\_\_\_\_

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

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IN THE SENATE OF THE UNITED STATES

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

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**A BILL**

To amend the Mineral Leasing Act to ensure market competition in onshore oil and gas leasing, 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 “Competitive Onshore  
5 Mineral Policy via Eliminating Taxpayer-Enabled Specu-  
6 lation Act” or the “COMPETES Act”.

7 **SEC. 2. STATEMENT OF POLICY.**

8 It is the policy of the United States that the Sec-  
9 retary of the Interior shall not issue onshore oil and gas  
10 leases except through a competitive bidding process.

1 **SEC. 3. ELIMINATION OF NONCOMPETITIVE LEASING**  
2 **UNDER THE MINERAL LEASING ACT.**

3 (a) OIL AND GAS LEASING.—Section 17 of the Min-  
4 eral Leasing Act (30 U.S.C. 226) is amended—

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

7 “(a) LEASING AUTHORITY.—

8 “(1) IN GENERAL.—All land subject to disposi-  
9 tion under this Act that is known or believed to con-  
10 tain oil or gas deposits may be leased by the Sec-  
11 retary.

12 “(2) RECEIPT OF FAIR MARKET VALUE.—In  
13 conducting leasing activities under this Act, the Sec-  
14 retary shall ensure the receipt by the United States  
15 of fair market value for—

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

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

20 (2) in subsection (b)—

21 (A) in paragraph (1)(A)—

22 (i) in the first sentence, by striking  
23 “paragraphs (2) and (3) of this sub-  
24 section” and inserting “paragraph (2)”;  
25 and

26 (ii) by striking the last sentence; and

1 (B) by striking paragraph (3);

2 (3) by striking subsection (c) and inserting the  
3 following:

4 “(c) ADDITIONAL ROUNDS OF COMPETITIVE BID-  
5 DING.—Land made available for leasing under subsection  
6 (b)(1) for which no bid is accepted or received, or the land  
7 for which a lease terminates, expires, is cancelled, or is  
8 relinquished, may be made available by the Secretary of  
9 the Interior for a new round of competitive bidding under  
10 that subsection.”; and

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

13 “(e) TERM OF LEASE.—

14 “(1) IN GENERAL.—Any lease issued under this  
15 section, including a lease for tar sand areas, shall be  
16 for a primary term of 10 years.

17 “(2) CONTINUATION OF LEASE.—A lease de-  
18 scribed in paragraph (1) shall continue after the pri-  
19 mary term of the lease for any period during which  
20 oil or gas is produced in paying quantities.

21 “(3) ADDITIONAL EXTENSIONS.—Any lease  
22 issued under this section for land on which, or for  
23 which under an approved cooperative or unit plan of  
24 development or operation, actual drilling operations  
25 were commenced prior to the end of the primary

1 term of the lease and are being diligently prosecuted  
2 at the time the primary term of the lease ends shall  
3 be extended for 2 years and for any period there-  
4 after during which oil or gas is produced in paying  
5 quantities.”.

6 (b) CONFORMING AMENDMENTS.—Section 31 of the  
7 Mineral Leasing Act (30 U.S.C. 188) is amended—

8 (1) in subsection (d)(1), in the first sentence,  
9 by striking “or section 17(c) of this Act”;

10 (2) in subsection (e)—

11 (A) in paragraph (2)—

12 (i) by striking “either”; and

13 (ii) by striking “or the inclusion” and  
14 all that follows through “, all”; and

15 (B) in paragraph (3)—

16 (i) in subparagraph (A), by adding  
17 “and” after the semicolon;

18 (ii) by striking subparagraph (B); and

19 (iii) by striking “(3)(A) payment” and  
20 inserting the following:

21 “(3) payment”;

22 (3) in subsection (g)—

23 (A) in paragraph (1), by striking “as a  
24 competitive” and all that follows through “of  
25 this Act” and inserting “in the same manner as

1 the original lease issued pursuant to section  
2 17”;

3 (B) by striking paragraph (2);

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

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

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

13 (5) in subsection (i), by striking “(i)(1) In act-  
14 ing” and all that follows through “of this section”  
15 in paragraph (2) and inserting the following:

16 “(i) ROYALTY REDUCTION IN REINSTATED  
17 LEASES.—In acting on a petition for reinstatement pursu-  
18 ant to subsection (d)”;

19 (6) by striking subsection (f); and

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