Page 4, line 19, strike the closing quotation marks and the second period, and after line 19 insert the following new paragraph:

“(7) Eligibility for new leases and the transfer of leases.—

“(A) Issuance of new leases.—

“(i) In general.—In each oil and gas leasing program under this section, beginning with the 2012-2017 5-year program, the Secretary of the Interior shall specify that the Secretary will not accept bids on any new leases offered pursuant to this Act from a person described in paragraph (2) unless the person has renegotiated each covered lease with respect to which the person is a lessee, to modify the payment responsibilities of the person to require the payment of royalties if the price of oil and natural gas is greater than or equal to the price thresholds described in clauses (v) through (vii) of section
8(a)(3)(C) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)(3)(C)).

“(ii) PERSONS DESCRIBED.—A person referred to in clause (i) is a person that—

“(I) is a lessee that—

“(aa) holds a covered lease on the date on which the Secretary considers the issuance of the new lease; or

“(bb) was issued a covered lease before the date of enactment of this Act, but transferred the covered lease to another person or entity (including a subsidiary or affiliate of the lessee) after the date of enactment of this Act; or

“(II) any other person that has any direct or indirect interest in, or that derives any benefit from, a covered lease.

“(iii) MULTIPLE LESSEES.—

“(I) IN GENERAL.—For purposes of clause (1), if there are multiple lessees that own a share of a covered
lease, the Secretary may implement separate agreements with any lessee with a share of the covered lease that modifies the payment responsibilities with respect to the share of the lessee to include price thresholds that are equal to or less than the price thresholds described in clauses (v) through (vii) of section 8(a)(3)(C) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)(3)(C)).

“(II) Treatment of share as covered lease.—Beginning on the effective date of an agreement under subclause (I), any share subject to the agreement shall not constitute a covered lease with respect to any lessees that entered into the agreement.

“(B) Transfers.—A lessee or any other person who has any direct or indirect interest in, or who derives a benefit from, a covered lease shall not be eligible to obtain by sale or other transfer (including through a swap, spin-off, servicing, or other agreement) any new lease made available in an oil and gas leasing
program under this section, or the economic benefit of such a new lease, unless the lessee or other person has—

“(i) renegotiated each covered lease with respect to which the lessee or person is a lessee, to modify the payment responsibilities of the lessee or person to include price thresholds that are equal to or less than the price thresholds described in clauses (v) through (vii) of section 8(a)(3)(C) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)(3)(C)); or

“(ii) entered into an agreement with the Secretary to modify the terms of all covered leases of the lessee or other person to include limitations on royalty relief based on market prices that are equal to or less than the price thresholds described in clauses (v) through (vii) of section 8(a)(3)(C) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)(3)(C)).

“(C) DEFINITIONS.—In this paragraph—

“(i) COVERED LEASE.—The term ‘covered lease’ means a lease for oil or gas production in the Gulf of Mexico that is—
“(I) in existence on the date of enactment of this Act;

“(II) issued by the Department of the Interior under section 304 of the Outer Continental Shelf Deep Water Royalty Relief Act (43 U.S.C. 1337 note; Public Law 104–58); and

“(III) not subject to limitations on royalty relief based on market price that are equal to or less than the price thresholds described in clauses (v) through (vii) of section 8(a)(3)(C) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(a)(3)(C)).

“(ii) LESSEE.—The term ‘lessee’ includes any person or other entity that controls, is controlled by, or is in or under common control with, a lessee.

“(iii) NEW LEASE.—The term ‘new lease’ means a lease issued in a lease sale under this Act.
“(iv) SECRETARY.—The term ‘Secretary’ means the Secretary of the Interior.”.