

AMENDMENT TO H.R. 1231, AS REPORTED**OFFERED BY _____**

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

1 “(7) ELIGIBILITY FOR NEW LEASES AND THE
2 TRANSFER OF LEASES.—

3 “(A) ISSUANCE OF NEW LEASES.—

4 “(i) IN GENERAL.—In each oil and
5 gas leasing program under this section, be-
6 ginning with the 2012-2017 5-year pro-
7 gram, the Secretary of the Interior shall
8 specify that the Secretary will not accept
9 bids on any new leases offered pursuant to
10 this Act from a person described in para-
11 graph (2) unless the person has renegoti-
12 ated each covered lease with respect to
13 which the person is a lessee, to modify the
14 payment responsibilities of the person to
15 require the payment of royalties if the
16 price of oil and natural gas is greater than
17 or equal to the price thresholds described
18 in clauses (v) through (vii) of section

1 8(a)(3)(C) of the Outer Continental Shelf
2 Lands Act (43 U.S.C. 1337(a)(3)(C)).

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

5 “(I) is a lessee that—

6 “(aa) holds a covered lease
7 on the date on which the Sec-
8 retary considers the issuance of
9 the new lease; or

10 “(bb) was issued a covered
11 lease before the date of enact-
12 ment of this Act, but transferred
13 the covered lease to another per-
14 son or entity (including a sub-
15 sidiary or affiliate of the lessee)
16 after the date of enactment of
17 this Act; or

18 “(II) any other person that has
19 any direct or indirect interest in, or
20 that derives any benefit from, a cov-
21 ered lease.

22 “(iii) MULTIPLE LESSEES.—

23 “(I) IN GENERAL.—For purposes
24 of clause (1), if there are multiple les-
25 sees that own a share of a covered

1 lease, the Secretary may implement
2 separate agreements with any lessee
3 with a share of the covered lease that
4 modifies the payment responsibilities
5 with respect to the share of the lessee
6 to include price thresholds that are
7 equal to or less than the price thresh-
8 olds described in clauses (v) through
9 (vii) of section 8(a)(3)(C) of the Outer
10 Continental Shelf Lands Act (43
11 U.S.C. 1337(a)(3)(C)).

12 “(II) TREATMENT OF SHARE AS
13 COVERED LEASE.—Beginning on the
14 effective date of an agreement under
15 subclaseu (I), any share subject to the
16 agreement shall not constitute a cov-
17 ered lease with respect to any lessees
18 that entered into the agreement.

19 “(B) TRANSFERS.—A lessee or any other
20 person who has any direct or indirect interest
21 in, or who derives a benefit from, a covered
22 lease shall not be eligible to obtain by sale or
23 other transfer (including through a swap, spin-
24 off, servicing, or other agreement) any new
25 lease made available in an oil and gas leasing

1 program under this section, or the economic
2 benefit of such a new lease, unless the lessee or
3 other person has—

4 “(i) renegotiated each covered lease
5 with respect to which the lessee or person
6 is a lessee, to modify the payment respon-
7 sibilities of the lessee or person to include
8 price thresholds that are equal to or less
9 than the price thresholds described in
10 clauses (v) through (vii) of section
11 8(a)(3)(C) of the Outer Continental Shelf
12 Lands Act (43 U.S.C. 1337(a)(3)(C)); or

13 “(ii) entered into an agreement with
14 the Secretary to modify the terms of all
15 covered leases of the lessee or other person
16 to include limitations on royalty relief
17 based on market prices that are equal to or
18 less than the price thresholds described in
19 clauses (v) through (vii) of section
20 8(a)(3)(C) of the Outer Continental Shelf
21 Lands Act (43 U.S.C. 1337(a)(3)(C)).

22 “(C) DEFINITIONS.—In this paragraph—

23 “(i) COVERED LEASE.—The term
24 ‘covered lease’ means a lease for oil or gas
25 production in the Gulf of Mexico that is—

1 “(I) in existence on the date of
2 enactment of this Act;

3 “(II) issued by the Department
4 of the Interior under section 304 of
5 the Outer Continental Shelf Deep
6 Water Royalty Relief Act (43 U.S.C.
7 1337 note; Public Law 104–58); and

8 “(III) not subject to limitations
9 on royalty relief based on market
10 price that are equal to or less than
11 the price thresholds described in
12 clauses (v) through (vii) of section
13 8(a)(3)(C) of the Outer Continental
14 Shelf Lands Act (43 U.S.C.
15 1337(a)(3)(C)).

16 “(ii) LESSEE.—The term ‘lessee’ in-
17 cludes any person or other entity that con-
18 trols, is controlled by, or is in or under
19 common control with, a lessee.

20 “(iii) NEW LEASE.—The term ‘new
21 lease’ means a lease issued in a lease sale
22 under this Act.

1 “(iv) SECRETARY.—The term ‘Sec-
2 retary’ means the Secretary of the Inte-
3 rior.”.

