non-conventional fuel tax credit enacted in 1980.

Indeed, when I championed coalbed methane legislation as part of the Energy Policy Act of 1992 in my then capacity as chairman of the House Subcommittee on Mining and Natural Resources, we examined this issue and found no need to include provisions relating to situations where coalbed methane was being developed in situations involving federal estates or the reservation of the coal resources.

However, on July 20th of this year, in a somewhat tortured manner, the Tenth Circuit Court of Appeals asserted that coalbed methane is part of the coal, rather than a separate mineral resource. This ruling came as a result of litigation pursued by the Southern Ute Tribe in Colorado which claimed ownership of coalbed methane from coal it acquired under the terms of the Indian Reorganization Act of 1934 as a successor in interest to the statutory reservation of coal by the United States under the terms of the 1909 and 1910 Acts.

This ruling, obviously, has far-reaching ramifications for any entity which is producing coalbed methane where a federal land or mineral interest lies. In effect, the rules of the game have suddenly been changed on them in a manner which jeopardizes millions of dollars of investment.

The legislation before us seeks to mitigate the potentially disastrous affects of the Court's ruling by preserving the sanctity of existing coalbed methane leases associated with federally-owned coal reserves. It does not apply to such leases where the coal reserves have been conveyed to a federally-recognized Indian Tribe, thus upholding the Court's ruling as it would narrowly apply to the interests of the Southern Ute and similar tribes.

Mr. Speaker, I commend this bill to the House. While the focus of this legislation is on coalbed methane in the western States, this energy resource is of increasing importance to the Nation as a whole especially as we continue to work to foster a coalbed methane industry in the East on private lands under the terms of the Energy Policy Act of 1992.

Mrs. CUBIN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Wyoming (Mrs. CUBIN) that the House suspend the rules and pass the Senate bill, S. 2500.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate bill was passed.

A motion to reconsider was laid on the table.

PROVIDING FOR CONTINUANCE OF OIL AND GAS OPERATIONS PURSUANT TO CERTAIN EXISTING LEASES IN WAYNE NATIONAL FOREST

Mrs. CUBIN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1467) to provide for the continuance of oil and gas operations pursuant to certain existing leases in the Wayne National Forest, as amended.

The Clerk read as follows:

H.R. 1467

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

SECTION 1. OIL AND GAS WELLS IN WAYNE NATIONAL FOREST, OHIO.

(a) AUTHORITY.—The Secretary of the Interior may enter into noncompetitive oil and gas production and reclamation contracts in accordance with this section with operators of wells in the Wayne National Forest in the State of Ohio who meet the criteria of section 17(b)(3)(A) of the Act of February 25, 1920 (30 U.S.C. 226(b)(3)(A)) pursuant to private land mineral leases which were in effect on and after the date of the enactment of this section, subject to the same laws and regulations that applied to those private land mineral leases.

(b) ADDITIONAL DRILLING.—No contract under this section may authorize deeper completions or additional drilling.

(c) BONDING.—

(1) WAIVER OF FEDERAL BONDING.—Each contract under this section shall require the contractor to provide a Federal oil and gas bond to ensure complete and timely reclamation of the former lease tract in accordance with the regulations of the Bureau of Land Management and the Forest Service, unless the Secretary of the Interior accepts in lieu thereof assurances from the Ohio Department of Natural Resources, Division of Oil and Gas, that—

(A) the contractor has duly satisfied the bonding requirements of the State of Ohio; and following inspection of operator performance, the Ohio Department of Natural Resources is not opposed to such waiver of Federal bonding requirements;

(B) the United States of America is entitled to apply for and receive funding under the provision of section 1509.071 of the Ohio Revised Code so as to properly plug and restore oil and gas sites and lease tracts; and

(C) during the 2 years prior to the date on which the contract is entered into no less than 20 percent of Ohio State severance tax revenues has been allocated to the State of Ohio Orphan Well Fund.

(2) CONTINUED COMPLIANCE WITH 20 PERCENT REQUIREMENT.—In entering into any contract under this section, the Secretary of the Interior shall reserve the right to require the contractor to comply with all Federal oil and gas bonding requirements applicable to Federal oil and gas leases under the regulations of the Bureau of Land Management and the Forest Service whenever the Secretary finds that less than 20 percent of Ohio State severance tax revenues has been allocated to the State of Ohio Orphan Well Fund.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Wyoming (Mrs. CUBIN) and the gentleman from California (Mr. MILLER) each will control 20 minutes.

The Chair recognizes the gentlewoman from Wyoming (Mrs. Cubin).

Mrs. CUBIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of this bill by our colleague from southern Ohio (Mr. NEY) which addresses a problem encountered by small businessmen operating Federal oil and gas leases on the Wayne National Forest. The situation these folks find themselves in is rather unique. These lessees formerly held private oil leases from individuals owning the reserve mineral estate beneath the Forest Service administered surface estate. A few years ago the private reservations began to expire, and the United States is now the mineral owner.

Our colleague from West Virginia (Mr. RAHALL) in 1992 added a provision to the 1992 Energy Policy Act to allow a private lessee to acquire a Federal lease for the same tract on the Wayne National Forest without need of competitive bidding. Mr. Speaker, this was only fair given these small businessmen already owned the wells and the equipment that was necessary to pump and store the production.

However, these operators soon discovered that ownership of a Federal lease meant having to financially guarantee proper abandonment of their lessees, plugging the wells properly and reclaiming the surface impacts. This was despite the fact that they had long ago met the State of Ohio's bonding requirements back when they drilled the private wells.

The gentleman from Ohio (Mr. NEY) sought to remedy this situation with his original bill but the Department of Interior, as lessor of the mineral rights, opposed that text. As chairman of the Subcommittee on Energy and Mineral Resources, I asked the Federal agency and the State of Ohio's Department of Natural Resources to try to find an acceptable remedy.

Mr. Speaker, the substitute before us today is the answer and is supported by the administration and by the Ohio DNR.

The substitute codifies a recognition by the Secretary of Interior as to the adequacy of Ohio State's Orphan Well Fund to provide financial guarantees for the proper plugging and abandonment of preexisting wells on these special leases and these leases only.

No precedent is being established elsewhere, although I do happen to think that many States' oil and gas commissions do a fine job in regulating the industry within their borders, and especially my State of Wyoming.

The substitute provides opportunity for the Secretary to review the continuing adequacy of the Ohio law to ensure reclamation in the unlikely event of multiple bankruptcies.

The Secretary may require the lessees to meet the Federal standard bonding requirements for these wells if the State of Ohio fails to fund the program at 20 percent of the State's severance tax levels that it currently has.

Mr. Speaker, I want to thank our colleague, the gentleman from Ohio (Mr. NEY), for his willingness to aid these small businesses in the Wayne National Forest. They are not his constituents, per se, but he saw their plight and decided to help them nonetheless.

I also want to thank the ranking member on our subcommittee, the gentleman from Puerto Rico (Mr. ROMERO-BARCELÓ), and his staffer, who helped the administration see the need to find a reasonable solution to the problem of double bonding.

Mr. Speaker, I urge my colleagues to support H.R. 1467, as amended.

Mr. Speaker, I reserve the balance of my time.

Mr. MILLER of California. Mr. Speaker, I yield myself such time as I may consume.

(Mr. MILLER of California asked and was given permission to revise and extend his remarks.)

Mr. MILLER of California. Mr. Speaker, once again, the gentlewoman from Wyoming (Mrs. CUBIN), the subcommittee chair, has properly explained this legislation and the need for it. We support the legislation.

The U.S. Forest Service has been acquiring lands in southeastern Ohio for the Wayne National Forest for many years. Typically, these land purchases are subject to reservation of the mineral estate by the seller for a term of 25 to 40 years.

Upon expiration of the term, the mineral rights revert to the United States. However, until that term expires, the private owner of the mineral rights retains the rights to develop these minerals and many of them lease the rights to local operators who drill wells on the property. The private lessors have no rights to lease beyond the expiration of their mineral rights and thus the mineral leases expire with their reservations.

However, producers in the Wayne National Forest were under the mistaken belief that they could simply continue operating under the same terms they had with the private lessors and simply pay royalties to the Forest Service.

Under the terms of the Federal Oil and Gas Leasing Reform Act, the BLM could not offer noncompetitive leases to these producers. This was not acceptable to the local producers. In 1990, BLM attempted to resolve the problem through an administrative remedy that hinged on drainage compensation agreements. However, after executing seven such agreements, the Department's Solicitor determined that this method violated the competitive leasing law.

In response, under the leadership of Representative NICK RAHALL, Congress enacted, as part of the Comprehensive National Policy Act of 1992, authorization for the BLM to issue noncompetitive leases to the owners of ''stripper wells'' upon reversion of mineral interests.

Most of the eligible operators applied for the federal leases. However, they continued to disagree with BLM's interpretation of the law. The producers contend that the new provision of law actually allowed continuation of their existing private leases, with no changes to the terms and conditions other than paying royalties to the U.S. instead of the former owners. The Department's Solicitor affirmed BLM's position that new Federal leases are required. And, the Department's Board of Land Appeals upheld this position.

H.R. 1467 would prevent BLM from requiring the operators to post bonds or other financial guaranties which the administration opposes. But, the administration does not object to a legislative solution to for the operators in the Wayne National Forest if one can be found that requires the producers to enter into production and reclamation contracts with the BLM, as well as several other conditions. Since the Committee adopted such an amendment, we do not object to the House acting favorably on this bill.

Mr. Speaker, I yield back the balance of my time.

Mrs. CUBIN. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Wyoming (Mrs. CUBIN) that the House suspend the rules and pass the bill, H.R. 1467, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

AMENDING OUTER CONTINENTAL SHELF LANDS ACT

Mrs. CUBIN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3972) to amend the Outer Continental Shelf Lands Act to prohibit the Secretary of the Interior from charging State and local government agencies for certain uses of the sand, gravel, and shell resources of the Outer Continental Shelf.

The Clerk read as follows:

H.R. 3972

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

SECTION 1. AMENDMENT.

Section 8(k)(2)(B) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(k)(2)(B)) is amended by striking ''an agency of the Federal Government'' and inserting ''a Federal, State, or local government agency''.

The SPEAKER pro tempore. Pursuant to the rule, the gentlewoman from Wyoming (Mrs. CUBIN) and the gentleman from California (Mr. MILLER) each will control 20 minutes.

The Chair recognizes the gentlewoman from Wyoming (Mrs. CUBIN).

Mrs. CUBIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of this measure introduced by our colleague, the gentleman from Virginia (Mr. PICKETT). H.R. 3972 is a reasonable response to efforts by the Minerals Management Service of the Department of Interior to charge State and local governments for the use of sand dredged from the Outer Continental Shelf for beach nourishment projects.

Our colleague, the gentleman from Corpus Christi, Texas (Mr. ORTIZ) led a successful effort in 1994 to amend the Outer Continental Shelf Lands Act of 1953 to allow the Secretary of Interior to dispose of sand, gravel and shell resources beneath the Federal waters.

Depletion of sand resources beneath closer in State waters prompted the amendment, and the National Park Service obtained sand necessary to replenish the Padre Island National Seashore at no cost.

Mr. Speaker, it is evident that several coastal State and local governments will need sand from the Federal OCS for beach replenishment projects on their shorelines, particularly given the nor'easter storms and hurricanes that have racked the Gulf coast and many Atlantic beaches this year, but the MMS insists upon charging non-Federal government entities for such sand, whether it is a public project or not.

Yes, under the current rules the fee is reduced for governmental projects but it is not free, as it is to Federal agencies, and, yes, the fee for the sand is generally only a small fraction of the total cost of such projects.

In the case which prompted the gentleman from Virginia (Mr. PICKETT) to act, I believe it was about two and a half percent, but that still added up to over $200,000, which is a burden on the citizens of Virginia Beach.

We should all understand that the sand dredged from the Outer Continental Shelf is only on loan because as the storms come it goes right back out there. So we could call this a good recycling program if we wanted to do that as well.

In many cases, within a decade or two, the sand used in beach nourishment really is returned by mother nature.

Now it is my turn to have a bachelor of science in humor.

In many cases, within a decade or two, the sand used in beach nourishment is returned by mother nature to offshore shoals.

Mr. Speaker, as a Member from Wyoming, I do not think I need to remind anyone that we do not have any beaches but that sand and gravel resources from public lands in the West are disposed, without charge, to State and local governments for use in public projects.

H.R. 3972 should merely be viewed as the coastal States' equivalent to the 1947 Act governing onshore public lands mineral materials. And, like that law, commercial projects seeking OCS sand, gravel or shell resources should continue to pay the full fair market value of the materials after the enactment of the bill offered by the gentleman from Virginia (Mr. PICKETT).

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Mr. Speaker, I urge my colleagues' support of this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. MILLER of California. Mr. Speaker, I yield myself such time as I may consume.

(Mr. MILLER of California asked and was given permission to revise and extend his remarks.)

Mr. MILLER of California. Mr. Speaker, I think now the gentlewoman is drifting over into my area of expertise, and that is American humor, with the argument for this legislation that somehow because we pump the sand up on the beaches from the Federal OCS, the Outer Continental Shelf, that it is just a loan, because then the sand goes back to the Outer Continental Shelf, which is probably accurate. But what is not a loan is the taxpayer dollars to continue to do this year after year after year as we try to defeat nature because of storms and hurricanes and what have you.

I think this bill is seriously flawed in the sense of the kind of revenues that it loses, and it raises questions about