

1

Subtitle D—Federal Coal Leases

Sec. 431. Short title.

Sec. 432. Repeal of the 160-acre limitation for coal leases.

Sec. 433. Approval of logical mining units.

Sec. 434. Payment of advance royalties under coal leases.

Sec. 435. Elimination of deadline for submission of coal lease operation and reclamation plan.

Sec. 436. Inventory requirement.

Sec. 437. Resolution of Federal resource development conflicts in the Powder River Basin.

Sec. 438. Application of amendments.

2 **Subtitle D—Federal Coal Leases**3 **SEC. 431. SHORT TITLE.**

4 This subtitle may be cited as the “Coal Leasing
5 Amendments Act of 2005”.

6 **SEC. 432. REPEAL OF THE 160-ACRE LIMITATION FOR COAL**
7 **LEASES.**

8 Section 3 of the Mineral Leasing Act (30 U.S.C. 203)
9 is amended—

10 (1) in the first sentence, by striking “Any per-
11 son” and inserting the following: “(a)(1) Except as
12 provided in paragraph (3), on a finding by the Sec-
13 retary under paragraph (2), any person”;

14 (2) in the second sentence, by striking “The
15 Secretary” and inserting the following:
16 “(b) The Secretary”;

17 (3) in the third sentence, by striking “The min-
18 imum” and inserting the following:

1 “(c) The minimum”;

2 (4) in subsection (a) (as designated by para-
3 graph (1))—

4 (A) by striking “upon” and all that follows
5 and inserting the following: “secure modifica-
6 tions of the original coal lease by including ad-
7 ditional coal lands or coal deposits contiguous
8 or cornering to those embraced in the lease.”;
9 and

10 (B) by adding at the end the following:

11 “(2) A finding referred to in paragraph (1) is a find-
12 ing by the Secretary that the modifications—

13 “(A) would be in the interest of the United
14 States;

15 “(B) would not displace a competitive interest
16 in the lands; and

17 “(C) would not include lands or deposits that
18 can be developed as part of another potential or ex-
19 isting operation.

20 “(3) In no case shall the total area added by modi-
21 fications to an existing coal lease under paragraph (1)—

22 “(A) exceed **【640】** acres; or

23 “(B) add acreage larger than that in the origi-
24 nal lease.”.

1 **SEC. 433. APPROVAL OF LOGICAL MINING UNITS.**

2 Section 2(d)(2) of the Mineral Leasing Act (30
3 U.S.C. 202a(2)) is amended—

4 (1) by inserting “(A)” after “(2)”; and

5 (2) by adding at the end the following:

6 “(B) The Secretary may establish a period of more
7 than 40 years if the Secretary determines that the longer
8 period—

9 “(i) will ensure the maximum economic recovery
10 of a coal deposit; or

11 “(ii) the longer period is in the interest of the
12 orderly, efficient, or economic development of a coal
13 resource.”.

14 **SEC. 434. PAYMENT OF ADVANCE ROYALTIES UNDER COAL**
15 **LEASES.**

16 Section 7(b) of the Mineral Leasing Act (30 U.S.C.
17 207(b)) is amended—

18 (1) in the first sentence, by striking “Each
19 lease” and inserting the following: “(1) Each lease”;

20 (2) in the second sentence, by striking “The
21 Secretary” and inserting the following:

22 “(2) The Secretary”;

23 (3) in the third sentence, by striking “Such ad-
24 vance royalties” and inserting the following:

25 “(3) Advance royalties described in paragraph (2)”;

1 (4) in the seventh sentence, by striking “The
2 Secretary” and inserting the following:

3 “(6) The Secretary”;

4 (5) in the last sentence, by striking “Nothing”
5 and inserting the following:

6 “(7) Nothing”;

7 (6) by striking the fourth, fifth, and sixth sen-
8 tences; and

9 (7) by inserting after paragraph (3) (as des-
10 ignated by paragraph (3)) the following:

11 “(4) Advance royalties described in paragraph (2)
12 shall be computed—

13 “(A) based on—

14 “(i) the average price in the spot market
15 for sales of comparable coal from the same re-
16 gion during the last month of each applicable
17 continued operation year; or

18 “(ii) in the absence of a spot market for
19 comparable coal from the same region, by using
20 a comparable method established by the Sec-
21 retary of the Interior to capture the commercial
22 value of coal; and

23 “(B) based on commercial quantities, as defined
24 by regulation by the Secretary of the Interior.

1 “(5) The aggregate number of years during the pe-
2 riod of any lease for which advance royalties may be ac-
3 cepted in lieu of the condition of continued operation shall
4 not exceed 20 years.

5 “(6) The amount of any production royalty paid for
6 any year shall be reduced (but not below 0) by the amount
7 of any advance royalties paid under a lease described in
8 paragraph (5) to the extent that the advance royalties
9 have not been used to reduce production royalties for a
10 prior year.”.

11 **SEC. 435. ELIMINATION OF DEADLINE FOR SUBMISSION OF**
12 **COAL LEASE OPERATION AND RECLAMATION**
13 **PLAN.**

14 Section 7(c) of the Mineral Leasing Act (30 U.S.C.
15 207(c)) is amended by striking “and not later than three
16 years after a lease is issued,”.

17 **SEC. 436. INVENTORY REQUIREMENT.**

18 (a) REVIEW OF ASSESSMENTS.—

19 (1) IN GENERAL.—The Secretary of the Inte-
20 rior, in consultation with the Secretary of Agri-
21 culture and the Secretary of Energy, shall review
22 coal assessments and other available data to iden-
23 tify—

24 (A) Federal lands with coal resources that
25 are available for development;

1 (B) the extent and nature of any restric-
2 tions on the development of coal resources on
3 Federal lands identified under paragraph (1);
4 and

5 (C) with respect to areas of such lands for
6 which sufficient data exists, resources of com-
7 pliant coal and supercompliant coal.

8 (2) DEFINITIONS.—For purposes of this sub-
9 section—

10 (A) the term “compliant coal” means coal
11 that contains not less than 1.0 and not more
12 than 1.2 pounds of sulfur dioxide per million
13 Btu; and

14 (B) the term “supercompliant coal” means
15 coal that contains less than 1.0 pounds of sul-
16 fur dioxide per million Btu.

17 (b) COMPLETION AND UPDATING OF THE INVEN-
18 TORY.—The Secretary—

19 (1) shall complete the inventory under sub-
20 section (a) by not later than 2 years after the date
21 of enactment of this Act; and

22 (2) shall update the inventory as the availability
23 of data and developments in technology warrant.

24 (c) REPORT.—The Secretary shall submit to the
25 Committee on Resources of the House of Representatives

1 and to the Committee on Energy and Natural Resources
2 of the Senate and make publicly available—

3 (1) a report containing the inventory under this
4 section, by not later than 2 years after the effective
5 date of this section; and

6 (2) each update of such inventory.

7 **SEC. 437. RESOLUTION OF FEDERAL RESOURCE DEVELOP-**
8 **MENT CONFLICTS IN THE POWDER RIVER**
9 **BASIN.**

10 (a) REVIEW.—The Secretary of the Interior shall re-
11 view Federal and State laws in existence on the date of
12 enactment of this Act in order to resolve any conflict relat-
13 ing to the Powder River Basin in Wyoming and Montana
14 between—

15 (1) the development of Federal coal; and

16 (2) the development of Federal and non-Federal
17 coalbed methane.

18 (b) REPORT.—Not later than 180 days after the date
19 of enactment of this Act, the Secretary of the Interior
20 shall submit to Congress a report that—

21 (1) describes methods of resolving a conflict de-
22 scribed in subsection (a); and

23 (2) identifies a method preferred by the Sec-
24 retary of the Interior, including proposed legislative
25 language, if any, required to implement the method.

1 **SEC. 438. APPLICATION OF AMENDMENTS.**

2 The amendments made by this subtitle apply with re-
3 spect to any coal lease issued before, on, or after the date
4 of the enactment of this Act.