

Costa Amendment to "*National Energy Supply Diversification and Disruption Prevention Act.*"

*At the end of Subtitle B, add the following new section:*

Sec. 619. Stripper Well Updated Royalty Reduction Program.

The Bureau of Land Management shall promulgate regulations, prior to February 1, 2006, to establish an updated program allowing for royalty relief from stripper wells operating on federal lands. At a minimum, the regulations shall take into account for the purposes of administering the program the following:

- (1) Establishment of a firm price bench mark that allows for the activation of royalty relief for stripper wells;
- (2) Allowance for consideration of regional crude oil pricing differentials when determining whether to trigger activation of the royalty relief program for stripper wells;
- (3) Streamlining of the activation process to ensure that program can be re-activated within three months of when pricing conditions warrant the extension of royalty relief for stripper wells.