



CONGRESSIONAL BUDGET OFFICE
PAY-AS-YOU-GO ESTIMATE

April 2, 1998

S. 750

An act to consolidate certain mineral interests in the National Grasslands in Billings County, North Dakota, through the exchange of federal and private mineral interests to enhance land management capabilities and environmental and wildlife protection, and for other purposes

As cleared by the Congress on March 30, 1998

CBO estimates that enacting S. 750 would not have a significant impact on the federal budget. Although the act could affect offsetting receipts, we estimate that any such effect would not be significant.

S. 750 provides for an approximately equal-value exchange of mineral interests between the Secretary of Agriculture and private owners of subsurface property in Billings County, North Dakota. The act would convey about 8,800 acres of federally owned subsurface property to Burlington Resources Oil & Gas Company and other private owners in exchange for those parties conveying about 9,600 acres of their subsurface property to the United States. The act would consolidate the current checkerboard pattern of subsurface ownership in the area, protect certain federally owned surface areas from the effects of mineral development, and allow any such development to proceed more smoothly. The Forest Service manages the federal surface areas affected by this act, and the Bureau of Land Management (BLM) manages the affected federal subsurface in cooperation with the Forest Service.

S. 750 provides that if Burlington Resources Oil & Gas Company conveys title acceptable to the Secretary of Agriculture to all oil and gas rights and interests on certain lands identified on the map entitled "Billings County, North Dakota, Consolidated Mineral Exchange—November 1995," then the Secretary is directed to convey to Burlington all federal oil and gas rights and interests on lands identified on that map. In addition, the act provides that if Burlington makes the above conveyance and, within 180 days of enactment, the owners of the remaining non-oil and gas mineral interests on lands identified on the same

map convey title acceptable to the Secretary, then the Secretary shall convey to those owners all remaining non-oil and gas mineral interests in National Forest System lands and National Grasslands identified on that map by mutual agreement of the Secretary and the owners of those interests.

Enacting S. 750 could reduce offsetting receipts to the government, but based on information from BLM and the Forest Service, CBO estimates that any forgone receipts would likely total less than \$500,000 per year. According to the agencies, the subsurface property involved in the proposed exchange currently has no mineral development on it, but it does have the potential for future development. The Forest Service seeks to acquire some of the subsurface now owned by Burlington to protect certain federal surface land overlying it from potential disturbances from mineral development; therefore, the federal government is unlikely to lease for future mineral development those subsurface areas it would acquire under the act. But because the managing agencies have no plans to lease the subsurface now owned by the federal government and proposed for conveyance to Burlington under the act, enacting S. 750 is unlikely to reduce receipts significantly.

The CBO staff contact for this estimate is Victoria V. Heid. This estimate was approved by Robert A. Sunshine, Deputy Assistant Director for Budget Analysis.