



CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

October 2, 1997

S. 750

**A bill 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 ordered reported by the Senate Committee on Energy and Natural Resources
on September 24, 1997*

CBO estimates that enacting S. 750 would not have a significant impact on the federal budget. Because the bill could affect offsetting receipts, pay-as-you-go procedures would apply, but we estimate that any such effect would not be significant. S. 750 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act of 1995 and would have no significant impact on the budgets of state, local, or tribal governments.

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 bill 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. Enacting the bill 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 bill, 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 bill provides that if Burlington makes the above conveyance and, within 180 days of the bill's 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 bill. 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 bill, 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 Paul N. Van de Water, Assistant Director for Budget Analysis.