

RESTORING COMMUNITY INPUT AND PUBLIC  
PROTECTIONS IN OIL AND GAS LEASING ACT OF 2021

DECEMBER 14, 2022.—Committed to the Committee of the Whole House on the State  
of the Union and ordered to be printed

Mr. GRIJALVA, from the Committee on Natural Resources,  
submitted the following

R E P O R T

together with

DISSENTING VIEWS

[To accompany H.R. 1503]

The Committee on Natural Resources, to whom was referred the bill (H.R. 1503) to amend the Mineral Leasing Act to make certain adjustments in leasing on Federal lands for oil and gas drilling, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE.**

This Act may be cited as the “Restoring Community Input and Public Protections in Oil and Gas Leasing Act of 2021”.

**SEC. 2. LEASING PROCESS.**

(a) **ONSHORE OIL AND GAS LEASING.**—Section 17 of the Mineral Leasing Act (30 U.S.C. 226(a)) is amended by striking the matter preceding “(a) All lands” and all that follows through the end of subsection (a) and inserting the following:

**“SEC. 17. LEASING OF LAND CONTAINING OIL OR GAS DEPOSITS.**

“(a) **LEASING AUTHORITY.**—

“(1) **IN GENERAL.**—All lands subject to disposition under this Act that are known or believed to contain oil or gas deposits may be leased by the Secretary.

“(2) **RECEIPT OF FAIR MARKET VALUE.**—Leasing activities under this Act shall be conducted to assure receipt of fair market value for the lands and resources leased and the rights conveyed by the United States.”

(b) **COMPETITIVE BIDDING.**—Section 17(b)(1) of the Mineral Leasing Act (30 U.S.C. 226(b)(1)(A)) is amended by striking all that precedes “(A) All lands” and all that follows through the end of subparagraph (A) and inserting the following:

“(b) BIDDING.—

“(1) IN GENERAL.—

“(A) COMPETITIVE BIDDING.—

“(i) IN GENERAL.—All lands to be leased under this section shall be leased as provided in this paragraph to the highest responsible qualified bidder by competitive bidding by sealed bid.

“(ii) GEOGRAPHIC LIMITATION.—The Secretary shall lease lands under this paragraph in units of not more than 2,560 acres, except in Alaska, where units shall be not more than 5,760 acres. Such units shall be as nearly compact as possible.

“(iii) FREQUENCY.—Lease sales under this section shall be held for each State in which there are lands eligible for leasing no more than 3 times each year and on a rotating basis such that the lands under the responsibility of any Bureau of Land Management field office are available for leasing no more than one time each year.

“(iv) ROYALTY.—A lease under this section shall be conditioned upon the payment of a royalty at a rate of not less than 18.75 percent in amount or value of the production removed or sold from the lease, except as otherwise provided in this Act.

“(v) ISSUANCE OF LEASE.—The Secretary may issue a lease under this section to the responsible qualified bidder with the highest bid that is equal to or greater than the national minimum acceptable bid. The Secretary shall decide whether to accept a bid and issue a lease within 90 days following payment by the successful bidder of the remainder of the bonus bid, if any, and annual rental for the first lease year.

“(vi) REJECTION OF BID.—The Secretary may reject a bid above the national minimum acceptable bid if, after evaluation of the value of the lands proposed for lease, the Secretary determines that the bid amount does not ensure that fair market value is obtained for the lease.”

(c) NATIONAL MINIMUM ACCEPTABLE BID.—Subparagraph (B) of section 17(b)(1) of the Mineral Leasing Act (30 U.S.C. 226(b)(1)), is amended to read as follows:

“(B) NATIONAL MINIMUM ACCEPTABLE BID.—

“(i) IN GENERAL.—Except as provided in clause (ii), for purposes of subparagraph (A), the national minimum acceptable bid shall be \$10 per acre. All bids under this section for less than the national minimum acceptable bid shall be rejected.

“(ii) RAISING THE NATIONAL MINIMUM ACCEPTABLE BID.—The Secretary may establish a higher national minimum acceptable bid—

“(I) beginning at the end of the 4-year period that begins on the date of enactment of the Restoring Community Input and Public Protection in Oil and Gas Leasing Act of 2021, and once every 4 years thereafter, to reflect the change in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics; and

“(II) at any time, if the Secretary finds that such a higher amount is necessary to enhance financial returns to the United States or to promote more efficient management of oil and gas resources on Federal lands.

“(iii) NOT A MAJOR FEDERAL ACTION.—The proposal or issuance of any regulation to establish a higher national minimum acceptable bid under clause (ii) shall not be considered a major Federal action that is subject to the requirements of section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)).”

(d) RENTALS.—Section 17(d) of the Mineral Leasing Act (30 U.S.C. 226(d)) is amended to read as follows:

“(d) ANNUAL RENTALS.—All leases issued under this section shall be conditioned upon the payment by the lessee of a rental of—

“(1) not less than \$3.00 per acre per year during the 5-year period beginning on the date the lease begins for new leases, and after the end of such 5 year period not less than \$5 per acre per year; or

“(2) such higher rental rate as the Secretary may establish if the Secretary finds that such action is necessary to enhance financial returns to the United States and promote more efficient management of oil and gas and alternative energy resources on Federal lands.”

(e) ELIMINATION OF NONCOMPETITIVE LEASING.—The Mineral Leasing Act (30 U.S.C. 181 et seq.) is amended—

(1) in section 17(b) (30 U.S.C. 226(b)), by striking paragraph (3);

(2) by amending section 17(c) (30 U.S.C. 226(c)) to read as follows:

“(c) LANDS FOR WHICH NO BID IS ACCEPTED.—Lands made available for leasing under subsection (b)(1) but for which no bid is accepted may be made available by the Secretary for a new round of sealed bidding under such subsection.”;

(3) in section 17(e) (30 U.S.C. 226(e))—

(A) by striking “Competitive and noncompetitive leases” and inserting “Leases, including leases for tar sand areas.”; and

(B) by striking “*Provided, however*” and all that follows through “ten years.”;

(4) in section 31(d)(1) (30 U.S.C. 188(d)(1)) by striking “or section 17(c)”;

(5) in section 31(e) (30 U.S.C. 188(e))—

(A) in paragraph (2) by striking “, or the inclusion” and all that follows and inserting a semicolon; and

(B) in paragraph (3) by striking “(A)” and by striking subparagraph (B);

(6) by striking section 31(f) (30 U.S.C. 188(f)); and

(7) in section 31(g) (30 U.S.C. 188(g))—

(A) in paragraph (1) by striking “as a competitive” and all that follows through the period and inserting “in the same manner as the original lease issued pursuant to section 17.”;

(B) by striking paragraph (2) and redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively; and

(C) in paragraph (2), as redesignated, by striking “, applicable to leases issued under subsection 17(c) of this Act (30 U.S.C. 226(c)) except,” and inserting “, except”.

(f) LEASE TERM.—Section 17(e) of the Mineral Leasing Act (30 U.S.C. 226(e)) is amended by striking “10 years.” and inserting “5 years.”

(g) OTHER LEASING REQUIREMENTS.—Section 17(g) of the Mineral Leasing Act (30 U.S.C. 226(g)), as amended by section 8 of this Act, is further amended—

(1) by striking “(g) The Secretary of the Interior” and inserting the following:

“(g) OTHER LEASING REQUIREMENTS.—

“(1) IN GENERAL.—The Secretary of the Interior”;

(2) by adding at the end the following:

“(2) LIMITATION.—The Secretary shall not issue a lease or approve the assignment of any lease to any person, or to any subsidiary or affiliate of such person or any other person controlled by or under common control with such person, unless such person has the demonstrated capability to explore and produce oil and gas under the lease.

“(3) PROTECTION OF LEASED LANDS FOR OTHER USES.—Each lease under this section shall include such terms as are necessary to preserve the United States flexibility to control or prohibit activities that pose serious and unacceptable impacts to the value of the leased lands for uses other than production of oil and gas.”.

### SEC. 3. TRANSPARENCY AND LANDOWNER PROTECTIONS.

(a) DISCLOSURE OF IDENTITIES FILING DISCLOSURES OF INTEREST AND BIDS.—Section 17(b) of the Mineral Leasing Act (30 U.S.C. 226(b)), as amended by this Act, is further amended by adding at the end the following:

“(3) BIDDER IDENTITY.—The Secretary—

“(A) shall require that each expression of interest to bid for a lease under this section and each bid for a lease under this section shall include the name of the person for whom such expression of interest or bid is submitted; and

“(B) shall promptly publish each such name.”.

(b) NOTICE REQUIREMENTS.—Section 17(f) of the Mineral Leasing Act (30 U.S.C. 226(f)) is amended by striking “(f) At least” and all that follows through “agencies.” and inserting the following:

“(f) REQUIREMENTS PRIOR TO OFFERING LANDS FOR LEASE.—

“(1) REQUIRED NOTICE.—At least 45 days before offering lands for lease under this section, and at least 30 days before approving applications for permits to drill under the provisions of a lease, modifying the terms of any lease issued under this section, or granting a waiver, exception, or modification of any stipulation of a lease issued under this section, the Secretary shall provide notice of the proposed action to—

“(A) the general public by posting such notice in the appropriate local office and on the electronic website of the leasing and land management agencies offering the lands for lease;

“(B) all surface land owners in the area of the lands being offered for lease; and

“(C) the holders of special recreation permits for commercial use, competitive events, and other organized activities on the lands being offered for lease.

“(2) REQUIRED INFORMATION.—”

(c) SURFACE OWNER PROTECTION.—Section 17 of the Mineral Leasing Act (30 U.S.C. 226), is amended by adding at the end the following:

“(r) POST-LEASE SURFACE USE AGREEMENT.—

“(1) IN GENERAL.—Except as provided in paragraph (2), the Secretary may not authorize any operator to conduct exploration and drilling operations on lands with respect to which title to oil and gas resources is held by the United States but title to the surface estate is not held by the United States, until the operator has filed with the Secretary a document, signed by the operator and the surface owner or owners, showing that the operator has secured a written surface use agreement between the operator and the surface owner or owners that meets the requirements of subparagraph (B).

“(2) CONTENTS.—The surface use agreement shall provide for—

“(A) the use of only such portion of the surface estate as is reasonably necessary for exploration and drilling operations based on site-specific conditions;

“(B) the accommodation of the surface estate owner to the maximum extent practicable, including the location, use, timing, and type of exploration and drilling operations, consistent with the operator’s right to develop the oil and gas estate;

“(C) the reclamation of the site to a condition capable of supporting the uses which such lands were capable of supporting prior to exploration and drilling operations; and

“(D) compensation for damages as a result of exploration and drilling operations, including—

“(i) loss of income and increased costs incurred;

“(ii) damage to or destruction of personal property, including crops, forage, and livestock; and

“(iii) failure to reclaim the site in accordance with clause (iii).

“(3) AUTHORIZED EXPLORATION AND DRILLING OPERATIONS.—

“(A) AUTHORIZATION WITHOUT SURFACE USE AGREEMENT.—The Secretary may authorize an operator to conduct exploration and drilling operations on lands covered by paragraph (1) in the absence of an agreement with the surface estate owner or owners, if—

“(i) the Secretary makes a determination in writing that the operator made a good faith attempt to conclude such an agreement, including referral of the matter to arbitration pursuant to paragraph (1)(C), but that no agreement was concluded within 90 days after the referral to arbitration;

“(ii) the operator submits a plan of operations that provides for the matters specified in paragraph (1)(B) and for compliance with all other applicable requirements of Federal and State law; and

“(iii) the operator posts a bond or other financial assurance in an amount the Secretary determines to be adequate to ensure compensation to the surface estate owner for any damages to the site, in the form of a surety bond, trust fund, letter of credit, government security, certificate of deposit, cash, or equivalent.

“(B) SURFACE OWNER PARTICIPATION.—The Secretary shall provide surface estate owners with an opportunity to—

“(i) comment on plans of operations in advance of a determination of compliance with this Act;

“(ii) participate in bond level determinations and bond release proceedings under this section;

“(iii) attend an on-site inspection during such determinations and proceedings;

“(iv) file written objections to a proposed bond release; and

“(v) request and participate in an on-site inspection when they have reason to believe there is a violation of the terms and conditions of a plan of operations.

“(C) PAYMENT OF FINANCIAL GUARANTEE.—A surface estate owner with respect to any land subject to a lease may petition the Secretary for payment of all or any portion of a bond or other financial assurance required under this section as compensation for any damages as a result of exploration and drilling operations. Pursuant to such a petition, the Secretary may use such bond or other guarantee to provide compensation to the surface estate owner for such damages.

“(D) BOND RELEASE.—Upon request and after inspection and opportunity for surface estate owner review, the Secretary may release the financial assurance required under this section if the Secretary determines that exploration and drilling operations are ended and all damages have been fully compensated.

“(4) SURFACE OWNER NOTIFICATION.—The Secretary shall notify surface estate owners in writing—

- “(A) not less than 45 days before lease sales;
- “(B) of the identity of the lessee, not more than 10 business days after a lease is issued;
- “(C) concerning any subsequent request or decision regarding a lease not more than 5 business days after such request or decision, including regarding modification of a lease, waiver of a stipulation, or approval of a right of way; and
- “(D) not more than 5 business days after issuance of a drilling permit under a lease.”.

**SEC. 4. LEASE STIPULATIONS.**

(a) ENERGY POLICY ACT OF 2005.—Section 363(b)(3)(C) of the Energy Policy Act of 2005 (42 U.S.C. 15922(b)(3)(C)) is amended to read as follows:

“(C) adequately protective of the resource for which the stipulations are applied;”.

(b) REVISION OF EXISTING MEMORANDUM.—Not later than 180 days after the date of the enactment of this Act the Secretary of the Interior and the Secretary of Agriculture shall revise the memorandum of understanding under section 363(b)(3)(C) of the Energy Policy Act of 2005 (42 U.S.C. 15922) in accordance with the amendment made by subsection (a).

**SEC. 5. PARCEL REVIEW.**

Section 17(a) of the Mineral Leasing Act (30 U.S.C. 226(a)), as amended by section 2 of this Act, is further amended by adding at the end the following:

“(3) PARCEL REVIEW.—The Secretary shall issue oil and gas leases under this Act only in accordance with subsections C through I of section III of Bureau of Land Management Instruction Memorandum No. 2010–117, dated May 17, 2010, as in effect on April 24, 2017.”.

**SEC. 6. ACREAGE LIMITATIONS.**

Section 27(d)(1) of the Mineral Leasing Act (30 U.S.C. 184(d)(1)) is amended by striking “, and acreage under any lease any portion of which has been committed to a federally approved unit or cooperative plan or communitization agreement or for which royalty (including compensatory royalty or royalty in-kind) was paid in the preceding calendar year.”.

**SEC. 7. LAND MANAGEMENT.**

Section 17(g) of the Mineral Leasing Act (30 U.S.C. 226(g)), as amended by section 2(g) of this Act, is further amended by adding at the end the following:

“(4) MULTIPLE-USE MANAGEMENT.—The Secretary, and for National Forest lands, the Secretary of Agriculture, shall manage lands that are subject to an oil and gas lease under this Act in accordance with the principles, policies, and requirements relating to multiple use under the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.), until the beginning of operations on such lease.”.

**SEC. 8. TRANSPARENCY IN MANAGEMENT OF LEASES.**

Section 17(a) of the Mineral Leasing Act (30 U.S.C. 226(a)), as amended by sections 2 and 5 of this Act, is further amended by adding at the end the following:

“(4) TRANSPARENCY IN MANAGEMENT OF LEASES.—For each lease under this section, the Secretary shall make available on a public website—

- “(A) the identity of—
  - “(i) each person who is or has been a lessee under the lease; and
  - “(ii) each person who is or has been an operator under the lease;
- “(B) notice of each transfer of the lease; and
- “(C) notice of each suspension of operations, each suspension of production, and each suspension of operations and production.”.

**SEC. 9. LEASE CANCELLATION FOR IMPROPER ISSUANCE.**

Section 31(b) of the Mineral Leasing Act (30 U.S.C. 188(b)) is amended by inserting “if the lease was improperly issued or” after “30 days notice”.

**SEC. 10. FEES FOR EXPRESSIONS OF INTEREST.**

(a) **IN GENERAL.**—The Secretary shall charge any person who submits an expression of interest, as that term is defined by the Secretary, a fee, in an amount determined by the Secretary under paragraph (2).

(b) **AMOUNT.**—The fee authorized under paragraph (1) shall be established by the Secretary in an amount that is determined by the Secretary to be appropriate to cover the aggregate cost of processing an expression of interest under this section, but not less than \$15 per acre of the area covered by the applicable expression of interest.

(c) **ADJUSTMENT OF FEES.**—The Secretary shall, by regulation at least every 4 years, establish a higher expression of interest fee—

(1) to reflect the change in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics; and

(2) as the Secretary determines to be necessary to enhance financial returns to the United States or to promote more efficient management of oil and gas resources on Federal land.

**SEC. 11. PROTECTION OF WATER RESOURCES.**

(a) **MINERAL LEASING ACT REQUIREMENTS.**—Section 17 of the Mineral Leasing Act (30 U.S.C. 226) is amended—

(1) in subsection (g) by striking “lands or surface waters adversely” and inserting “surface or ground waters or lands adversely”;

(2) by redesignating subsection (p) as subsection (q); and

(3) by inserting after subsection (o) the following:

“(p) **WATER REQUIREMENTS.**—

“(1) An operator producing oil or gas (including coalbed methane) under a lease issued under this Act shall—

“(A) replace the water supply of a water user who obtains all or part of such user’s supply of water from an underground or surface source that has been affected by contamination, diminution, or interruption proximately resulting from drilling, fracking, or production operations for such production;

“(B) ensure that if a surface or ground water source is affected by contamination, diminution, or interruption proximately resulting from such production, best management practices and appropriately available technologies are used to prevent, to the maximum extent possible, the long-term or permanent degradation of the surface or ground water source; and

“(C) comply with all applicable requirements of Federal and State law with respect to—

“(i) discharge of any water produced under the lease; and

“(ii) activities that would divert or otherwise alter a surface or ground water source or lead to a discharge not covered by clause (i).

“(2) An application for a permit to drill under a lease under this Act shall be accompanied by a proposed water management plan including provisions to—

“(A) protect the quantity and quality of surface and ground water systems, both on-site and off-site, from adverse effects of the exploration, development, and reclamation processes or to provide alternative sources of water if such protection cannot be assured;

“(B) protect the rights of present users of water that would be affected by operations under the lease, including the discharge of any water produced in connection with such operations that is not reinjected; and

“(C) identify any agreements with other parties for the beneficial use of produced waters and the steps that will be taken to comply with State and Federal laws related to such use.

“(3) The Secretary may not approve an application if the Secretary determines that the applicant did not submit a water management plan that meets the requirements described in paragraph (2).”.

(b) **RELATION TO STATE LAW.**—Nothing in this section or any amendment made by this section shall be construed as—

(1) impairing or in any manner affecting any right or jurisdiction of any State with respect to the waters of such State; or

(2) limiting, altering, modifying, or amending any of the interstate compacts or equitable apportionment decrees that apportion water among and between States.

**SEC. 12. FRACKING REGULATION ON FEDERAL LANDS.**

(a) **IN GENERAL.**—Not later than 1 year after the date of enactment of this Act, the Secretary of the Interior, acting through the Bureau of Land Management, shall issue regulations governing the use of hydraulic fracturing under oil and gas leases for Federal lands.

- (b) INCLUDED PROVISIONS.—The regulations under this section shall require—
- (1) baseline water testing, the results of which shall be posted on an appropriate internet website; and
  - (2) public disclosure of each chemical used for hydraulic fracturing on an appropriate internet website.
- (c) INTERIM APPLICATION OF PRIOR RULE.—The final rule entitled “Oil and Gas; Hydraulic Fracturing on Federal and Indian Lands”, as published in the Federal Register March 26, 2015 (80 Fed. Reg. 16128), and corrected by the rule published on March 30, 2015 (80 Fed. Reg. 16577), shall apply until the effective date of a final rule under subsection (a).

**SEC. 13. ENVIRONMENTAL ANALYSIS.**

Any environmental analysis pursuant to the National Environmental Policy Act (42 U.S.C. 4321 et seq.) required under this Act shall include the estimated total cost of preparing the environmental analysis, including full-time equivalent personnel hours, contractor costs, and other direct costs.

**SEC. 14. TAXPAYER FUNDING STEWARDSHIP.**

In an effort to be good stewards of taxpayer dollars and conscientious of the demands placed upon public servants, no provisions contained within this Act shall require a duplication of analysis by any government agency, individual, or contractor, at any level including federal, state, local, or tribal and, if so determined, such provision shall be considered non-binding.

PURPOSE OF THE BILL

The purpose of H.R. 1503 is to make certain adjustments in leasing on federal lands for oil and gas drilling.

BACKGROUND AND NEED FOR LEGISLATION

The Mineral Leasing Act (MLA) of 1920 authorizes the Department of the Interior (DOI) to lease the rights to develop oil and gas resources on public land.<sup>1</sup> The Bureau of Land Management (BLM) within DOI is the federal agency primarily responsible for managing oil and gas resources on U.S. public land. The BLM administers more than 247 million acres of land and 700 million acres of subsurface mineral estate. The U.S. Forest Service (USFS) cooperates with BLM in coordinating access to federal oil and gas resources on approximately one-third of the over 150 national forests and grasslands. Most onshore public oil and gas resources are located and developed in the western United States, particularly California, Colorado, New Mexico, Utah, and Wyoming.

Before land is leased for development, BLM determines what lands in a given region are better suited for other purposes, including recreation, conservation, and cultural uses. Among other statutes, BLM’s land use planning process adheres to the Federal Land Policy and Management Act of 1976 (FLMPA), which requires public land management “be on the basis of multiple use and sustained yield.”<sup>2</sup> Land management plans also undergo public review and comment under the National Environmental Policy Act (NEPA). The USFS has an analogous land-use planning process under the National Forest Management Act of 1976.<sup>3</sup>

An individual or company can nominate lands that are available for oil and gas development for inclusion in a future lease sale by submitting an anonymous Expression of Interest (EOI) to BLM.<sup>4</sup>

<sup>1</sup>30 U.S.C. 181, et seq.

<sup>2</sup>42 U.S.C. 1732(a).

<sup>3</sup>16 U.S.C. 1600 et seq.

<sup>4</sup>“National Fluids Lease Sale System: Important Information About EOIs.” Bureau of Land Management. <https://nflss.blm.gov/importantinfo>.

Despite the tremendous resources BLM must use to analyze and prepare parcels for auction, there are no fees required to nominate lands for lease. H.R. 1503 changes this, requiring BLM to charge a cost-recovery fee to each person that submits an oil and gas EOI. Once an EOI is received, BLM field office staff conducts an analysis to confirm the lands are available, eligible, and suitable for oil and gas leasing. BLM field office staff then make recommendations to BLM state directors, who decide which parcels to include in the state's next lease sale. BLM announces details of upcoming lease sales online, including any stipulations for each lease, such as restrictions on surface occupancy or seasonal or time limitations. Following a lease sale notice, a period for public comment or formal protest begins.

BLM generally holds lease sales quarterly in every state where lands have been nominated, and, except for Alaska, no lease tract offered for sale can be more than 2,500 acres.<sup>5</sup> The language on quarterly lease sales has been interpreted differently by different administrations; H.R. 1503 eliminates that language and sets the maximum number of lease sales per year to three per state.

The Federal Onshore Oil and Gas Leasing Reform Act of 1987 requires that all oil and gas lease sales held by BLM be competitive and sets the minimum bid at \$2 per acre. H.R. 1503 increases the national minimum bid to \$5 per acre and requires the Secretary to adjust the rate for inflation once every four years.

Currently, if a parcel does not receive a bid during a competitive auction, it is made available for noncompetitive leasing for two years on a first-come, first-served basis the following business day. At that point, companies can obtain a lease without having to pay a bonus bid, only needing to pay the yearly \$1.50 per acre rental fee and an administrative fee. Oil and gas leases, both competitive and noncompetitive, have an initial length of 10 years—a much longer term than leases on state and private land. Together with low federal royalty rates, these conditions provide no incentive for companies to drill until the lease is nearly expired.<sup>6</sup> H.R. 1503 shortens the initial term of oil and gas leases to five years and doubles current rental rates, which have not been adjusted for over 30 years.

The oil and gas leasing system has long been accused of being too generous to industry and too easy for speculators to game. In May 2019, the Center for American Progress (CAP) released a report showing that since 2009, more than 2.9 million acres of U.S. lands have been leased non-competitively.<sup>7</sup> The vast majority of lands leased noncompetitively never enter production, but complicate efforts to manage leased lands for other uses, like recreation and conservation. According to the Congressional Budget Office, only three percent of noncompetitive leases issued from 1996 to

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<sup>5</sup>“General Oil and Gas Leasing Instructions,” Bureau of Land Management. <https://www.blm.gov/programs/energy-and-minerals/oil-and-gas/leasing/general-leasing>.

<sup>6</sup>U.S. Government Accountability Office, “OIL AND GAS PERMITTING: Actions Needed to Improve BLM’s Review Process and Data System,” GAO–20–329, March 2020. Page 18.

<sup>7</sup>Kelly, Kate, Rowland-Shea, Jenny and Nicole Gentile. “Backroom Deals: The Hidden World of Noncompetitive Oil and Gas Leasing.” Center for American Progress. May 23, 2019. <https://www.americanprogress.org/issues/green/reports/2019/05/23/470140/backroom-deals/>.



2003 were developed by the end of their 10-year term.<sup>8</sup> H.R. 1503 eliminates noncompetitive leasing.

H.R. 1503 also makes long-needed reforms to BLM's oil and gas leasing process and restores and strengthens several improvements established in 2010 but weakened or eliminated by the Trump administration. The legislation increases transparency by requiring companies that nominate lands for oil and gas leasing and bid on leases to disclose their identities and protects landowners by requiring the Secretary to notify them about oil and gas lease sales on or near their land. Further, the bill safeguards environmental resources by enhancing NEPA reviews and ends fossil fuel industry giveaways by eliminating non-competitive leasing and raising the onshore oil and gas royalty rate, rental fee, and minimum bid amounts.

The Inflation Reduction Act, which was signed into law on August 16, 2022, includes several provisions similar to those in H.R. 1503. The Inflation Reduction Act:

- Raises the onshore oil and gas royalty rate from 12.5 percent to 16.66 percent.
- Increases the minimum bid amount from \$2 per acre to \$10 per acre.
- Raises annual rental rates from \$1.50 per acre to \$3 per acre during the 2-year period and \$5 per acre for the following 6-year period, and not less than \$15 per acre after that.
- Raises rental rates for reinstated leases from \$10 to \$20 per acre.
- Allows the Secretary of the Interior to assess a nonrefundable \$5 per acre fee against any person that submits an expression of interest in leasing land available for exploration for, and development of oil and gas. The Secretary can adjust the amount of this fee if they update the regulations.
- Allows the Secretary to issue a new round of competitive bidding for land that didn't receive a bid or the land for which a lease terminates, expires, is canceled, or is relinquished.

#### COMMITTEE ACTION

H.R. 1503 was introduced on March 2, 2021, by Representative Mike Levin (D-CA). The bill was referred to the Committee on Natural Resources, and in addition to the Committee on Agriculture. With the Natural Resources Committee, the bill was referred to the Subcommittee on Energy and Mineral Resources. On May 5, 2021, the Natural Resources Committee met to consider the bill. The Subcommittee was discharged by unanimous consent. Rep. Mike Levin (D-CA) offered an amendment designated Levin #1. The amendment was agreed to by a roll call vote of 21 yeas and 12 nays, as follows:<sup>9</sup>

<sup>8</sup>“Options for Increasing Federal Income from Crude Oil and Natural Gas on Federal Lands.” Congressional Budget Office. April 2016. [https://www.cbo.gov/sites/default/files/114th-congress-2015-2016/reports/51421-oil\\_and\\_gas\\_options-OneCol-3.pdf](https://www.cbo.gov/sites/default/files/114th-congress-2015-2016/reports/51421-oil_and_gas_options-OneCol-3.pdf).

<sup>9</sup>Due to technical issues, Rep. Yvette Herrell (R-NM) was unable to vote on the amendment to H.R. 1503 designated Levin #1. Rep. Herrell requested, after the closing of the vote, that the record reflect that had she been present she would have voted against the adoption of Levin #1 to H.R. 1503.

Date: May 5, 2021

**COMMITTEE ON NATURAL RESOURCES  
117<sup>TH</sup> CONGRESS — ROLL CALL**

Bill / Motion: H.R. 1503

Amendment: Rep. Levin #1 amendment

Disposition: Agreed to by a roll call vote of 21 yeas and 12 nays.

	DEM. MEMBERS (26)	YEAS	NAYS	PRESENT
1	Ms. Brownley, CA	X		
2	Mr. Case, HI	X		
3	Mr. Cohen, TN			
4	Mr. Costa, CA	X		
5	Ms. DeGette, CO	X		
6	Mrs. Dingell, MI	X		
7	Mr. Gallego, AZ	X		
8	Mr. Garcia, IL	X		
9	Mr. Grijalva, AZ (Chair)	X		
10	Mr. Huffman, CA	X		
11	Ms. Leger Fernández, NM	X		
12	Mr. Levin, CA	X		
13	Mr. Lowenthal, CA	X		
14	Ms. Matsui, CA	X		
15	Ms. McCollum, MN	X		
16	Mr. McEachin, VA			
17	Mrs. Napolitano, CA	X		
18	Mr. Neguse, CO	X		
19	Ms. Porter, CA	X		
20	Mr. Sablan, MP			
21	Mr. San Nicolas, GU			
22	Mr. Soto, FL	X		
23	Ms. Tlaib, MI	X		
24	Mr. Tonko, NY			
25	Ms. Trahan, MA	X		
26	Ms. Velázquez, NY	X		
	<b>REP. MEMBERS (22)</b>	<b>Y</b>	<b>N</b>	<b>P</b>
1	Mr. Bentz, OR		X	
2	Mrs. Boebert, CO			
3	Mr. Carl, AL			
4	Mr. Fulcher, ID		X	
5	Mr. Gohmert, TX			
6	Miss González-Colón, PR		X	
7	Mr. Gosar, AZ		X	
8	Mr. Graves, LA			
9	Ms. Herrell, NM			
10	Mr. Hice, GA			
11	Mr. Lamborn, CO		X	
12	Mr. McClintock, CA			
13	Mr. Moore, UT		X	
14	Mr. Obernolte, CA		X	
15	Mrs. Radewagen, AS		X	
16	Mr. Rosendale, MT		X	
17	Mr. Stauber, MN		X	
18	Mr. Tiffany, WI			
19	Mr. Webster, FL			
20	Mr. Westerman, AR (RM)		X	
21	Mr. Wittman, VA		X	
22	Mr. Young, AK			
	Total: 48 / Quorum: 16 / Report: 25	21	12	
	<b>TOTALS</b>	<b>YEAS</b>	<b>NAYS</b>	<b>PRESENT</b>

Rep. Blake Moore (R-UT) offered an amendment designated Moore #1. The amendment was not agreed to by a roll call vote of 13 yeas and 22 nays, as follows:<sup>10</sup>

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<sup>10</sup>Due to technical issues, Rep. Yvette Herrell (R-NM) was unable to vote on the amendment to H.R. 1503 designated Moore #1. Rep. Herrell requested, after the closing of the vote, that the record reflect that had she been present she would have voted in favor of the adoption of Moore #1 to H.R. 1503.

Date: May 5, 2021

**COMMITTEE ON NATURAL RESOURCES**  
**117<sup>TH</sup> CONGRESS — ROLL CALL**

Bill / Motion: H.R. 1503

Amendment: Rep. Moore #1 amendment

Disposition: Not agreed to by a roll call vote of 13 yeas and 22 nays.

	DEM. MEMBERS (26)	YEAS	NAYS	PRESENT
1	Ms. Brownley, CA		X	
2	Mr. Case, HI		X	
3	Mr. Cohen, TN			
4	Mr. Costa, CA		X	
5	Ms. DeGette, CO		X	
6	Mrs. Dingell, MI		X	
7	Mr. Gallego, AZ		X	
8	Mr. Garcia, IL		X	
9	Mr. Grijalva, AZ (Chair)		X	
10	Mr. Huffman, CA		X	
11	Ms. Leger Fernández, NM		X	
12	Mr. Levin, CA		X	
13	Mr. Lowenthal, CA		X	
14	Ms. Matsui, CA		X	
15	Ms. McCollum, MN		X	
16	Mr. McEachin, VA			
17	Mrs. Napolitano, CA		X	
18	Mr. Neguse, CO		X	
19	Ms. Porter, CA		X	
20	Mr. Sablan, MP		X	
21	Mr. San Nicolas, GU			
22	Mr. Soto, FL		X	
23	Ms. Tlaib, MI		X	
24	Mr. Tonko, NY			
25	Ms. Trahan, MA		X	
26	Ms. Velázquez, NY		X	
	<b>REP. MEMBERS (22)</b>	<b>Y</b>	<b>N</b>	<b>P</b>
1	Mr. Bentz, OR	X		
2	Mrs. Boebert, CO			
3	Mr. Carl, AL	X		
4	Mr. Fulcher, ID	X		
5	Mr. Gohmert, TX			
6	Miss González-Colón, PR	X		
7	Mr. Gosar, AZ	X		
8	Mr. Graves, LA			
9	Ms. Herrell, NM			
10	Mr. Hice, GA			
11	Mr. Lamborn, CO	X		
12	Mr. McClintock, CA			
13	Mr. Moore, UT	X		
14	Mr. Obernolte, CA	X		
15	Mrs. Radewagen, AS	X		
16	Mr. Rosendale, MT	X		
17	Mr. Stauber, MN	X		
18	Mr. Tiffany, WI			
19	Mr. Webster, FL			
20	Mr. Westerman, AR (RM)	X		
21	Mr. Wittman, VA	X		
22	Mr. Young, AK			
	Total: 48 / Quorum: 16 / Report: 25	13	22	
	<b>TOTALS</b>	<b>YEAS</b>	<b>NAYS</b>	<b>PRESENT</b>

Rep. Yvette Herrell (R-NM) offered an amendment designated Herrell #2. The amendment was not agreed to by a roll call vote of 15 yeas and 22 nays, as follows:

Date: May 5, 2021

**COMMITTEE ON NATURAL RESOURCES  
117<sup>TH</sup> CONGRESS — ROLL CALL**

Bill / Motion: H.R. 1503

Amendment: Rep. Herrell #2 amendment

Disposition: Not agreed to by a roll call vote of 15 yeas and 22 nays.

	DEM. MEMBERS (26)	YEAS	NAYS	PRESENT
1	Ms. Brownley, CA		X	
2	Mr. Case, HI		X	
3	Mr. Cohen, TN			
4	Mr. Costa, CA		X	
5	Ms. DeGette, CO		X	
6	Mrs. Dingell, MI		X	
7	Mr. Gallego, AZ		X	
8	Mr. García, IL		X	
9	Mr. Grijalva, AZ (Chair)		X	
10	Mr. Huffman, CA		X	
11	Ms. Leger Fernández, NM		X	
12	Mr. Levin, CA		X	
13	Mr. Lowenthal, CA		X	
14	Ms. Matsui, CA		X	
15	Ms. McCollum, MN		X	
16	Mr. McEachin, VA			
17	Mrs. Napolitano, CA		X	
18	Mr. Neguse, CO		X	
19	Ms. Porter, CA		X	
20	Mr. Sablan, MP		X	
21	Mr. San Nicolas, GU			
22	Mr. Soto, FL		X	
23	Ms. Tlaib, MI		X	
24	Mr. Tonko, NY			
25	Ms. Trahan, MA		X	
26	Ms. Velázquez, NY		X	
	<b>REP. MEMBERS (22)</b>	<b>Y</b>	<b>N</b>	<b>P</b>
1	Mr. Bentz, OR	X		
2	Mrs. Boebert, CO			
3	Mr. Carl, AL	X		
4	Mr. Fulcher, ID	X		
5	Mr. Gohmert, TX			
6	Miss González-Colón, PR	X		
7	Mr. Gosar, AZ	X		
8	Mr. Graves, LA	X		
9	Ms. Herrell, NM	X		
10	Mr. Hice, GA			
11	Mr. Lamborn, CO	X		
12	Mr. McClintock, CA			
13	Mr. Moore, UT	X		
14	Mr. Oberholte, CA	X		
15	Mrs. Radewagen, AS	X		
16	Mr. Rosendale, MT	X		
17	Mr. Stauber, MN	X		
18	Mr. Tiffany, WI			
19	Mr. Webster, FL			
20	Mr. Westerman, AR (RM)	X		
21	Mr. Wittman, VA	X		
22	Mr. Young, AK			
	Total: 48 / Quorum: 16 / Report: 25	15	22	
	<b>TOTALS</b>	<b>YEAS</b>	<b>NAYS</b>	<b>PRESENT</b>

Rep. Herrell offered an amendment designated Herrell #3. The amendment was not agreed to by a roll call vote of 16 yeas and 24 nays, as follows:

Date: May 5, 2021

**COMMITTEE ON NATURAL RESOURCES**  
**117<sup>TH</sup> CONGRESS — ROLL CALL**

**Bill / Motion:** H.R. 1503**Amendment:** Rep. Herrell #3 amendment**Disposition:** Not agreed to by a roll call vote of 16 yeas and 24 nays.

	DEM. MEMBERS (26)	YEAS	NAYS	PRESENT
1	Ms. Brownley, CA		X	
2	Mr. Case, HI		X	
3	Mr. Cohen, TN		X	
4	Mr. Costa, CA		X	
5	Ms. DeGette, CO		X	
6	Mrs. Dingell, MI		X	
7	Mr. Gallego, AZ		X	
8	Mr. Garcia, IL		X	
9	Mr. Grijalva, AZ (Chair)		X	
10	Mr. Huffman, CA		X	
11	Ms. Leger Fernández, NM		X	
12	Mr. Levin, CA		X	
13	Mr. Lowenthal, CA		X	
14	Ms. Matsui, CA		X	
15	Ms. McCollum, MN		X	
16	Mr. McEachin, VA			
17	Mrs. Napolitano, CA		X	
18	Mr. Neguse, CO		X	
19	Ms. Porter, CA		X	
20	Mr. Sablan, MP		X	
21	Mr. San Nicolas, GU			
22	Mr. Soto, FL		X	
23	Ms. Tlaib, MI		X	
24	Mr. Tonko, NY		X	
25	Ms. Trahan, MA		X	
26	Ms. Velázquez, NY		X	
	<b>REP. MEMBERS (22)</b>	<b>Y</b>	<b>N</b>	<b>P</b>
1	Mr. Bentz, OR	X		
2	Mrs. Boebert, CO			
3	Mr. Carl, AL	X		
4	Mr. Fulcher, ID	X		
5	Mr. Gohmert, TX			
6	Miss González-Colón, PR	X		
7	Mr. Gosar, AZ	X		
8	Mr. Graves, LA	X		
9	Ms. Herrell, NM	X		
10	Mr. Hice, GA			
11	Mr. Lamborn, CO	X		
12	Mr. McClintock, CA			
13	Mr. Moore, UT	X		
14	Mr. Oberholte, CA	X		
15	Mrs. Radewagen, AS	X		
16	Mr. Rosendale, MT	X		
17	Mr. Stauber, MN	X		
18	Mr. Tiffany, WI	X		
19	Mr. Webster, FL			
20	Mr. Westerman, AR (RM)	X		
21	Mr. Wittman, VA	X		
22	Mr. Young, AK			
	Total: 48 / Quorum: 16 / Report: 25	16	24	
	<b>TOTALS</b>	<b>YEAS</b>	<b>NAYS</b>	<b>PRESENT</b>



Rep. Lauren Boebert (R-CO) offered an amendment designated Boebert #1. The amendment was not agreed to by a roll call vote of 15 yeas and 23 nays, as follows:

Date: May 5, 2021

**COMMITTEE ON NATURAL RESOURCES**  
**117<sup>TH</sup> CONGRESS — ROLL CALL**

**Bill / Motion:** H.R. 1503**Amendment:** Rep. Boebert #1 amendment**Disposition:** Not agreed to by a roll call vote of 15 yeas and 23 nays.

	DEM. MEMBERS (26)	YEAS	NAYS	PRESENT
1	Ms. Brownley, CA		X	
2	Mr. Case, HI		X	
3	Mr. Cohen, TN			
4	Mr. Costa, CA		X	
5	Ms. DeGette, CO		X	
6	Mrs. Dingell, MI		X	
7	Mr. Gallego, AZ		X	
8	Mr. Garcia, IL		X	
9	Mr. Grijalva, AZ (Chair)		X	
10	Mr. Huffman, CA		X	
11	Ms. Leger Fernández, NM		X	
12	Mr. Levin, CA		X	
13	Mr. Lowenthal, CA		X	
14	Ms. Matsui, CA		X	
15	Ms. McCollum, MN		X	
16	Mr. McEachin, VA			
17	Mrs. Napolitano, CA		X	
18	Mr. Neguse, CO		X	
19	Ms. Porter, CA		X	
20	Mr. Sablan, MP		X	
21	Mr. San Nicolas, GU			
22	Mr. Soto, FL		X	
23	Ms. Tlaib, MI		X	
24	Mr. Tonko, NY		X	
25	Ms. Trahan, MA		X	
26	Ms. Velázquez, NY		X	
	<b>REP. MEMBERS (22)</b>	<b>Y</b>	<b>N</b>	<b>P</b>
1	Mr. Bentz, OR	X		
2	Mrs. Boebert, CO			
3	Mr. Carl, AL	X		
4	Mr. Fulcher, ID			
5	Mr. Gohmert, TX			
6	Miss González-Colón, PR	X		
7	Mr. Gosar, AZ	X		
8	Mr. Graves, LA	X		
9	Ms. Herrell, NM	X		
10	Mr. Hice, GA			
11	Mr. Lamborn, CO	X		
12	Mr. McClintock, CA			
13	Mr. Moore, UT	X		
14	Mr. Obermole, CA	X		
15	Mrs. Radewagen, AS	X		
16	Mr. Rosendale, MT	X		
17	Mr. Stauber, MN	X		
18	Mr. Tiffany, WI	X		
19	Mr. Webster, FL			
20	Mr. Westerman, AR (RM)	X		
21	Mr. Wittman, VA	X		
22	Mr. Young, AK			
	Total: 48 / Quorum: 16 / Report: 25	15	23	
	<b>TOTALS</b>	<b>YEAS</b>	<b>NAYS</b>	<b>PRESENT</b>

Rep. Matt Rosendale (R-MT) offered an amendment designated Rosendale #1. The amendment was not agreed to by a roll call vote of yeas 15 yeas and 24 nays, as follows:

Date: May 5, 2021

**COMMITTEE ON NATURAL RESOURCES  
117<sup>TH</sup> CONGRESS — ROLL CALL**

**Bill / Motion:** H.R. 1503**Amendment:** Rep. Rosendale #1 amendment**Disposition:** Not agreed to by a roll call vote of 15 yeas and 24 nays.

	DEM. MEMBERS (26)	YEAS	NAYS	PRESENT
1	Ms. Brownley, CA		X	
2	Mr. Case, HI		X	
3	Mr. Cohen, TN		X	
4	Mr. Costa, CA		X	
5	Ms. DeGette, CO		X	
6	Mrs. Dingell, MI		X	
7	Mr. Gallego, AZ		X	
8	Mr. García, IL		X	
9	Mr. Grijalva, AZ (Chair)		X	
10	Mr. Huffman, CA		X	
11	Ms. Leger Fernández, NM		X	
12	Mr. Levin, CA		X	
13	Mr. Lowenthal, CA		X	
14	Ms. Matsui, CA		X	
15	Ms. McCollum, MN		X	
16	Mr. McEachin, VA			
17	Mrs. Napolitano, CA		X	
18	Mr. Neguse, CO		X	
19	Ms. Porter, CA		X	
20	Mr. Sablan, MP		X	
21	Mr. San Nicolas, GU			
22	Mr. Soto, FL		X	
23	Ms. Tlaib, MI		X	
24	Mr. Tonko, NY		X	
25	Ms. Trahan, MA		X	
26	Ms. Velázquez, NY		X	
	<b>REP. MEMBERS (22)</b>	<b>Y</b>	<b>N</b>	<b>P</b>
1	Mr. Bentz, OR	X		
2	Mrs. Boebert, CO			
3	Mr. Carl, AL	X		
4	Mr. Fulcher, ID			
5	Mr. Gohmert, TX			
6	Miss González-Colón, PR	X		
7	Mr. Gosar, AZ	X		
8	Mr. Graves, LA	X		
9	Ms. Herrell, NM	X		
10	Mr. Hice, GA			
11	Mr. Lamborn, CO	X		
12	Mr. McClintock, CA			
13	Mr. Moore, UT	X		
14	Mr. Oberholte, CA	X		
15	Mrs. Radewagen, AS	X		
16	Mr. Rosendale, MT	X		
17	Mr. Stauber, MN	X		
18	Mr. Tiffany, WI	X		
19	Mr. Webster, FL			
20	Mr. Westerman, AR (RM)	X		
21	Mr. Wittman, VA	X		
22	Mr. Young, AK			
	Total: 48 / Quorum: 16 / Report: 25	15	24	
	<b>TOTALS</b>	<b>YEAS</b>	<b>NAYS</b>	<b>PRESENT</b>

Rep. Rosendale offered an amendment designated Rosendale #2. The amendment was not agreed to by a roll call vote of 15 yeas and 24 nays, as follows:

Date: May 5, 2021

**COMMITTEE ON NATURAL RESOURCES  
117<sup>TH</sup> CONGRESS — ROLL CALL**

Bill / Motion: H.R. 1503

Amendment: Rep. Rosendale #2 amendment

Disposition: Not agreed to by a roll call vote 15 yeas and 24 nays.

	DEM. MEMBERS (26)	YEAS	NAYS	PRESENT
1	Ms. Brownley, CA		X	
2	Mr. Case, HI		X	
3	Mr. Cohen, TN		X	
4	Mr. Costa, CA		X	
5	Ms. DeGette, CO		X	
6	Mrs. Dingell, MI		X	
7	Mr. Gallego, AZ		X	
8	Mr. Garcia, IL		X	
9	Mr. Grijalva, AZ (Chair)		X	
10	Mr. Huffman, CA		X	
11	Ms. Leger Fernández, NM		X	
12	Mr. Levin, CA		X	
13	Mr. Lowenthal, CA		X	
14	Ms. Matsui, CA		X	
15	Ms. McCollum, MN		X	
16	Mr. McEachin, VA			
17	Mrs. Napolitano, CA		X	
18	Mr. Neguse, CO		X	
19	Ms. Porter, CA		X	
20	Mr. Sablan, MP		X	
21	Mr. San Nicolas, GU			
22	Mr. Soto, FL		X	
23	Ms. Tlaib, MI		X	
24	Mr. Tonko, NY		X	
25	Ms. Trahan, MA		X	
26	Ms. Velázquez, NY		X	
	<b>REP. MEMBERS (22)</b>	<b>Y</b>	<b>N</b>	<b>P</b>
1	Mr. Bentz, OR	X		
2	Mrs. Boebert, CO			
3	Mr. Carl, AL	X		
4	Mr. Fulcher, ID			
5	Mr. Gohmert, TX			
6	Miss González-Colón, PR	X		
7	Mr. Gosar, AZ	X		
8	Mr. Graves, LA	X		
9	Ms. Herrell, NM	X		
10	Mr. Hice, GA			
11	Mr. Lamborn, CO	X		
12	Mr. McClintock, CA			
13	Mr. Moore, UT	X		
14	Mr. Oberholte, CA	X		
15	Mrs. Radewagen, AS	X		
16	Mr. Rosendale, MT	X		
17	Mr. Stauber, MN	X		
18	Mr. Tiffany, WI	X		
19	Mr. Webster, FL			
20	Mr. Westerman, AR (RM)	X		
21	Mr. Wittman, VA	X		
22	Mr. Young, AK			
	Total: 48 / Quorum: 18 / Report: 25	15	24	
	<b>TOTALS</b>	<b>YEAS</b>	<b>NAYS</b>	<b>PRESENT</b>

By unanimous consent, Rep. Garret Graves (R-LA) offered amendments designated Graves #1, Graves #2, Graves #3, Graves #4, Graves #5, and Graves #6 *en bloc*. The *en bloc* amendments were not agreed to by voice vote. Rep. Graves filed additional amendments designated Graves #7, Graves #8, Graves #9, Graves #10, Graves #11, Graves #12, and Graves #13. The amendments were not offered. By unanimous consent, Rep. Graves offered amendments designated Graves #15, Graves #16, Graves #17, Graves #18, and Graves #19 *en bloc*. The *en bloc* amendments were not agreed to by voice vote. By unanimous consent, Rep. Graves offered amendments designated Graves #20 and Graves #23 *en bloc*. The *en bloc* amendments were agreed to by voice vote. By unanimous consent, Rep. Graves offered amendments designated Graves #21 and Graves #22 *en bloc*. The *en bloc* amendments were not agreed to by a roll call vote of 15 yeas and 24 nays, as follows:

Date: May 5, 2021

**COMMITTEE ON NATURAL RESOURCES**  
**117<sup>TH</sup> CONGRESS — ROLL CALL**

**Bill / Motion:** H.R. 1503**Amendment:** Rep. Graves #21 and Graves #22 amendment, offered en bloc**Disposition:** Not agreed to by a roll call vote 15 yeas and 24 nays.

	DEM. MEMBERS (26)	YEAS	NAYS	PRESENT
1	Ms. Brownley, CA		X	
2	Mr. Case, HI		X	
3	Mr. Cohen, TN		X	
4	Mr. Costa, CA		X	
5	Ms. DeGette, CO		X	
6	Mrs. Dingell, MI		X	
7	Mr. Gallego, AZ		X	
8	Mr. García, IL		X	
9	Mr. Grijalva, AZ (Chair)		X	
10	Mr. Huffman, CA		X	
11	Ms. Leger Fernández, NM		X	
12	Mr. Levin, CA		X	
13	Mr. Lowenthal, CA		X	
14	Ms. Matsui, CA		X	
15	Ms. McCollum, MN		X	
16	Mr. McEachin, VA		X	
17	Mrs. Napolitano, CA		X	
18	Mr. Neguse, CO		X	
19	Ms. Porter, CA		X	
20	Mr. Sablan, MP		X	
21	Mr. San Nicolas, GU		X	
22	Mr. Soto, FL		X	
23	Ms. Tlaib, MI		X	
24	Mr. Tonko, NY		X	
25	Ms. Trahan, MA		X	
26	Ms. Velázquez, NY		X	
	<b>REP. MEMBERS (22)</b>	<b>Y</b>	<b>N</b>	<b>P</b>
1	Mr. Bentz, OR	X		
2	Mrs. Boebert, CO			
3	Mr. Carl, AL	X		
4	Mr. Fulcher, ID			
5	Mr. Gohmert, TX			
6	Miss González-Colón, PR	X		
7	Mr. Gosar, AZ	X		
8	Mr. Graves, LA	X		
9	Ms. Herrell, NM	X		
10	Mr. Hice, GA			
11	Mr. Lamborn, CO	X		
12	Mr. McClintock, CA			
13	Mr. Moore, UT	X		
14	Mr. Oberholte, CA	X		
15	Mrs. Radewagen, AS	X		
16	Mr. Rosendale, MT	X		
17	Mr. Stauber, MN	X		
18	Mr. Tiffany, WI	X		
19	Mr. Webster, FL			
20	Mr. Westerman, AR (RM)	X		
21	Mr. Wittman, VA	X		
22	Mr. Young, AK			
	Total: 48 / Quorum: 16 / Report: 25	15	24	
	<b>TOTALS</b>	<b>YEAS</b>	<b>NAYS</b>	<b>PRESENT</b>



Rep. Graves offered an amendment designated Graves #25. The amendment was not agreed to by a roll call vote of 14 yeas and 25 nays, as follows:

Date: May 5, 2021

**COMMITTEE ON NATURAL RESOURCES**  
**117<sup>TH</sup> CONGRESS — ROLL CALL**

**Bill / Motion:** H.R. 1503**Amendment:** Rep. Graves #25 amendment**Disposition:** Not agreed to by a roll call vote of 14 yeas and 25 nays.

	DEM. MEMBERS (26)	YEAS	NAYS	PRESENT
1	Ms. Brownley, CA		X	
2	Mr. Case, HI		X	
3	Mr. Cohen, TN		X	
4	Mr. Costa, CA		X	
5	Ms. DeGette, CO		X	
6	Mrs. Dingell, MI		X	
7	Mr. Gallego, AZ		X	
8	Mr. García, IL		X	
9	Mr. Grijalva, AZ (Chair)		X	
10	Mr. Huffman, CA		X	
11	Ms. Leger Fernández, NM		X	
12	Mr. Levin, CA		X	
13	Mr. Lowenthal, CA		X	
14	Ms. Matsui, CA		X	
15	Ms. McCollum, MN		X	
16	Mr. McEachin, VA			
17	Mrs. Napolitano, CA		X	
18	Mr. Neguse, CO		X	
19	Ms. Porter, CA		X	
20	Mr. Sablan, MP		X	
21	Mr. San Nicolas, GU			
22	Mr. Soto, FL		X	
23	Ms. Tlaib, MI		X	
24	Mr. Tonko, NY		X	
25	Ms. Trahan, MA		X	
26	Ms. Velázquez, NY		X	
	<b>REP. MEMBERS (22)</b>	<b>Y</b>	<b>N</b>	<b>P</b>
1	Mr. Bentz, OR	X		
2	Mrs. Boebert, CO			
3	Mr. Carl, AL	X		
4	Mr. Fulcher, ID			
5	Mr. Gohmert, TX			
6	Miss González-Colón, PR	X		
7	Mr. Gosar, AZ	X		
8	Mr. Graves, LA	X		
9	Ms. Herrell, NM	X		
10	Mr. Hice, GA			
11	Mr. Lamborn, CO	X		
12	Mr. McClintock, CA			
13	Mr. Moore, UT	X		
14	Mr. Obermoyle, CA	X		
15	Mrs. Radewagen, AS	X		
16	Mr. Rosendale, MT		X	
17	Mr. Stauber, MN	X		
18	Mr. Tiffany, WI	X		
19	Mr. Webster, FL			
20	Mr. Westerman, AR (RM)	X		
21	Mr. Wittman, VA	X		
22	Mr. Young, AK			
	Total: 48 / Quorum: 16 / Report: 25	14	25	
	<b>TOTALS</b>	<b>YEAS</b>	<b>NAYS</b>	<b>PRESENT</b>

Rep. Boebert offered an amendment designated Boebert #2. The amendment was not agreed to by a roll call vote of 15 yeas and 24 nays, as follows:

Date: May 5, 2021

**COMMITTEE ON NATURAL RESOURCES**  
**117<sup>TH</sup> CONGRESS — ROLL CALL**

**Bill / Motion:** H.R. 1503**Amendment:** Rep. Boebert #2 amendment**Disposition:** Not agreed to by a roll call vote of 15 yeas and 24 nays.

	DEM. MEMBERS (26)	YEAS	NAYS	PRESENT
1	Ms. Brownley, CA		X	
2	Mr. Case, HI		X	
3	Mr. Cohen, TN		X	
4	Mr. Costa, CA		X	
5	Ms. DeGette, CO		X	
6	Mrs. Dingell, MI		X	
7	Mr. Gallego, AZ		X	
8	Mr. Garcia, IL		X	
9	Mr. Grijalva, AZ (Chair)		X	
10	Mr. Huffman, CA		X	
11	Ms. Leger Fernández, NM		X	
12	Mr. Levin, CA		X	
13	Mr. Lowenthal, CA		X	
14	Ms. Matsui, CA		X	
15	Ms. McCollum, MN		X	
16	Mr. McEachin, VA			
17	Mrs. Napolitano, CA		X	
18	Mr. Neguse, CO		X	
19	Ms. Porter, CA		X	
20	Mr. Sablan, MP		X	
21	Mr. San Nicolas, GU			
22	Mr. Soto, FL		X	
23	Ms. Tlaib, MI		X	
24	Mr. Tonko, NY		X	
25	Ms. Trahan, MA		X	
26	Ms. Velázquez, NY		X	
	<b>REP. MEMBERS (22)</b>	<b>Y</b>	<b>N</b>	<b>P</b>
1	Mr. Bentz, OR	X		
2	Mrs. Boebert, CO			
3	Mr. Carl, AL	X		
4	Mr. Fulcher, ID			
5	Mr. Gohmert, TX			
6	Miss González-Colón, PR	X		
7	Mr. Gosar, AZ	X		
8	Mr. Graves, LA	X		
9	Ms. Herrell, NM	X		
10	Mr. Hice, GA			
11	Mr. Lamborn, CO	X		
12	Mr. McClintock, CA			
13	Mr. Moore, UT	X		
14	Mr. Obermole, CA	X		
15	Mrs. Radewagen, AS	X		
16	Mr. Rosendale, MT	X		
17	Mr. Stauber, MN	X		
18	Mr. Tiffany, WI	X		
19	Mr. Webster, FL			
20	Mr. Westerman, AR (RM)	X		
21	Mr. Wittman, VA	X		
22	Mr. Young, AK			
	Total: 48 / Quorum: 16 / Report: 25	15	24	
	<b>TOTALS</b>	<b>YEAS</b>	<b>NAYS</b>	<b>PRESENT</b>

Rep. Herrell offered an amendment designated Herrell #1. The amendment was not agreed to by a roll call vote of 15 yeas and 24 nays, as follows:

Date: May 5, 2021

**COMMITTEE ON NATURAL RESOURCES  
117<sup>TH</sup> CONGRESS — ROLL CALL**

**Bill / Motion:** H.R. 1503**Amendment:** Rep. Herrell #1 amendment**Disposition:** Not agreed to by a roll call vote 15 yeas and 24 nays.

	DEM. MEMBERS (26)	YEAS	NAYS	PRESENT
1	Ms. Brownley, CA		X	
2	Mr. Case, HI		X	
3	Mr. Cohen, TN		X	
4	Mr. Costa, CA		X	
5	Ms. DeGette, CO		X	
6	Mrs. Dingell, MI		X	
7	Mr. Gallego, AZ		X	
8	Mr. Garcia, IL		X	
9	Mr. Grijalva, AZ (Chair)		X	
10	Mr. Huffman, CA		X	
11	Ms. Leger Fernández, NM		X	
12	Mr. Levin, CA		X	
13	Mr. Lowenthal, CA		X	
14	Ms. Matsui, CA		X	
15	Ms. McCollum, MN		X	
16	Mr. McEachin, VA			
17	Mrs. Napolitano, CA		X	
18	Mr. Neguse, CO		X	
19	Ms. Porter, CA		X	
20	Mr. Sablan, MP		X	
21	Mr. San Nicolas, GU			
22	Mr. Soto, FL		X	
23	Ms. Tlaib, MI		X	
24	Mr. Tonko, NY		X	
25	Ms. Trahan, MA		X	
26	Ms. Velázquez, NY		X	
	<b>REP. MEMBERS (22)</b>	<b>Y</b>	<b>N</b>	<b>P</b>
1	Mr. Bentz, OR	X		
2	Mrs. Boebert, CO			
3	Mr. Carl, AL	X		
4	Mr. Fulcher, ID			
5	Mr. Gohmert, TX			
6	Miss González-Colón, PR	X		
7	Mr. Gosar, AZ	X		
8	Mr. Graves, LA	X		
9	Ms. Herrell, NM	X		
10	Mr. Hice, GA			
11	Mr. Lamborn, CO	X		
12	Mr. McClintock, CA			
13	Mr. Moore, UT	X		
14	Mr. Oberholte, CA	X		
15	Mrs. Radewagen, AS	X		
16	Mr. Rosendale, MT	X		
17	Mr. Stauber, MN	X		
18	Mr. Tiffany, WI	X		
19	Mr. Webster, FL			
20	Mr. Westerman, AR (RM)	X		
21	Mr. Wittman, VA	X		
22	Mr. Young, AK			
	Total: 48 / Quorum: 16 / Report: 25	15	24	
	<b>TOTALS</b>	<b>YEAS</b>	<b>NAYS</b>	<b>PRESENT</b>

The bill, as amended, was adopted and ordered favorably reported to the House of Representatives by a roll call vote of 24 yeas and 15 nays, as follows:

Date: May 5, 2021

**COMMITTEE ON NATURAL RESOURCES**  
**117<sup>TH</sup> CONGRESS — ROLL CALL**

Bill / Motion: H.R. 1503

Amendment:

**Disposition:** Final Passage: H.R. 1503, as amended, was ordered favorably reported to the House of Representatives by a roll call vote of 24 yeas and 15 nays.

	DEM. MEMBERS (26)	YEAS	NAYS	PRESENT
1	Ms. Brownley, CA	X		
2	Mr. Case, HI	X		
3	Mr. Cohen, TN	X		
4	Mr. Costa, CA	X		
5	Ms. DeGette, CO	X		
6	Mrs. Dingell, MI	X		
7	Mr. Gallego, AZ	X		
8	Mr. García, IL	X		
9	Mr. Grijalva, AZ (Chair)	X		
10	Mr. Huffman, CA	X		
11	Ms. Leger Fernández, NM	X		
12	Mr. Levin, CA	X		
13	Mr. Lowenthal, CA	X		
14	Ms. Matsui, CA	X		
15	Ms. McCollum, MN	X		
16	Mr. McEachin, VA			
17	Mrs. Napolitano, CA	X		
18	Mr. Neguse, CO	X		
19	Ms. Porter, CA	X		
20	Mr. Sablan, MP	X		
21	Mr. San Nicolas, GU			
22	Mr. Soto, FL	X		
23	Ms. Tlaib, MI	X		
24	Mr. Tonko, NY	X		
25	Ms. Trahan, MA	X		
26	Ms. Velázquez, NY	X		
	<b>REP. MEMBERS (22)</b>	<b>Y</b>	<b>N</b>	<b>P</b>
1	Mr. Bentz, OR		X	
2	Mrs. Boebert, CO			
3	Mr. Carl, AL		X	
4	Mr. Fulcher, ID			
5	Mr. Gohmert, TX			
6	Miss González-Colón, PR		X	
7	Mr. Gosar, AZ		X	
8	Mr. Graves, LA		X	
9	Ms. Herrell, NM		X	
10	Mr. Hice, GA			
11	Mr. Lamborn, CO		X	
12	Mr. McClintock, CA			
13	Mr. Moore, UT		X	
14	Mr. Obernolte, CA		X	
15	Mrs. Radewagen, AS		X	
16	Mr. Rosendale, MT		X	
17	Mr. Stauber, MN		X	
18	Mr. Tiffany, WI		X	
19	Mr. Webster, FL			
20	Mr. Westerman, AR (RM)		X	
21	Mr. Wittman, VA		X	
22	Mr. Young, AK			
	Total: 48 / Quorum: 16 / Report: 25	24	15	
	<b>TOTALS</b>	<b>YEAS</b>	<b>NAYS</b>	<b>PRESENT</b>



## HEARINGS

Regarding clause 3(c)(6) of House rule XIII, the Committee does not expect the measure to be considered pursuant to a special order of business reported by the Committee on Rules, as it has already been largely enacted as part of another bill.

## SECTION-BY-SECTION ANALYSIS

*Sec. 1. Short title*

Section 1 provides that this Act may be cited as the “Restoring Community Input in Oil and Gas Leasing Act of 2021”.

*Sec. 2. Leasing process*

Section 2 updates the onshore oil and gas leasing program and increases taxpayer returns. Subsection (b) reduces the number of annual lease sales in each state from a minimum of four to a maximum of three and requires that lands managed under any particular field office can’t be offered in more than one lease sale per year. Subsection (b) also raises the onshore oil and gas royalty rate from 12.5 percent to 18.75 percent for all new oil and gas leases. Subsection (c) increases the national minimum bid from \$2 per acre to \$5 per acre and requires the Secretary of the Interior to adjust it for inflation once every four years. Subsection (d) raises the onshore rental rates for oil and gas leases from their current values of \$1.50 for the first five years and \$2 for the second five years, to \$3 for the first two years, and \$5 for each subsequent year. Subsection (e) eliminates noncompetitive leasing and subsection (f) shortens the primary lease term from 10 years to 5 years. Subsection (g) requires leaseholders to have a demonstrated capability to explore and produce oil and gas.

*Sec. 3. Transparency and landowner protections*

Section 3 improves the transparency of the leasing program and increases protections for owners of land in the vicinity of proposed lease sales. Subsection (a) requires parties to disclose their identity when nominating and bidding on federal minerals, and subsection (b) requires the Secretary to notify surface landowners and holders of commercial use permits when oil and gas leases are to be offered on lands that would affect their property or permits. Subsection (c) requires a surface use agreement between the operator and the surface landowner and provides additional safeguards for private surface owners overlying federal minerals. Subsection (c) also requires public notice and comment whenever lease stipulations are proposed to be waived or subject to an exception or modification.

*Sec. 4. Lease stipulations*

Section 4 amends the Energy Policy Act of 2005 and requires a revision to the DOI–USDA memorandum of understanding developed under Section 363 of the Energy Policy Act to allow for more protective stipulations.

*Sec. 5. Master leasing plans*

Section 5 allows the Secretary to develop master leasing plans (MLPs) to govern oil and gas leases on federal land, in accordance with the 2010 leasing reform policy (BLM Instruction Memo-

randum No. 2010–117). In deciding whether to adopt and implement an MLP, the Secretary will consider: if there is a substantial portion of the area not currently under lease, expressions of interest from the oil and gas industry, federal interest, the potential for oil and gas development, as well as the benefits of avoiding conflict between mineral leasing and other land uses like conservation, recreation, and protection of cultural and historic resources.

The Secretary is required to develop an MLP for federal lands in a state or county if the state or county government requests. Any individual who is a resident of a state or county can request the Secretary adopt and implement an MLP. The Secretary is required to determine whether or not to adopt an MLP within 60 days of receiving a request from an individual.

#### *Sec. 6. Parcel review*

Section 6 codifies the leasing reform policies established by the Obama administration in 2010 (BLM Instruction Memorandum No. 2010–117). These reforms include interdisciplinary scientific review of potential parcels; site visits to nominated lands; 90-day public notice of lease sales; and enhanced NEPA requirements.

#### *Sec. 7. Acreage limitations*

Section 7 strengthens the per-state oil and gas acreage limitations. This section eliminates language added by Section 352 of the Energy Policy Act of 2005 (Section 21(a) of the Mineral Leasing Act) that exempts certain lands from the acreage limitation.

#### *Sec. 8. Land management*

Section 8 requires BLM and USFS to continue to manage lands under lease for multiple use until a company begins operations on a lease.

#### *Sec. 9. Oil shale*

Section 9 prohibits commercial oil shale leasing until technical and economic feasibility is established through the existing research and development program created in the Energy Policy Act of 2005.

#### *Sec. 10. Transparency in management of leases*

Section 10 requires the Secretary to publish the identity of each oil and gas leaseholder and operator on a public website, as well as all lease transfers and lease stipulations. This section also requires all previous lessees and operators to be identified.

#### *Sec. 11. Lease cancellation for improper issuance*

Section 11 clarifies that DOI can cancel leases under the Mineral Leasing Act if those leases have been improperly issued.

#### *Sec. 12. Fees for expressions of interest*

Section 12 requires BLM to charge a cost-recovery fee to each person that submits an oil and gas EOI. The fee would be equal to the amount the Secretary determines is necessary to cover the cost of processing the EOI but no less than \$15 per acre. Every four years, the Secretary is required to establish a higher EOI fee to reflect the change in the Consumer Price Index and as is necessary

to enhance financial returns or promote more efficient management of resources on federal land.

*Sec. 13. Protection of water resources*

Section 13 increases the protection of water resources by amending the Mineral Leasing Act to include protections for groundwater in addition to surface water. This section also includes requirements that operators replace the water supply of water users whose supplies have been contaminated by drilling or fracking. This section ensures that if water sources are affected by contamination, operators use the best-available technology to prevent long-term degradation. Any application for a permit to drill under a lease must also include a proposed water management plan to protect the quality and quantity of surface and groundwater and protect the rights of current water users.

*Sec. 14. Taxpayer funding stewardship*

Section 14 requires BLM to write rules on the impacts to water resources from hydraulic fracturing on federal lands, including baseline water testing and public disclosure, and full public disclosure of fracking chemicals within one year after the enactment of this Act.

COMMITTEE OVERSIGHT FINDINGS AND RECOMMENDATIONS

Regarding clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee on Natural Resources' oversight findings and recommendations are reflected in the body of this report.

COMPLIANCE WITH HOUSE RULE XIII AND CONGRESSIONAL BUDGET ACT

1. *Cost of Legislation and the Congressional Budget Act.* With respect to the requirements of clause 3(c)(2) of rule XIII of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974 and with respect to requirements of clause (3)(c)(3) and clause 3(d) of rule XIII of the Rules of the House of Representatives and section 402 of the Congressional Budget Act of 1974, the Committee has requested but not received a cost estimate for this bill from the Director of Congressional Budget Office. The Committee adopts as its own cost estimate the forthcoming cost estimate of the Director of the Congressional Budget Office, should such cost estimate be made available before House passage of the bill.

The Committee has requested but not received from the Director of the Congressional Budget Office a statement as to whether this bill contains any new budget authority, spending authority, credit authority, or an increase or decrease in revenues or tax expenditures.

2. *General Performance Goals and Objectives.* As required by clause 3(c)(4) of rule XIII, the general performance goals and objectives of this bill are to make certain adjustments in leasing on federal lands for oil and gas drilling.

## EARMARK STATEMENT

This bill does not contain any Congressional earmarks, limited tax benefits, or limited tariff benefits as defined under clause 9(e), 9(f), and 9(g) of rule XXI of the Rules of the House of Representatives.

## UNFUNDED MANDATES REFORM ACT STATEMENT

An estimate of federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act was not made available to the Committee in time for the filing of this report. The Chair of the Committee shall cause such estimate to be printed in the *Congressional Record* upon its receipt by the Committee, if such estimate is not publicly available on the Congressional Budget Office website.

## EXISTING PROGRAMS

This bill does not establish or reauthorize a program of the federal government known to be duplicative of another program.

## APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

## PREEMPTION OF STATE, LOCAL, OR TRIBAL LAW

Any preemptive effect of this bill over state, local, or tribal law is intended to be consistent with the bill's purposes and text and the Supremacy Clause of Article VI of the U.S. Constitution.

## CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, and existing law in which no change is proposed is shown in roman):

## MINERAL LEASING ACT

\* \* \* \* \*

**【SEC. 17. (a) All lands subject to disposition under this Act which are known or believed to contain oil or gas deposits may be leased by the Secretary.】**

**SEC. 17. LEASING OF LAND CONTAINING OIL OR GAS DEPOSITS.**

(a) *LEASING AUTHORITY.*—

(1) *IN GENERAL.*—*All lands subject to disposition under this Act that are known or believed to contain oil or gas deposits may be leased by the Secretary.*

(2) *RECEIPT OF FAIR MARKET VALUE.*—*Leasing activities under this Act shall be conducted to assure receipt of fair mar-*

*ket value for the lands and resources leased and the rights conveyed by the United States.*

(3) *PARCEL REVIEW.*—*The Secretary shall issue oil and gas leases under this Act only in accordance with subsections C through I of section III of Bureau of Land Management Instruction Memorandum No. 2010–117, dated May 17, 2010, as in effect on April 24, 2017.*

(4) *TRANSPARENCY IN MANAGEMENT OF LEASES.*—*For each lease under this section, the Secretary shall make available on a public website—*

*(A) the identity of—*

*(i) each person who is or has been a lessee under the lease; and*

*(ii) each person who is or has been an operator under the lease;*

*(B) notice of each transfer of the lease; and*

*(C) notice of each suspension of operations, each suspension of production, and each suspension of operations and production.*

[(b)(1)(A) All lands to be leased which are not subject to leasing under paragraphs (2) and (3) of this subsection shall be leased as provided in this paragraph to the highest responsible qualified bidder by competitive bidding under general regulations in units of not more than 2,560 acres, except in Alaska, where units shall be not more than 5,760 acres. Such units shall be as nearly compact as possible. Lease sales shall be conducted by oral bidding, except as provided in subparagraph (C). Lease sales shall be held for each State where eligible lands are available at least quarterly and more frequently if the Secretary of the Interior determines such sales are necessary. A lease shall be conditioned upon the payment of a royalty at a rate of not less than 12.5 percent in amount or value of the production removed or sold from the lease. The Secretary shall accept the highest bid from a responsible qualified bidder which is equal to or greater than the national minimum acceptable bid, without evaluation of the value of the lands proposed for lease. Leases shall be issued within 60 days following payment by the successful bidder of the remainder of the bonus bid, if any, and the annual rental for the first lease year. All bids for less than the national minimum acceptable bid shall be rejected. Lands for which no bids are received or for which the highest bid is less than the national minimum acceptable bid shall be offered promptly within 30 days for leasing under subsection (c) of this section and shall remain available for leasing for a period of 2 years after the competitive lease sale.

[(B) The national minimum acceptable bid shall be \$2 per acre for a period of 2 years from the date of enactment of the Federal Onshore Oil and Gas Leasing Reform Act of 1987. Thereafter, the Secretary, subject to paragraph (2)(B), may establish by regulation a higher national minimum acceptable bid for all leases based upon a finding that such action is necessary: (i) to enhance financial returns to the United States; and (ii) to promote more efficient management of oil and gas resources on Federal lands. Ninety days before the Secretary makes any change in the national minimum acceptable bid, the Secretary shall notify the Committee on Natural Resources of the United States House of Representatives and the

Committee on Energy and Natural Resources of the United States Senate. The proposal or promulgation of any regulation to establish a national minimum acceptable bid shall not be considered a major Federal action subject to the requirements of section 102(2)(C) of the National Environmental Policy Act of 1969.]

(b) *BIDDING.*—

(1) *IN GENERAL.*—

(A) *COMPETITIVE BIDDING.*—

(i) *IN GENERAL.*—All lands to be leased under this section shall be leased as provided in this paragraph to the highest responsible qualified bidder by competitive bidding by sealed bid.

(ii) *GEOGRAPHIC LIMITATION.*—The Secretary shall lease lands under this paragraph in units of not more than 2,560 acres, except in Alaska, where units shall be not more than 5,760 acres. Such units shall be as nearly compact as possible.

(iii) *FREQUENCY.*—Lease sales under this section shall be held for each State in which there are lands eligible for leasing no more than 3 times each year and on a rotating basis such that the lands under the responsibility of any Bureau of Land Management field office are available for leasing no more than one time each year.

(iv) *ROYALTY.*—A lease under this section shall be conditioned upon the payment of a royalty at a rate of not less than 18.75 percent in amount or value of the production removed or sold from the lease, except as otherwise provided in this Act.

(v) *ISSUANCE OF LEASE.*—The Secretary may issue a lease under this section to the responsible qualified bidder with the highest bid that is equal to or greater than the national minimum acceptable bid. The Secretary shall decide whether to accept a bid and issue a lease within 90 days following payment by the successful bidder of the remainder of the bonus bid, if any, and annual rental for the first lease year.

(vi) *REJECTION OF BID.*—The Secretary may reject a bid above the national minimum acceptable bid if, after evaluation of the value of the lands proposed for lease, the Secretary determines that the bid amount does not ensure that fair market value is obtained for the lease.

(B) *NATIONAL MINIMUM ACCEPTABLE BID.*—

(i) *IN GENERAL.*—Except as provided in clause (ii), for purposes of subparagraph (A), the national minimum acceptable bid shall be \$10 per acre. All bids under this section for less than the national minimum acceptable bid shall be rejected.

(ii) *RAISING THE NATIONAL MINIMUM ACCEPTABLE BID.*—The Secretary may establish a higher national minimum acceptable bid—

(I) beginning at the end of the 4-year period that begins on the date of enactment of the Restoring Community Input and Public Protection in Oil

*and Gas Leasing Act of 2021, and once every 4 years thereafter, to reflect the change in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics; and*

*(II) at any time, if the Secretary finds that such a higher amount is necessary to enhance financial returns to the United States or to promote more efficient management of oil and gas resources on Federal lands.*

*(iii) NOT A MAJOR FEDERAL ACTION.—The proposal or issuance of any regulation to establish a higher national minimum acceptable bid under clause (ii) shall not be considered a major Federal action that is subject to the requirements of section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)).*

(C) In order to diversify and expand the Nation's onshore leasing program to ensure the best return to the Federal taxpayer, reduce fraud, and secure the leasing process, the Secretary may conduct onshore lease sales through Internet-based bidding methods. Each individual Internet-based lease sale shall conclude within 7 days.

(2)(A)(i) If the lands to be leased are within a special tar sand area, they shall be leased to the highest responsible qualified bidder by competitive bidding under general regulations in units of not more than 5,760 acres, which shall be as nearly compact as possible, upon the payment by the lessee of such bonus as may be accepted by the Secretary.

(ii) Royalty shall be 12½ per centum in amount of value of production removed or sold from the lease subject to section 17(k)(1)(c).

(iii) The Secretary may lease such additional lands in special tar sand areas as may be required in support of any operations necessary for the recovery of tar sands.

(iv) No lease issued under this paragraph shall be included in any chargeability limitation associated with oil and gas leases.

(B) For any area that contains any combination of tar sand and oil or gas (or both), the Secretary may issue under this Act, separately—

(i) a lease for exploration for and extraction of tar sand; and

(ii) a lease for exploration for and development of oil and gas.

(C) A lease issued for tar sand shall be issued using the same bidding process, annual rental, and posting period as a lease issued for oil and gas, except that the minimum acceptable bid required for a lease issued for tar sand shall be \$2 per acre.

(D) The Secretary may waive, suspend, or alter any requirement under section 26 that a permittee under a permit authorizing prospecting for tar sand must exercise due diligence, to promote any resource covered by a combined hydrocarbon lease.

[(3)(A) If the United States held a vested future interest in a mineral estate that, immediately prior to becoming a vested present interest, was subject to a lease under which oil or gas was being produced, or had a well capable of producing, in paying quantities at an annual average production volume per well per day of either not more than 15 barrels per day of oil or condensate, or not

more than 60,000 cubic feet of gas, the holder of the lease may elect to continue the lease as a noncompetitive lease under subsection (c)(1).

[(B) An election under this paragraph is effective—

[(i) in the case of an interest which vested after January 1, 1990, and on or before the date of enactment of this paragraph, if the election is made before the date that is 1 year after the date of enactment of this paragraph;

[(ii) in the case of an interest which vests within 1 year after the date of enactment of this paragraph, if the election is made before the date that is 2 years after the date of enactment of this paragraph; and

[(iii) in any case other than those described in clause (i) or (ii), if the election is made prior to the interest becoming a vested present interest.

[(C) Notwithstanding the consent requirement referenced in section 3 of the Mineral Leasing Act for Acquired Lands (30 U.S.C. 352), the Secretary shall issue a noncompetitive lease under subsection (c)(1) to a holder who makes an election under subparagraph (A) and who is qualified to hold a lease under this Act. Such lease shall be subject to all terms and conditions under this Act that are applicable to leases issued under subsection (c)(1).

[(D) A lease issued pursuant to this paragraph shall continue so long as oil or gas continues to be produced in paying quantities.

[(E) This paragraph shall apply only to those lands under the administration of the Secretary of Agriculture where the United States acquired an interest in such lands pursuant to the Act of March 1, 1911 (36 Stat. 961 and following).]

(3) *BIDDER IDENTITY.*—*The Secretary—*

*(A) shall require that each expression of interest to bid for a lease under this section and each bid for a lease under this section shall include the name of the person for whom such expression of interest or bid is submitted; and*

*(B) shall promptly publish each such name.*

[(c)(1) If the lands to be leased are not leased under subsection (b)(1) of this section or are not subject to competitive leasing under subsection (b)(2) of this section, the person first making application for the lease who is qualified to hold a lease under this Act shall be entitled to a lease of such lands without competitive bidding, upon payment of a non-refundable application fee of at least \$75. A lease under this subsection shall be conditioned upon the payment of a royalty at a rate of 12.5 percent in amount or value of the production removed or sold from the lease. Leases shall be issued within 60 days of the date on which the Secretary identifies the first responsible qualified applicant.

[(2)(A) Lands (i) which were posted for sale under subsection (b)(1) of this section but for which no bids were received or for which the highest bid was less than the national minimum acceptable bid and (ii) for which, at the end of the period referred to in subsection (b)(1) of this section no lease has been issued and no lease application is pending under paragraph (1) of this subsection, shall again be available for leasing only in accordance with subsection (b)(1) of this section.

[(B) The land in any lease which is issued under paragraph (1) of this subsection or under subsection (b)(1) of this section which



lease terminates, expires, is cancelled or is relinquished shall again be available for leasing only in accordance with subsection (b)(1) of this section.

[(d) All leases issued under this section, as amended by the Federal Onshore Oil and Gas Leasing Reform Act of 1987, shall be conditioned upon payment by the lessee of a rental of not less than \$1.50 per acre per year for the first through fifth years of the lease and not less than \$2 per acre per year for each year thereafter. A minimum royalty in lieu of rental of not less than the rental which otherwise would be required for that lease year shall be payable at the expiration of each lease year beginning on or after a discovery of oil or gas in paying quantities on the lands leased.]

(c) *LANDS FOR WHICH NO BID IS ACCEPTED.*—*Lands made available for leasing under subsection (b)(1) but for which no bid is accepted may be made available by the Secretary for a new round of sealed bidding under such subsection.*

(d) *ANNUAL RENTALS.*—*All leases issued under this section shall be conditioned upon the payment by the lessee of a rental of—*

(1) *not less than \$3.00 per acre per year during the 5-year period beginning on the date the lease begins for new leases, and after the end of such 5 year period not less than \$5 per acre per year; or*

(2) *such higher rental rate as the Secretary may establish if the Secretary finds that such action is necessary to enhance financial returns to the United States and promote more efficient management of oil and gas and alternative energy resources on Federal lands.*

(e) [Competitive and noncompetitive leases] *Leases, including leases for tar sand areas, issued under this section shall be for a primary term of [10 years:] 5 years. [Provided, however, That competitive leases issued in special tar sand areas shall also be for a primary term of ten years.] Each such lease shall continue so long after its primary term as oil or gas is produced in paying quantities. Any lease issued under this section for land on which, or for which under an approved cooperative or unit plan of development or operation, actual drilling operations were commenced prior to the end of its primary term and are being diligently prosecuted at that time shall be extended for two years and so long thereafter as oil or gas is produced in paying quantities.*

[(f) At least 45 days before offering lands for lease under this section, and at least 30 days before approving applications for permits to drill under the provisions of a lease or substantially modifying the terms of any lease issued under this section, the Secretary shall provide notice of the proposed action. Such notice shall be posted in the appropriate local office of the leasing and land management agencies.]

(f) *REQUIREMENTS PRIOR TO OFFERING LANDS FOR LEASE.—*

(1) *REQUIRED NOTICE.*—*At least 45 days before offering lands for lease under this section, and at least 30 days before approving applications for permits to drill under the provisions of a lease, modifying the terms of any lease issued under this section, or granting a waiver, exception, or modification of any stipulation of a lease issued under this section, the Secretary shall provide notice of the proposed action to—*

(A) *the general public by posting such notice in the appropriate local office and on the electronic website of the leasing and land management agencies offering the lands for lease;*

(B) *all surface land owners in the area of the lands being offered for lease; and*

(C) *the holders of special recreation permits for commercial use, competitive events, and other organized activities on the lands being offered for lease.*

(2) **REQUIRED INFORMATION.**—Such notice shall include the terms or modified lease terms and maps or a narrative description of the affected lands. Where the inclusion of maps in such notice is not practicable, maps of the affected lands shall be made available to the public for review. Such maps shall show the location of all tracts to be leased, and of all leases already issued in the general area. The requirements of this subsection are in addition to any public notice required by other law.

[(g) **The Secretary of the Interior**]

(g) **OTHER LEASING REQUIREMENTS.**—

(1) **IN GENERAL.**—*The Secretary of the Interior, or for National Forest lands, the Secretary of Agriculture, shall regulate all surface-disturbing activities conducted pursuant to any lease issued under this Act, and shall determine reclamation and other actions as required in the interest of conservation of surface resources. No permit to drill on an oil and gas lease issued under this Act may be granted without the analysis and approval by the Secretary concerned of a plan of operations covering proposed surface-disturbing activities within the lease area. The Secretary concerned shall, by rule or regulation, establish such standards as may be necessary to ensure that an adequate bond, surety, or other financial arrangement will be established prior to the commencement of surface-disturbing activities on any lease, to ensure the complete and timely reclamation of the lease tract, and the restoration of any [lands or surface waters adversely] surface or ground waters or lands adversely affected by lease operations after the abandonment or cessation of oil and gas operations on the lease. The Secretary shall not issue a lease or leases or approve the assignment of any lease or leases under the terms of this section to any person, association, corporation, or any subsidiary, affiliate, or person controlled by or under common control with such person, association, or corporation, during any period in which, as determined by the Secretary of the Interior or Secretary of Agriculture, such entity has failed or refused to comply in any material respect with the reclamation requirements and other standards established under this section for any prior lease to which such requirements and standards applied. Prior to making such determination with respect to any such entity the concerned Secretary shall provide such entity with adequate notification and an opportunity to comply with such reclamation requirements and other standards and shall consider whether any administrative or judicial appeal is pending. Once the entity has complied with the reclamation requirement or other standard concerned an oil or gas lease may be issued to such entity under this Act.*

(2) *LIMITATION.*—*The Secretary shall not issue a lease or approve the assignment of any lease to any person, or to any subsidiary or affiliate of such person or any other person controlled by or under common control with such person, unless such person has the demonstrated capability to explore and produce oil and gas under the lease.*

(3) *PROTECTION OF LEASED LANDS FOR OTHER USES.*—*Each lease under this section shall include such terms as are necessary to preserve the United States flexibility to control or prohibit activities that pose serious and unacceptable impacts to the value of the leased lands for uses other than production of oil and gas.*

(4) *MULTIPLE-USE MANAGEMENT.*—*The Secretary, and for National Forest lands, the Secretary of Agriculture, shall manage lands that are subject to an oil and gas lease under this Act in accordance with the principles, policies, and requirements relating to multiple use under the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1701 et seq.), until the beginning of operations on such lease.*

(h) The Secretary of the Interior may not issue any lease on National Forest System Lands reserved from the public domain over the objection of the Secretary of Agriculture.

(i) No lease issued under this section which is subject to termination because of cessation of production shall be terminated for this cause so long as reworking or drilling operations which were commenced on the land prior to or within sixty days after cessation of production are conducted thereon with reasonable diligence, or so long as oil or gas is produced in paying quantities as a result of such operations. No lease issued under this section shall expire because operations or production is suspended under any order, or with the consent, of the Secretary. No lease issued under this section covering lands on which there is a well capable of producing oil or gas in paying quantities shall expire because the lessee fails to produce the same unless the lessee is allowed a reasonable time, which shall be not less than sixty days after notice by registered or certified mail, within which to place such well in producing status or unless, after such status is established, production is discontinued on the leased premises without permission granted by the Secretary under the provisions of this Act.

(j) Whenever it appears to the Secretary that lands owned by the United States are being drained of oil or gas by wells drilled on adjacent lands, he may negotiate agreements whereby the United States, or the United States and its lessees, shall be compensated for such drainage. Such agreements shall be made with the consent of the lessees, if any, affected thereby. If such agreement is entered into, the primary term of any lease for which compensatory royalty is being paid, or any extension of such primary term, shall be extended for the period during which such compensatory royalty is paid and for a period of one year from discontinuance of such payment and so long thereafter as oil or gas is produced in paying quantities.

(k) If, during the primary term or any extended term of any lease issued under this section, a verified statement is filed by any mining claimant pursuant to subsection (c) of section 7 of the Multiple Mineral Development Act of August 13, 1954 (68 Stat. 708), as

amended (30 U.S.C. 527), whether such filing occur prior to enactment of the Mineral Leasing Act Revision of 1960 or thereafter, asserting the existence of a conflicting unpatented mining claim or claims upon which diligent work is being prosecuted as to any lands covered by the lease, the running of time under such lease shall be suspended as to the lands involved from the first day of the month following the filing of such verified statement until a final decision is rendered in the matter.

(l) The Secretary of the Interior shall, upon timely application therefor, issue a new lease in exchange for any lease issued for a term of twenty years, or any renewal thereof, or any lease issued prior to August 8, 1946, in exchange for a twenty-year lease, such new lease to be for a primary term of five years and so long thereafter as oil or gas is produced in paying quantities and at a royalty rate of not less than 12½ per centum in amount of value of the production removed or sold from such leases, except that the royalty rate shall be 12½ per centum in amount or value of the production removed or sold from said leases as to (1) such leases, or such parts of the lands subject thereto and the deposits underlying the same, as are not believed to be within the productive limits of any producing oil or gas deposit, as such productive limits are found by the Secretary to have existed on August 8, 1946; and (2) any production on a lease from an oil or gas deposit which was discovered after May 27, 1941, by a well or wells drilled within the boundaries of the lease, and which is determined by the Secretary to be a new deposit; and (3) any production on or allocated to a lease pursuant to an approved cooperative or unit plan of development or operation from an oil or gas deposit which was discovered after May 27, 1941, on land committed to such plan, and which is determined by the Secretary to be a new deposit, where such lease, or a lease for which it is exchanged, was included in such plan at the time of discovery or was included in a duly executed and filed application for the approval of such plan at the time of discovery.

(m) For the purpose of more properly conserving the natural resources of any oil or gas pool, field, or like area, or any part thereof (whether or not any part of said oil or gas pool, field, or like area, is then subject to any cooperative or unit plan of development or operation), lessees thereof and their representatives may unite with each other, or jointly or separately with others, in collective adopting and operating under a cooperative or unit plan of development or operation of such pool, field, or like area, or any part thereof, whenever determined and certified by the Secretary of the Interior to be necessary or advisable in the public interest. The Secretary is thereunto authorized, in his discretion, with the consent of the holders of leases involved, to establish, alter, change, or revoke drilling, producing, rental, minimum royalty, and royalty requirements of such leases and to make such regulations with reference to such leases, with like consent on the part of the lessees, in connection with the institution and operation of any such cooperative or unit plan as he may deem necessary or proper to secure the proper protection of the public interest. The Secretary may provide that oil and gas leases hereafter issued under this Act shall contain a provision requiring the lessee to operate under such a reasonable cooperative or unit plan, and he may prescribe such a plan under which such lessee shall operate, which shall adequately

protect the rights of all parties in interest, including the United States.

Any plan authorized by the preceding paragraph which includes lands owned by the United States may, in the discretion of the Secretary, contain a provision whereby authority is vested in the Secretary of the Interior, or any such person, committee, or State or Federal officer or agency as may be designated in the plan, to alter or modify from time to time the rate of prospecting and development and the quantity and rate of production under such plan. All leases operated under any such plan approved or prescribed by the Secretary shall be excepted in determining holdings or control under the provisions of any section of this Act.

When separate tracts cannot be independently developed and operated in conformity with an established well-spacing or development program, any lease, or a portion thereof, may be pooled with other lands, whether or not owned by the United States, under a communitization or drilling agreement providing for an apportionment of production or royalties among the separate tracts of land comprising the drilling or spacing unit when determined by the Secretary of the Interior to be in the public interest, and operations or production pursuant to such an agreement shall be deemed to be operations or production as to each such lease committed thereto.

Any lease issued for a term of twenty years, or any renewal thereof, or any portion of such lease that has become the subject of a cooperative or unit plan of development or operation of a pool, field, or like area, which plan has the approval of the Secretary of the Interior, shall continue in force until the termination of such plan. Any other lease issued under any section of this Act which has heretofore or may hereafter be committed to any such plan that contains a general provision for allocation of oil or gas shall continue in force and effect as to the land committed so long as the lease remains subject to the plan: *Provided*, That production is had in paying quantities under the plan prior to the expiration date of the term of such lease. Any lease heretofore or hereafter committed to any such plan embracing lands that are in part within and in part outside of the area covered by any such plan shall be segregated into separate leases as to the lands committed and the lands not committed as of the effective date of unitization: *Provided, however*, That any such lease as to the nonunitized portion shall continue in force and effect for the term thereof but for not less than two years from the date of such segregation and so long thereafter as oil or gas is produced in paying quantities. The minimum royalty or discovery rental under any lease that has become subject to any cooperative or unit plan of development or operation, or other plan that contains a general provision for allocation of oil or gas, shall be payable only with respect to the lands subject to such lease to which oil or gas shall be allocated under such plan. Any lease which shall be eliminated from any such approved or prescribed plan, or from any communitization or drilling agreement authorized by this section, and any lease which shall be in effect at the termination of any such approved or prescribed plan, or at the termination of any such communitization or drilling agreement, unless relinquished, shall continue in effect for the original term

thereof, but for not less than two years, and so long thereafter as oil or gas is produced in paying quantities.

The Secretary of the Interior is hereby authorized, on such conditions as he may prescribe, to approve operating, drilling, or development contracts made by one or more lessees of oil or gas leases, with one or more persons, associations, or corporations whenever, in his discretion, the conservation of natural products or the public convenience or necessity may require it or the interests of the United States may be best subserved thereby. All leases operated under such approved operating, drilling, or development contracts, and interests thereunder, shall be excepted in determining holdings or control under the provisions of this Act.

The Secretary of the Interior, to avoid waste or to promote conservation of natural resources, may authorize the subsurface storage of oil or gas, whether or not produced from federally owned lands, in lands leased or subject to lease under this Act. Such authorization may provide for the payment of a storage fee or rental on such stored oil or gas or, in lieu of such fee or rental, for a royalty other than that prescribed in the lease when such stored oil or gas is produced in conjunction with oil or gas not previously produced. Any lease on which storage is so authorized shall be extended at least for the period of storage and so long thereafter as oil or gas not previously produced is produced in paying quantities.

(n)(1)(A) The owner of (1) an oil and gas lease issued prior to the date of enactment of the Combined Hydrocarbon Leasing Act of 1981 or (2) a valid claim to any hydrocarbon resources leasable under this section based on a mineral location made prior to January 21, 1926, and located within a special tar sand area shall be entitled to convert such lease or claim to a combined hydrocarbon lease for a primary term of ten years upon the filing of an application within two years from the date of enactment of that Act containing an acceptable plan of operations which assures reasonable protection of the environment and diligent development of those resources requiring enhanced recovery methods of development or mining. For purposes of conversion, no claim shall be deemed invalid solely because it was located as a placer location rather than a lode location or vice versa, notwithstanding any previous adjudication on that issue.

(B) The Secretary shall issue final regulations to implement this section within six months of the effective date of this Act. If any oil and gas lease eligible for conversion under this section would otherwise expire after the date of this Act and before six months following the issuance of implementing regulations, the lessee may preserve his conversion right under such lease for a period ending six months after the issuance of implementing regulations by filing with the Secretary, before the expiration of the lease, a notice of intent to file an application for conversion. Upon submission of a complete plan of operations in substantial compliance with the regulations promulgated by the Secretary for the filing of such plans, the Secretary shall suspend the running of the term of any oil and gas lease proposed for conversion until the plan is finally approved or disapproved. The Secretary shall act upon a proposed plan of operations within fifteen months of its submittal.

(C) When an existing oil and gas lease is converted to a combined hydrocarbon lease, the royalty shall be that provided for in the

original oil and gas lease and for a converted mining claim, 12½ per centum in amount or value of production removed or sold from the lease.

(2) Except as provided in this section, nothing in the Combined Hydrocarbon Leasing Act of 1981 shall be construed to diminish or increase the rights of any lessee under any oil and gas lease issued prior to the enactment of such Act.

(o) CERTAIN OUTSTANDING OIL AND GAS.—(1) Prior to the commencement of surface-disturbing activities relating to the development of oil and gas deposits on lands described under paragraph (5), the Secretary of Agriculture shall require, pursuant to regulations promulgated by the Secretary, that such activities be subject to terms and conditions as provided under paragraph (2).

(2) The terms and conditions referred to in paragraph (1) shall require that reasonable advance notice be furnished to the Secretary of Agriculture at least 60 days prior to the commencement of surface disturbing activities.

(3) Advance notice under paragraph (2) shall include each of the following items of information:

(A) A designated field representative.

(B) A map showing the location and dimensions of all improvements, including but not limited to, well sites and road and pipeline accesses.

(C) A plan of operations, of an interim character if necessary, setting forth a schedule for construction and drilling.

(D) A plan of erosion and sedimentation control.

(E) Proof of ownership of mineral title.

Nothing in this subsection shall be construed to affect any authority of the State in which the lands concerned are located to impose any requirements with respect to such oil and gas operations.

(4) The person proposing to develop oil and gas deposits on lands described under paragraph (5) shall either—

(A) permit the Secretary to market merchantable timber owned by the United States on lands subject to such activities; or

(B) arrange to purchase merchantable timber on lands subject to such surface disturbing activities from the Secretary of Agriculture, or otherwise arrange for the disposition of such merchantable timber, upon such terms and upon such advance notice of the items referred to in subparagraphs (A) through (E) of paragraph (3) as the Secretary may accept.

(5)(A) The lands referred to in this subsection are those lands referenced in subparagraph (B) which are under the administration of the Secretary of Agriculture where the United States acquired an interest in such lands pursuant to the Act of March 1, 1911 (36 Stat. 961 and following), but does not have an interest in oil and gas deposits that may be present under such lands. This subsection does not apply to any such lands where, under the provisions of its acquisition of an interest in the lands, the United States is to acquire any oil and gas deposits that may be present under such lands in the future but such interest has not yet vested with the United States.

(B) This subsection shall only apply in the Allegheny National Forest.

(p) WATER REQUIREMENTS.—

(1) *An operator producing oil or gas (including coalbed methane) under a lease issued under this Act shall—*

(A) *replace the water supply of a water user who obtains all or part of such user's supply of water from an underground or surface source that has been affected by contamination, diminution, or interruption proximately resulting from drilling, fracking, or production operations for such production;*

(B) *ensure that if a surface or ground water source is affected by contamination, diminution, or interruption proximately resulting from such production, best management practices and appropriately available technologies are used to prevent, to the maximum extent possible, the long-term or permanent degradation of the surface or ground water source; and*

(C) *comply with all applicable requirements of Federal and State law with respect to—*

(i) *discharge of any water produced under the lease; and*

(ii) *activities that would divert or otherwise alter a surface or ground water source or lead to a discharge not covered by clause (i).*

(2) *An application for a permit to drill under a lease under this Act shall be accompanied by a proposed water management plan including provisions to—*

(A) *protect the quantity and quality of surface and ground water systems, both on-site and off-site, from adverse effects of the exploration, development, and reclamation processes or to provide alternative sources of water if such protection cannot be assured;*

(B) *protect the rights of present users of water that would be affected by operations under the lease, including the discharge of any water produced in connection with such operations that is not reinjected; and*

(C) *identify any agreements with other parties for the beneficial use of produced waters and the steps that will be taken to comply with State and Federal laws related to such use.*

(3) *The Secretary may not approve an application if the Secretary determines that the applicant did not submit a water management plan that meets the requirements described in paragraph (2).*

**[(p)] (q) DEADLINES FOR CONSIDERATION OF APPLICATIONS FOR PERMITS.—**

(1) **IN GENERAL.**—Not later than 10 days after the date on which the Secretary receives an application for any permit to drill, the Secretary shall—

(A) **notify the applicant that the application is complete;**

**or**

(B) **notify the applicant that information is missing and specify any information that is required to be submitted for the application to be complete.**

(2) **ISSUANCE OR DEFERRAL.**—Not later than 30 days after the applicant for a permit has submitted a complete application, the Secretary shall—



(A) issue the permit, if the requirements under the National Environmental Policy Act of 1969 and other applicable law have been completed within such timeframe; or

(B) defer the decision on the permit and provide to the applicant a notice—

(i) that specifies any steps that the applicant could take for the permit to be issued; and

(ii) a list of actions that need to be taken by the agency to complete compliance with applicable law together with timelines and deadlines for completing such actions.

(3) REQUIREMENTS FOR DEFERRED APPLICATIONS.—

(A) IN GENERAL.—If the Secretary provides notice under paragraph (2)(B), the applicant shall have a period of 2 years from the date of receipt of the notice in which to complete all requirements specified by the Secretary, including providing information needed for compliance with the National Environmental Policy Act of 1969.

(B) ISSUANCE OF DECISION ON PERMIT.—If the applicant completes the requirements within the period specified in subparagraph (A), the Secretary shall issue a decision on the permit not later than 10 days after the date of completion of the requirements described in subparagraph (A), unless compliance with the National Environmental Policy Act of 1969 and other applicable law has not been completed within such timeframe.

(C) DENIAL OF PERMIT.—If the applicant does not complete the requirements within the period specified in subparagraph (A) or if the applicant does not comply with applicable law, the Secretary shall deny the permit.

(r) *POST-LEASE SURFACE USE AGREEMENT.*—

(1) *IN GENERAL.*—*Except as provided in paragraph (2), the Secretary may not authorize any operator to conduct exploration and drilling operations on lands with respect to which title to oil and gas resources is held by the United States but title to the surface estate is not held by the United States, until the operator has filed with the Secretary a document, signed by the operator and the surface owner or owners, showing that the operator has secured a written surface use agreement between the operator and the surface owner or owners that meets the requirements of subparagraph (B).*

(2) *CONTENTS.*—*The surface use agreement shall provide for—*

(A) *the use of only such portion of the surface estate as is reasonably necessary for exploration and drilling operations based on site-specific conditions;*

(B) *the accommodation of the surface estate owner to the maximum extent practicable, including the location, use, timing, and type of exploration and drilling operations, consistent with the operator's right to develop the oil and gas estate;*

(C) *the reclamation of the site to a condition capable of supporting the uses which such lands were capable of supporting prior to exploration and drilling operations; and*

(D) compensation for damages as a result of exploration and drilling operations, including—

- (i) loss of income and increased costs incurred;
- (ii) damage to or destruction of personal property, including crops, forage, and livestock; and
- (iii) failure to reclaim the site in accordance with clause (iii).

(3) AUTHORIZED EXPLORATION AND DRILLING OPERATIONS.—

(A) AUTHORIZATION WITHOUT SURFACE USE AGREEMENT.—The Secretary may authorize an operator to conduct exploration and drilling operations on lands covered by paragraph (1) in the absence of an agreement with the surface estate owner or owners, if—

(i) the Secretary makes a determination in writing that the operator made a good faith attempt to conclude such an agreement, including referral of the matter to arbitration pursuant to paragraph (1)(C), but that no agreement was concluded within 90 days after the referral to arbitration;

(ii) the operator submits a plan of operations that provides for the matters specified in paragraph (1)(B) and for compliance with all other applicable requirements of Federal and State law; and

(iii) the operator posts a bond or other financial assurance in an amount the Secretary determines to be adequate to ensure compensation to the surface estate owner for any damages to the site, in the form of a surety bond, trust fund, letter of credit, government security, certificate of deposit, cash, or equivalent.

(B) SURFACE OWNER PARTICIPATION.—The Secretary shall provide surface estate owners with an opportunity to—

(i) comment on plans of operations in advance of a determination of compliance with this Act;

(ii) participate in bond level determinations and bond release proceedings under this section;

(iii) attend an on-site inspection during such determinations and proceedings;

(iv) file written objections to a proposed bond release; and

(v) request and participate in an on-site inspection when they have reason to believe there is a violation of the terms and conditions of a plan of operations.

(C) PAYMENT OF FINANCIAL GUARANTEE.—A surface estate owner with respect to any land subject to a lease may petition the Secretary for payment of all or any portion of a bond or other financial assurance required under this section as compensation for any damages as a result of exploration and drilling operations. Pursuant to such a petition, the Secretary may use such bond or other guarantee to provide compensation to the surface estate owner for such damages.

(D) BOND RELEASE.—Upon request and after inspection and opportunity for surface estate owner review, the Secretary may release the financial assurance required under this section if the Secretary determines that exploration and

*drilling operations are ended and all damages have been fully compensated.*

(4) *SURFACE OWNER NOTIFICATION.—The Secretary shall notify surface estate owners in writing—*

*(A) not less than 45 days before lease sales;*

*(B) of the identity of the lessee, not more than 10 business days after a lease is issued;*

*(C) concerning any subsequent request or decision regarding a lease not more than 5 business days after such request or decision, including regarding modification of a lease, waiver of a stipulation, or approval of a right of way; and*

*(D) not more than 5 business days after issuance of a drilling permit under a lease.*

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SEC. 27. (a) COAL LEASES.—No person, association, or corporation, or any subsidiary, affiliate, or persons controlled by or under common control with such person, association, or corporation shall take, hold, own or control at one time, whether acquired directly from the Secretary under this Act or otherwise, coal leases or permits on an aggregate of more than 75,000 acres in any one State and in no case greater than an aggregate of 150,000 acres in the United States: *Provided*, That any person, association, or corporation currently holding, owning, or controlling more than an aggregate of 150,000 acres in the United States on the date of enactment of this section shall not be required on account of this section to relinquish said leases or permits: *Provided, further*, That in no case shall such person, association, or corporation be permitted to take, hold, own, or control any further Federal coal leases or permits until such time as their holdings, ownership, or control of Federal leases or permits has been reduced below an aggregate of 150,000 acres within the United States.

(b)(1) No person, association, or corporation, except as otherwise provided in this subsection, shall take, hold, own, or control at one time, whether acquired directly from the Secretary under this Act or otherwise, sodium leases or permits on an aggregate of more than five thousand one hundred and twenty acres in any one State.

(2) The Secretary may, in his discretion, where the same is necessary in order to secure the economic mining of sodium compounds leasable under this Act, permit a person, association, or corporation to take or hold sodium leases or permits on up to 30,720 acres in any one State.

(c) No person, association, or corporation shall take, hold, own, or control at one time, whether acquired directly from the Secretary under this Act or otherwise, phosphate leases or permits on an aggregate of more than twenty thousand four hundred and eighty acres in the United States.

(d)(1) No person, association, or corporation, except as otherwise provided in this Act, shall take, hold, own or control at one time, whether acquired directly from the Secretary under this Act or otherwise, oil or gas leases (including options for such leases or interests therein) on land held under the provisions of this Act exceeding in the aggregate two hundred forty-six thousand and eighty acres in any one State other than Alaska: *Provided, however*, That acreage held in special tar sand areas[, and acreage under any

lease any portion of which has been committed to a federally approved unit or cooperative plan or communitization agreement or for which royalty (including compensatory royalty or royalty in-kind) was paid in the preceding calendar year,] shall not be chargeable against such State limitations. In the case of the State of Alaska, the limit shall be three hundred thousand acres in the northern leasing district and three hundred thousand acres in the southern leasing district, and the boundary between said two districts shall be the left limit of the Tanana River from the border between the United States and Canada to the confluence of the Tanana and Yukon Rivers, and the left limit of the Yukon River from said confluence to its principal southern mouth.

(2) No person, association, or corporation shall take, hold, own, or control at one time options to acquire interests in oil or gas leases under the provisions of this Act which involve, in the aggregate, more than two hundred thousand acres of land in any one State other than Alaska or, in the case of Alaska, more than two hundred thousand acres in each of its two leasing districts, as hereinbefore described. No option to acquire any interest in such an oil or gas lease shall be enforceable if entered into for a period of more than three years (which three years shall be inclusive of any renewal period if a right to renew is reserved by any party to the option) without the prior approval of the Secretary. In any case in which an option to acquire the optionor's entire interest in the whole or a part of the acreage under a lease is entered into, the acreage to which the option is applicable shall be charged both to the optionor and to the optionee, but the charge to the optionor shall cease when the option is exercised. In any case in which an option to acquire a part of the optionor's interest in the whole or a part of the acreage under a lease is entered into, the acreage to which the option is applicable shall be fully charged to the optionor and a share thereof shall also be charged to the optionee as his interest may appear, but after the option is exercised said acreage shall be charged to the parties pro rata as their interests may appear. In any case in which an assignment is made of a part of a lessee's interest in the whole or part of the acreage under a lease or an application for a lease, the acreage shall be charged to the parties pro rata as their interests may appear. No option or renewal thereof shall be enforceable until notice thereof has been filed with the Secretary or an officer or employee of the the Department of the Interior designated by him to receive the same. Each such notice shall include, in addition to any other matters prescribed by the Secretary, the names and addresses of the parties thereto, the serial number of the lease or application for a lease to which the option is applicable, and a statement of the number of acres covered thereby and of the interests and obligations of the parties thereto and shall be subscribed by all parties to the option or their duly authorized agents. An option which has not been exercised shall remain charged as hereinbefore provided until notice of its relinquishment or surrender has been filed, by either party, with the Secretary or any officer or employee of the Department of the Interior designated by him to receive the same. In addition each holder of any such option shall file with the Secretary or an officer or employee of the Department of the Interior as aforesaid within ninety days after the 30th day of June and the 31st day of December in

each year a statement showing, in addition to any other matters prescribed by the Secretary, his name, the name and address of each grantor of an option held by him, the serial number of every lease or application for a lease to which such an option is applicable, the number of acres covered by each such option, the total acreage in each State to which such options are applicable, and his interest and obligation under each such option. The failure of the holder of an option so to file shall render the option unenforceable by him. The unenforceability of any option under the provisions of this paragraph shall not diminish the number of acres deemed to be held under option by any person, association, or corporation in computing the amount chargeable under the first sentence of this paragraph and shall not relieve any party thereto of any liability to cancellation, forfeiture, forced disposition, or other sanction provided by law. The Secretary may prescribe forms on which the notice and statements required by this paragraph shall be made.

(e)(1) No person, association, or corporation shall take, hold, own or control at one time any interest as a member of an association or as a stockholder in a corporation holding a lease, option, or permit under the provisions of this Act which, together with the area embraced in any direct holding, ownership or control by him of such a lease, option, or permit or any other interest which he may have as a member of other associations or as a stockholder in other corporations holding, owning or controlling such leases, options, or permits for any kind of minerals, exceeds in the aggregate an amount equivalent to the maximum number of acres of the respective kinds of minerals allowed to any one lessee, optionee, or permittee under this Act, except that no person shall be charged with his pro rata share of any acreage holdings of any association or corporation unless he is the beneficial owner of more than 10 per centum of the stock or other instruments of ownership or control of such association or corporation, and except that within three years after the enactment of the Mineral Leasing Act Revision of 1960 no valid option in existence prior to the enactment of said Act held by a corporation or association at the time of enactment of said Act shall be chargeable to any stockholder of such corporation or to a member of such association so long as said option shall be so held by such corporation or association under the provisions of this Act.

(2) No contract for development and operation of any lands leased under this Act, whether or not coupled with an interest in such lease, and no lease held, owned, or controlled in common by two or more persons, associations, or corporations shall be deemed to create a separate association under the preceding paragraph of this subsection between or among the contracting parties or those who hold, own or control the lease in common, but the proportionate interest of each such party shall be charged against the total acreage permitted to be held, owned or controlled by such party under this Act. The total acreage so held, owned, or controlled in common by two or more parties shall not exceed, in the aggregate, an amount equivalent to the maximum number of acres of the respective kinds of minerals allowed to any one lessee, optionee, or permittee under this Act.

(f) Nothing contained in subsection (e) of this section shall be construed (i) to limit sections 18, 19, and 22 of this Act or (ii) subject to the approval of the Secretary, to prevent any number of les-

sees under this Act from combining their several interests so far as may be necessary for the purpose of constructing and carrying on the business of a refinery or of establishing and constructing, as a common carrier, a pipeline or railroad to be operated and used by them jointly in the transportation of oil from their several wells or from the wells of other lessees under this Act or in the transportation of coal or (iii) to increase the acreage which may be taken, held, owned, or controlled under section 27 of this Act.

(g) Any ownership or interest otherwise forbidden in this Act which may be acquired by descent, will, judgment, or decree may be held for two years after its acquisition and no longer.

(h)(1) If any interest in any lease is owned, or controlled, directly or indirectly, by means of stock or otherwise, in violation of any of the provisions of this Act, the lease may be canceled, or the interest so owned may be forfeited, or the person so owning or controlling the interest may be compelled to dispose of the interest, in any appropriate proceeding instituted by the Attorney General. Such a proceeding shall be instituted in the United States district court for the district in which the leased property or some part thereof is located or in which the defendant may be found.

(2) The right to cancel or forfeit for violation of any of the provisions of this Act shall not apply so as to affect adversely the title or interest of a bona fide purchaser of any lease, interest in a lease, option to acquire a lease or an interest therein, or permit which lease, interest, option, or permit was acquired and is held by a qualified person, association, or corporation in conformity with those provisions, even though the holdings of the person, association, or corporation from which the lease, interest, option, or permit was acquired, or of his predecessor in title (including the original lessee of the United States) may have been canceled or forfeited or may be or have been subject to cancellation or forfeiture for any such violation. If, in any such proceeding, an underlying lease, interest, option, or permit is canceled or forfeited to the Government and there are valid interests therein or valid options to acquire the lease or an interest therein which are not subject to cancellation, forfeiture, or compulsory disposition, the underlying lease, interest, option, or permit shall be sold by the Secretary to the highest responsible qualified bidder by competitive bidding under general regulations subject to all outstanding valid interests therein and valid options pertaining thereto. Likewise if, in any such proceeding, less than the whole interest in a lease, interest, option, or permit is canceled or forfeited to the Government, the partial interests so canceled or forfeited shall be sold by the Secretary to the highest responsible qualified bidder by competitive bidding under general regulations. If competitive bidding fails to produce a satisfactory offer the Secretary may, in either of these cases, sell the interest in question by such other method as he deems appropriate on terms not less favorable to the Government than those of the best competitive bid received.

(3) The commencement and conclusion of every proceeding under this subsection shall be promptly noted on the appropriate public records of the Bureau of Land Management.

(i) Effective September 21, 1959, any person, association, or corporation who is a party to any proceeding with respect to a violation of any provision of this Act, whether initiated prior to said

date or thereafter, shall have the right to be dismissed promptly as such a part upon showing that he holds and acquired as a bona fide purchaser the interest involving him as such a party without violating any provisions of this Act. No hearing upon any such showing shall be required unless the Secretary presents prima facie evidence indicating a possible violation of the Mineral Leasing Act on the part of the alleged bona fide purchaser.

(j) If during any such proceeding, a party thereto files with the Secretary a waiver of his rights under his lease (including particularly, where applicable, rights to drill and to assign) or if such rights are suspended by the Secretary pending a decision in the proceeding, whether initiated prior to enactment of this Act or thereafter, payment or rentals and running of time against the term of the lease or leases involved shall be suspended as of the first day of the month following the filing of the waiver or suspension of the rights until the first day of the month following the final decision in the proceeding or the revocation of the waiver or suspension.

(k) Except as otherwise provided in this Act, if any lands or deposits subject to the provisions of this Act shall be subleased, trusted, possessed, or controlled by any device permanently, temporarily, directly, indirectly, tacitly, or in any manner whatsoever, so that they form a part of or are in any wise controlled by any combination in the form of an unlawful trust, with the consent of the lessee, optionee, or permittee, or form the subject of any contract or conspiracy in restraint of trade in the mining or selling of coal, phosphate, oil, oil shale, gilsonite (including all vein-type solid hydrocarbons), gas, or sodium entered into by the lessee, optionee, or permittee or any agreement or understanding, written, verbal, or otherwise, to which such lessee, optionee, or permittee shall be a party, of which his or its output is to be or become the subject, to control the price or prices thereof or of any holding of such lands by any individual, partnership, association, corporation, or control in excess of the amounts of lands provided in this Act, the lease, option, or permit shall be forfeited by appropriate court proceedings.

(1)(1) At each stage in the formulation and promulgation of rules and regulations concerning coal leasing pursuant to this Act, and at each stage in the issuance, renewal, and readjustment of coal leases under this Act, the Secretary of the Interior shall consult with and give due consideration to the views and advice of the Attorney General of the United States.

(2) No coal lease may be issued, renewed, or readjusted under this Act until at least thirty days after the Secretary of the Interior notifies the Attorney General of the proposed issuance, renewal, or readjustment. Such notification shall contain such information as the Attorney General may require in order to advise the Secretary of the Interior as to whether such lease would create or maintain a situation inconsistent with the antitrust laws. If the Attorney General advises the Secretary of the Interior that a lease would create or maintain such a situation, the Secretary of the Interior may not issue such lease, nor may he renew or readjust such lease for a period not to exceed one year, as the case may be, unless he thereafter conducts a public hearing on the record in accordance with the Administrative Procedures Act and finds therein that such

issuance, renewal, or readjustment is necessary to effectuate the purposes of this Act, that it is consistent with the public interest, and that there are no reasonable alternatives consistent with this Act, the antitrust laws, and the public interest.

(3) Nothing in this Act shall be deemed to convey to any person, association, corporation, or other business organization immunity from civil or criminal liability, or to create defenses to actions, under any antitrust law.

(4) As used in this subsection, the term "antitrust law" means—

(A) the Act entitled "An Act to protect trade and commerce against unlawful restraints and monopolies", approved July 2, 1890 (15 U.S.C. 1 et seq.), as amended;

(B) the Act entitled "An Act to supplement existing laws against unlawful restraints and monopolies, and for other purposes", approved October 15, 1914 (15 U.S.C. 12 et seq.), as amended;

(C) the Federal Trade Commission Act (15 U.S.C. 41 et seq.), as amended;

(D) sections 73 and 74 of the Act entitled "An Act to reduce taxation, to provide revenue for the Government, and for other purposes", approved August 27, 1894 (15 U.S.C. 8 and 9), as amended; or

(E) the Act of June 19, 1936, chapter 592 (15 U.S.C. 13, 13a, 13b, and 21a).

\* \* \* \* \*

SEC. 31. (a) Except as otherwise herein provided, any lease issued under the provisions of this Act may be forfeited and canceled by an appropriate proceeding in the United States district court for the district in which the property, or some part thereof, is located whenever the lessee fails to comply with any of the provisions of this Act, of the lease, or of the general regulations promulgated under this Act and in force at the date of the lease; and the lease may provide for resort to appropriate methods for the settlement of disputes or for remedies for breach of specified conditions thereof.

(b) Any lease issued after August 21, 1935, under the provisions of section 17 of this Act shall be subject to cancellation by the Secretary of the Interior after 30 days notice *if the lease was improperly issued* or upon the failure of the lessee to comply with any of the provisions of the lease, unless or until the leasehold contains a well capable of production of oil or gas in paying quantities, or the lease is committed to an approved cooperative or unit plan or communitization agreement under section 17(m) of this Act which contains a well capable of production of unitized substances in paying quantities. Such notice in advance of cancellation shall be sent the lease owner by registered letter directed to the lease owner's record post-office address, and in case such letter shall be returned as undelivered, such notice shall also be posted for a period of thirty days in the United States land office for the district in which the land covered by such lease is situated, or in the event that there is no district land office for such district, then in the post office nearest such land. Notwithstanding the provisions of this section, however, upon failure of a lessee to pay rental on or before the anniversary date of the lease, for any lease on which there is no well capable of producing oil or gas in paying quantities, the



lease shall automatically terminate by operation of law: *Provided, however,* That when the time for payment falls upon any day in which the proper office for payment is not open, payment may be received the next official working day and shall be considered as timely made: *Provided,* That if the rental payment due under a lease is paid on or before the anniversary date but either (1) the amount of the payment has been or is hereafter deficient and the deficiency is nominal, as determined by the Secretary by regulation, or (2) the payment was calculated in accordance with the acreage figure stated in the lease, or in any decision affecting the lease, or made in accordance with a bill or decision which has been rendered by him and such figure, bill, or decision is found to be in error resulting in a deficiency, such lease shall not automatically terminate unless (1) a new lease had been issued prior to the date of this Act or (2) the lessee fails to pay the deficiency within a period prescribed in a notice of deficiency sent to him by the Secretary.

(c) Where any lease has been or is hereafter terminated automatically by operation of law under this section for failure to pay on or before the anniversary date the full amount of rental due, but such rental was paid on or tendered within twenty days thereafter, and it is shown to the satisfaction of the Secretary of the Interior that such failure was either justifiable or not due to a lack of reasonable diligence on the part of the lessee, the Secretary may reinstate the lease if—

(1) a petition for reinstatement, together with the required rental, including back rental accruing from the date of termination of the lease, is filed with the Secretary; and

(2) no valid lease has been issued affecting any of the lands covered by the terminated lease prior to the filing of said petition. The Secretary shall not issue any new lease affecting any of the lands covered by such terminated lease for a reasonable period, as determined in accordance with regulations issued by him. In any case where a reinstatement of a terminated lease is granted under this subsection and the Secretary finds that the reinstatement of such lease will not afford the lessee a reasonable opportunity to continue operations under the lease, the Secretary may, at his discretion, extend the term of such lease for such period as he deems reasonable: *Provided,* That (A) such extension shall not exceed a period equivalent to the time beginning when the lessee knew or should have known of the termination and ending on the date the Secretary grants such petition; (B) such extension shall not exceed a period equal to the unexpired portion of the lease or any extension thereof remaining at the date of termination; and (C) when the reinstatement occurs after the expiration of the term or extension thereof the lease may be extended from the date the Secretary grants the petition.

(d)(1) Where any oil and gas lease issued pursuant to section 17(b) [or section 17(c)] of this Act or the Mineral Leasing Act for Acquired Lands (30 U.S.C. 351 et seq.) has been, or is hereafter, terminated automatically by operation of law under this section for failure to pay on or before the anniversary date the full amount of the rental due, and such rental is not paid or tendered within twenty days thereafter, and it is shown to the satisfaction of the

Secretary of the Interior that such failure was justifiable or not due to lack of reasonable diligence on the part of the lessee, or, no matter when the rental is paid after termination, it is shown to the satisfaction of the Secretary that such failure was inadvertent, the Secretary may reinstate the lease as of the date of termination for the unexpired portion of the primary term of the original lease or any extension thereof remaining at the date of termination, and so long thereafter as oil or gas is produced in paying quantities. In any case where a lease is reinstated under this subsection and the Secretary finds that the reinstatement of such lease (A) occurs after the expiration of the primary term or any extension thereof, or (B) will not afford the lessee a reasonable opportunity to continue operations under the lease, the Secretary may, at his discretion, extend the term of such lease for such period as he deems reasonable, but in no event for more than two years from the date the Secretary authorizes the reinstatement and so long thereafter as oil or gas is produced in paying quantities.

(2) No lease shall be reinstated under paragraph (1) of this subsection unless—

(A) with respect to any lease that terminated under subsection (b) on or before the date of the enactment of the Energy Policy Act of 2005, a petition for reinstatement (together with the required back rental and royalty accruing after the date of termination) is filed on or before the earlier of—

(i) 60 days after the lessee receives from the Secretary notice of termination, whether by return of check or by any other form of actual notice; or

(ii) 15 months after the termination of the lease; or

(B) with respect to any lease that terminates under subsection (b) after the date of the enactment of the Energy Policy Act of 2005, a petition for reinstatement (together with the required back rental and royalty accruing after the date of termination) is filed on or before the earlier of—

(i) 60 days after receipt of the notice of termination sent by the Secretary by certified mail to all lessees of record; or

(ii) 24 months after the termination of the lease.

(e) Any reinstatement under subsection (d) of this section shall be made only if these conditions are met:

(1) no valid lease, whether still in existence or not, shall have been issued affecting any of the lands covered by the terminated lease prior to the filing of such petition: *Provided, however,* That after receipt of a petition for reinstatement, the Secretary shall not issue any new lease affecting any of the lands covered by such terminated lease for a reasonable period, as determined in accordance with regulations issued by him;

(2) payment of back rentals and either the inclusion in a reinstated lease issued pursuant to the provisions of section 17(b) of this Act of a requirement for future rentals at a rate of not less than \$10 per acre per year~~],~~ or the inclusion in a reinstated lease issued pursuant to the provisions of section 17(c) of this Act of a requirement that future rentals shall be at a rate not less than \$5 per acre per year, all as determined by the Secretary~~];~~

(3) **[(A)]** payment of back royalties and the inclusion in a reinstated lease issued pursuant to the provisions of section 17(b) of this Act of a requirement for future royalties at a rate of not less than  $16\frac{2}{3}$  percent computed on a sliding scale based upon the average production per well per day, at a rate which shall be not less than 4 percentage points greater than the competitive royalty schedule then in force and used for royalty determination for competitive leases issued pursuant to such section as determined by the Secretary: *Provided*, That royalty on such reinstated lease shall be paid on all production removed or sold from such lease subsequent to the termination of the original lease;

**[(B)]** payment of back royalties and inclusion in a reinstated lease issued pursuant to the provisions of section 17(c) of this Act of a requirement for future royalties at a rate not less than  $16\frac{2}{3}$  percent: *Provided*, That royalty on such reinstated lease shall be paid on all production removed or sold from such lease subsequent to the cancellation or termination of the original lease; and **]**

(4) notice of the proposed reinstatement of a terminated lease, including the terms and conditions of reinstatement, shall be published in the Federal Register at least thirty days in advance of the reinstatement.

A copy of said notice, together with information concerning rental, royalty, volume of production, if any, and any other matter which the Secretary deemed significant in making this determination to reinstate, shall be furnished to the Committee on Natural Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate at least thirty days in advance of the reinstatement. The lessee of a reinstated lease shall reimburse the Secretary for the administrative costs of reinstating the lease, but not to exceed \$500. In addition the lessee shall reimburse the Secretary for the cost of publication in the Federal Register of the notice of proposed reinstatement.

**[(f)]** Where an unpatented oil placer mining claim validly located prior to February 24, 1920, which has been or is currently producing or is capable of producing oil or gas, has been or is hereafter deemed conclusively abandoned for failure to file timely the required instruments or copies of instruments required by section 314 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1744), and it is shown to the satisfaction of the Secretary that such failure was inadvertent, justifiable, or not due to lack of reasonable diligence on the part of the owner, the Secretary may issue, for the lands covered by the abandoned unpatented oil placer mining claim, a noncompetitive oil and gas lease, consistent with the provisions of section 17(e) of this Act, to be effective from the statutory date the claim was deemed conclusively abandoned. Issuance of such a lease shall be conditioned upon:

**[(1)]** a petition for issuance of a noncompetitive oil and gas lease, together with the required rental and royalty, including back rental and royalty accruing from the statutory date of abandonment of the oil placer mining claim, being filed with the Secretary—

**[(A)]** with respect to any claim deemed conclusively abandoned on or before the date of enactment of the Fed-

eral Oil and Gas Royalty Management Act of 1982, on or before the one hundred and twentieth day after such date of enactment, or

[(B) with respect to any claim deemed conclusively abandoned after such date of enactment, on or before the one hundred and twentieth day after final notification by the Secretary or a court of competent jurisdiction of the determination of the abandonment of the oil placer mining claim;

[(2) a valid lease not having been issued affecting any of the lands covered by the abandoned oil placer mining claim prior to the filing of such petition: *Provided, however,* That after the filing of a petition for issuance of a lease under this subsection, the Secretary shall not issue any new lease affecting any of the lands covered by such abandoned oil placer mining claim for a reasonable period, as determined in accordance with regulations issued by him;

[(3) a requirement in the lease for payment of rental, including back rentals accruing from the statutory date of abandonment of the oil placer mining claim, of not less than \$5 per acre per year;

[(4) a requirement in the lease for payment of royalty on production removed or sold from the oil placer mining claim, including all royalty on production made subsequent to the statutory date the claim was deemed conclusively abandoned, of not less than 12½ percent; and

[(5) compliance with the notice and reimbursement of costs provisions of paragraph (4) of subsection (e) but addressed to the petition covering the conversion of an abandoned unpatented oil placer mining claim to a noncompetitive oil and gas lease.]

(g)(1) Except as otherwise provided in this section, a reinstated lease shall be treated [as a competitive or a noncompetitive oil and gas lease in the same manner as the original lease issued pursuant to section 17(b) or 17(c) of this Act.] *in the same manner as the original lease issued pursuant to section 17.*

[(2) Except as otherwise provided in this section, the issuance of a lease in lieu of an abandoned patented oil placer mining claim shall be treated as a noncompetitive oil and gas lease issued pursuant to section 17(c) of this Act.]

[(3)] (2) Notwithstanding any other provision of law, any lease issued pursuant to section 14 of this Act shall be eligible for reinstatement under the terms and conditions set forth in subsections (c), (d), and (e) of this section[, applicable to leases issued under subsection 17(c) of this Act (30 U.S.C. 226(c)) except,], *except* that, upon reinstatement, such lease shall continue for twenty years and so long thereafter as oil or gas is produced in paying quantities.

[(4)] (3) Notwithstanding any other provision of law, any lease issued pursuant to section 14 of the Act shall, upon renewal on or after enactment of this paragraph, continue for twenty years and so long thereafter as oil or gas is produced in paying quantities.

(h) The minimum royalty provisions of section 17(m) and the provisions of section 39 of this Act shall be applicable to leases issued pursuant to subsections (d) and (f) of this section.

(i)(1) In acting on a petition to issue a noncompetitive oil and gas lease, under subsection (f) of this section or in response to a request filed after issuance of such a lease, or both, the Secretary is authorized to reduce the royalty on such lease if in his judgment it is equitable to do so or the circumstances warrant such relief due to uneconomic or other circumstances which could cause undue hardship or premature termination of production.

(2) In acting on a petition for reinstatement pursuant to subsection (d) of this section or in response to a request filed after reinstatement, or both, the Secretary is authorized to reduce the royalty in that reinstated lease on the entire leasehold or any tract or portion thereof segregated for royalty purposes if, in his judgment, there are uneconomic or other circumstances which could cause undue hardship or premature termination of production; or because of any written action of the United States, its agents or employees, which preceded, and was a major consideration in, the lessee's expenditure of funds to develop the property under the lease after the rent had become due and had not been paid; or if in the judgment of the Secretary it is equitable to do so for any reason.

(j) Where, in the judgment of the Secretary of the Interior, drilling operations were being diligently conducted on the last day of the primary term of the lease, and, except for nonpayment or rental, the lessee would have been entitled to extension of his lease, pursuant to section 4(d) of the Act of September 2, 1960 (74 Stat. 790), the Secretary of the Interior may reinstate such lease notwithstanding the failure of the lessee to have made payment of the next year's rental, provided the conditions of subparagraphs (1) and (2) of section (c) are satisfied.

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## ENERGY POLICY ACT OF 2005

\* \* \* \* \*

## TITLE III—OIL AND GAS

\* \* \* \* \*

### Subtitle F—Access to Federal Lands

\* \* \* \* \*

#### SEC. 363. CONSULTATION REGARDING OIL AND GAS LEASING ON PUBLIC LAND.

(a) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary of the Interior and the Secretary of Agriculture shall enter into a memorandum of understanding regarding oil and gas leasing on—

(1) public land under the jurisdiction of the Secretary of the Interior; and

(2) National Forest System land under the jurisdiction of the Secretary of Agriculture.

(b) CONTENTS.—The memorandum of understanding shall include provisions that—

- (1) establish administrative procedures and lines of authority that ensure timely processing of—
  - (A) oil and gas lease applications;
  - (B) surface use plans of operation, including steps for processing surface use plans; and
  - (C) applications for permits to drill consistent with applicable timelines;
- (2) eliminate duplication of effort by providing for coordination of planning and environmental compliance efforts;
- (3) ensure that lease stipulations are—
  - (A) applied consistently;
  - (B) coordinated between agencies; and
  - [(C) only as restrictive as necessary to protect the resource for which the stipulations are applied;]
  - (C) adequately protective of the resource for which the stipulations are applied;*
- (4) establish a joint data retrieval system that is capable of—
  - (A) tracking applications and formal requests made in accordance with procedures of the Federal onshore oil and gas leasing program; and
  - (B) providing information regarding the status of the applications and requests within the Department of the Interior and the Department of Agriculture; and
- (5) establish a joint geographic information system mapping system for use in—
  - (A) tracking surface resource values to aid in resource management; and
  - (B) processing surface use plans of operation and applications for permits to drill.

\* \* \* \* \*

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December 7, 2022

The Honorable Raul M. Grijalva  
Chairman, Committee on Natural Resources  
U.S. House of Representatives  
1324 Longworth House Office Building  
Washington, D.C. 20515

Dear Mr. Chairman:

This letter confirms our mutual understanding regarding bills H.R. 3686, the "Ski Hill Resources for Economic Development Act;" H.R. 3326, the "Public Land Renewable Energy Development Act of 2021;" H.R. 6936, the "Stamp Out Invasive Species Act;" H.R. 6435, "To provide for the application of certain provisions of the Secure Rural Schools and Community Self-Determination Act of 2000 for fiscal year 2021;" H.R. 1503, the "Restoring Community Input and Public Protections in Oil and Gas Leasing Act of 2021;" H.R. 1506, the "Transparency in Energy Production Act of 2021;" H.R. 3670, the "Simplifying Outdoor Access for Recreation Act;" H.R. 2021, the "Environmental Justice For All Act;" and H.R. 4690, the "Sustaining America's Fisheries for the Future Act of 2021." Thank you for collaborating with the Committee on Agriculture.

Our Committee will forgo consideration of the above listed bills for the limited purpose of completing and filing bill reports. However, if floor action becomes a possibility, the Committee on Agriculture will require the opportunity to take up these measures. The Committee on Agriculture reserves the right to seek the appointment of any House-Senate conference and requests consultation on any matters within our jurisdiction.

Sincerely,



David Scott  
Chairman

Cc:  
The Honorable Glenn "GT" Thompson, Ranking Member  
The Honorable Nancy Pelosi, Speaker of The House of Representatives  
The Honorable Jason Smith, Parliamentarian

RAÚL M. GRIJALVA OF ARIZONA  
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**U.S. House of Representatives**  
**Committee on Natural Resources**  
**Washington, DC 20515**

December 7, 2022

The Honorable David Scott  
Chair  
Committee on Agriculture  
U.S. House of Representatives  
1301 Longworth House Office Building  
Washington, DC 20515

Dear Chair Scott:

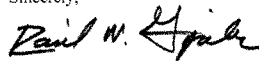
I write to you concerning H.R. 1503, the "Restoring Community Input and Public Protections in Oil and Gas Leasing Act of 2021;" H.R. 1506, the "Transparency in Energy Production Act of 2021;" H.R. 2021, the "Environmental Justice For All Act;" H.R. 3326, the "Public Land Renewable Energy Development Act of 2021;" H.R. 3670, the "Simplifying Outdoor Access for Recreation Act;" H.R. 3686, the "Ski Hill Resources for Economic Development Act;" H.R. 4690, the "Sustaining America's Fisheries for the Future Act of 2021;" H.R. 6435, "To provide for the application of certain provisions of the Secure Rural Schools and Community Self-Determination Act of 2000 for fiscal year 2021;" and H.R. 6936, the "Stamp Out Invasive Species Act."

I recognize that the bills contain provisions that fall within the jurisdiction of the Committee on Agriculture. I acknowledge that your Committee will not formally consider these bills for the limited purpose of completing and filing the bill reports.

Additionally, I confirm our mutual understanding that any floor action on these bills would still require further consultation with, and a separate approval from, the Committee on Agriculture. I would be pleased to support the appointment of members of the Committee on Agriculture to any conference committee to consider such provisions.

I will ensure that our exchange of letters is included in the committee reports for the bills. I appreciate your cooperation regarding this legislation and look forward to continuing to work with you.

Sincerely,



Chair Raúl M. Grijalva  
Committee on Natural Resources

Cc: The Honorable Nancy Pelosi, Speaker of the House  
The Honorable Bruce Westerman, Ranking Member, Committee on Natural Resources  
The Honorable Glen 'GT' Thompson, Ranking Member, Committee on Agriculture  
The Honorable Jason Smith, Parliamentarian



## DISSENTING VIEWS

H.R. 1503 would amend the Mineral Leasing Act of 1920 to raise rental rates, fees, and royalty rates for oil and gas leases on federal lands and codify several leasing policies implemented during the Obama administration. H.R. 1503 would discourage oil and gas leasing on federal lands by eliminating leasing policies that provide certainty to operators and states, as well as by imposing duplicative regulatory reviews under the National Environmental Policy Act (NEPA). Committee Republicans are strongly opposed.

Due to federal regulatory hurdles, energy development on federal lands has lagged behind production on state and private lands. The Bureau of Land Management (BLM) oil and natural gas leases contributed about 9 percent of domestically produced oil and natural gas in 2019.<sup>1</sup> Policies implemented during the Obama administration significantly hampered energy development and the Trump administration took several actions to encourage production on federal lands. H.R. 1503 would only worsen the disparity in production on federal versus non-federal land.

Leased parcels undergo three rounds of review under NEPA before production can begin: during the development of resource management plans, before lease sales, and during the approval process for an Application of Permit to Drill (APD).<sup>2</sup> This legislation would add a fourth round of NEPA review by reinstating the Master Leasing Plan (MLP) process. This process was implemented during the Obama administration to bring stakeholders together to engage in consultation before the lease sale phase to avoid conflicts regarding leases and drilling operations. However, the MLP process only resulted in further delays without the intended benefits of reduced conflict during the lease sale and APD phase. The Trump administration ended the burdensome use of MLPs.

H.R. 1503 would also extend the protest period on lease sales. Currently, BLM is required to resolve protests and issue leases within 60 days of sale. Because protests can be well over 1,000 pages, resolution generally takes much longer, resulting in delays in the issuance of leases and in revenue-sharing payments to the states. In response, the Trump administration reduced the public protest period on lease sales to 10 days. H.R. 1503 would give the BLM 90 days to issue a lease, allowing protestors to further delay the process.

Additionally, H.R. 1503 would reinstate the 2015 BLM rule titled, “Oil and Gas; Hydraulic Fracturing on Federal and Indian

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<sup>1</sup> Congressional Research Service. Revenues and Disbursements from Oil and Natural Gas Production on Federal Lands. September 22, 2020. <https://fas.org/sgp/crs/misc/R46537.pdf>.

<sup>2</sup> U.S. Department of Interior. Bureau of Land Management. Land Use Planning and Leasing Reform. <https://www.blm.gov/programs/energy-and-minerals/oil-and-gas/leasing/land-use-planning> (Accessed January 8, 2018).

Lands,” until new federal regulations are put in place.<sup>3</sup> This rule, also known as the “fracking rule,” was rescinded by the Trump administration for being overly restrictive. Generally, the states are in the best position to regulate these activities within their borders given the unique geology and environmental concerns of each state. States have achieved measurable improvement in recent years regarding incidences of spills and other areas of concern.

Moreover, a 2004 EPA study showed that injecting fracking fluids poses little or no threat to underground sources of drinking water.<sup>4</sup> The vast majority of modern wells are fracked, with up to 95 percent of wells expected to utilize this technique in the next decade.<sup>5</sup> Impeding the ability of operators to use fracking on federal lands would be tantamount to banning federal production altogether.

While H.R. 1503 would result in reduced oil and gas production on federal lands, it would not reduce domestic demand, thus worsening U.S. dependence on foreign energy imports and driving up energy costs further for American families. The U.S. has some of the strongest environmental and labor standards in the world and an abundance of domestically available oil and natural gas. Rather than imposing additional burdens on domestic energy operators and costs on American households through legislation like H.R. 1503, the Department of the Interior should encourage responsible investment on federal lands, resume quarterly lease sales, and prioritize affordable energy development that creates American jobs.

For these reasons, I oppose H.R. 1503.

BRUCE WESTERMAN.



<sup>3</sup> <https://www.federalregister.gov/documents/2015/03/26/2015-06658/oil-and-gas-hydraulic-fracturing-on-federal-and-indian-lands>.

<sup>4</sup> U.S. Environmental Protection Agency. Evaluation of Impacts to Underground Sources of Drinking Water by Hydraulic Fracturing of Coalbed Methane Reservoirs; National Study Final Report, <https://nepis.epa.gov/Exe/ZyNET.exe/P100A2CM.TXT?ZyActionD=ZyDocument&Client=EPA&Index=2000+Thru+2005&Docs=&Query=Time=&EndTime=&SearchAethod=1&TocRestrict=n&Toc=&TocEntry=&QField=&Q;FieldYear=&QFieldMonth=&QFieldDay=&IntQFieldOp=0&ExtQFieldOp=0&XmlQuery=&File=D%3A%5Czyfiles%5CIndex%20Data%5C00thru05%5CTxt%5C00000027%5CP100A2CM.txt&User=ANONYMOUS&Password=Anonymous&SortMethod=h%7C-&MaximumDocuments=1&FuzzyDegree=0&ImageQuality=r75g8/r75g8/x150y150g16/i425&Display=hpfr&DefSeekPage=x&SearchBack=ZyActionL&Back=ZyActionS&BackDesc=Results%20page&MaximumPages=1&ZyEntry=1&SeekPage=x&ZyPURL>.

<sup>5</sup> American Petroleum Institute. <https://www.api.org/oil-and-natural-gas/energy-primers/hydraulic-fracturing>.