

RESTORING AMERICAN ENERGY DOMINANCE ACT

—————
FEBRUARY 7, 2024.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed
—————

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

R E P O R T

together with

DISSENTING VIEWS

[To accompany H.R. 6009]

[Including cost estimate of the Congressional Budget Office]

The Committee on Natural Resources, to whom was referred the bill (H.R. 6009) to require the Director of the Bureau of Land Management to withdraw the proposed rule relating to fluid mineral leases and leasing process, 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 American Energy Dominance Act”.

SEC. 2. WITHDRAWAL OF BLM PROPOSED RULE.

(a) **IN GENERAL.**—Not later than 30 days after the date of enactment of this Act, the Director of the Bureau of Land Management shall withdraw the proposed rule of the Bureau of Land Management entitled “Fluid Mineral Leases and Leasing Process” (88 Fed. Reg. 47562 (July 24, 2023)).

(b) **NO FURTHER ACTION.**—The Director of the Bureau of Land Management may not take any action to finalize, implement, or enforce the proposed rule described in subsection (a) or any substantially similar rule.

PURPOSE OF THE LEGISLATION

The purpose of H.R. 6009 is to require the Director of the Bureau of Land Management to withdraw the proposed rule relating to fluid mineral leases and leasing process, and for other purposes.

BACKGROUND AND NEED FOR LEGISLATION

At the end of July 2023, the Bureau of Land Management (BLM) issued a proposed rule to update its oil and gas leasing regulations.¹ The proposed rule would formally implement provisions from the Inflation Reduction Act (IRA), which increased the royalty rate for production on federal lands, while also increasing and creating new fees on producers. While the rule codified pieces of the IRA, it also made major, non-statutory changes to the BLM's on-shore leasing program. Specifically, the rule proposes ending nationwide bonding and increasing the minimum bond amounts for individual lease bonds and statewide lease bonds from \$10,000 to \$150,000 and from \$25,000 to \$500,000 respectively. Simply put, this significant increase is an attempt by the Biden administration to further disincentivize oil and gas production on federal lands by tying up capital that would otherwise be put back into production. Additionally, it is unjustifiable as there are only 37 orphaned oil and gas wells on BLM-managed lands² and the BLM has only utilized bonds to plug wells on federal lands 40 times over the last decade.³

The proposed rule also introduces the idea of using "preference criteria"⁴ to inform the BLM's selection of lands for lease sales. The BLM's stated rationale for this change is preserving agency resources and avoiding conflict in areas "with sensitive cultural, wild-life, and recreation resources."⁵ This nebulous methodology could be especially problematic if BLM field offices avoid leasing in all areas with endangered or threatened species, critical habitat, or a nearby recreation area, a move that would greatly limit leasing on federal lands. The Biden administration also plans to avoid leasing in areas where production is not currently occurring. This will prevent operators from unlocking new discoveries that help solidify long-term American energy security.

COMMITTEE ACTION

H.R. 6009 was introduced on October 20, 2023, by Rep. Lauren Boebert (R-CO). The bill was referred to the Committee on Natural Resources. On October 25, 2024, the Subcommittee on Energy and Mineral Resources held a hearing on a discussion draft of the bill. On December 6, 2023, the Committee on Natural Resources met to consider the bill. Representative Boebert (R-CO) offered an Amendment in the Nature of a Substitute designated Boebert 236 ANS. The amendment was adopted by voice vote. Ranking Member Raul Grijalva (D-AZ) offered an amendment to the Amendment in the Nature of a Substitute designated Grijalva #1. The amendment was not adopted by a roll call vote of 18 to 23, as follows:

¹ Bureau of Land Management, Fluid Mineral Leases and Leasing Process, 88 FR 47562, 7/24/23, <https://www.federalregister.gov/documents/2023/07/24/2023-14287/fluid-mineral-leases-and-leasing-process>.

² United States Department of the Interior, Questions for the Record Response for the Senate Energy and Natural Resources Committee Full Committee Hearing "To Examine the Department of the Interior's Implementation of the Infrastructure Investment and Jobs Act" held on December 13, 2022, June 22, 2023.

³ *Id.*

⁴ Bureau of Land Management, Fluid Mineral Leases and Leasing Process, 88 FR 47562, 7/24/23, <https://www.federalregister.gov/documents/2023/07/24/2023-14287/fluid-mineral-leases-and-leasing-process>.

⁵ *Id.*

Committee on Natural Resources							
U.S. House of Representatives							
118th Congress							
Date: December 6, 2023			Roll Call #5				
Meeting on / Amendment on: Grijalva #1 to Boebert_236 ANS to H.R. 6009 (Rep. Boebert), "Restoring American Energy Dominance Act"							
MEMBERS	Yea	Nay	Pres	MEMBERS	Yea	Nay	Pres
Mr. Westerman, AR, Chairman		X		Mr. Grijalva, AZ, Ranking	X		
Mr. Lamborn, CO		X		Ms. Napolitano, CA	X		
Mr. Wittman, VA		X		Mr. Sablan, CNMI	X		
Mr. McClintock, CA				Mr. Huffman, CA	X		
Mr. Gosar, AZ		X		Mr. Gallego, AZ			
Mr. Graves, LA		X		Mr. Neguse, CO	X		
Mrs. Radewagen, AS		X		Mr. Levin, CA	X		
Mr. LaMalfa, CA		X		Ms. Porter, CA			
Mr. Webster, FL		X		Ms. Leger Fernandez, NM	X		
Ms. González-Colón, PR		X		Ms. Stansbury, NM	X		
Mr. Fulcher, ID		X		Mrs. Peltola, AK	X		
Mr. Stauber, MN		X		Ms. Ocasio-Cortez, NY	X		
Mr. Curtis, UT		X		Mr. Mullin, CA	X		
Mr. Tiffany, WI		X		Ms. Hoyle, OR	X		
Mr. Carl, AL		X		Ms. Kamlager-Dove, CA	X		
Mr. Rosendale, MT		X		Mr. Magaziner, RI	X		
Mrs. Boebert, CO		X		Ms. Velázquez, NY	X		
Mr. Bentz, OR		X		Mr. Case, HI	X		
Ms. Kiggans, VA		X		Mrs. Dingell, MI	X		
Mr. Moylan, Guam		X		Ms. Lee, NV	X		
Mr. Hunt, TX							
Mr. Collins, GA		X					
Ms. Luna, FL		X					
Mr. Duarte, CA		X					
Ms. Hageman, WY		X					
				TOTAL:	18	23	

H.R. 6009, as amended, was ordered favorably reported to the House of Representatives by roll call vote of 23 to 18, as follows:

Committee on Natural Resources							
U.S. House of Representatives							
118th Congress							
Date: December 6, 2023			Roll Call #6				
Meeting on / Amendment on: On Favorably Reporting, as amended, H.R. 6009 (Rep. Boebert), "Restoring American Energy Dominance Act"							
MEMBERS	Yea	Nay	Pres	MEMBERS	Yea	Nay	Pres
Mr. Westerman, AR, Chairman	X			Mr. Grijalva, AZ, Ranking		X	
Mr. Lamborn, CO	X			Ms. Napolitano, CA		X	
Mr. Wittman, VA	X			Mr. Sablan, CNMI		X	
Mr. McClintock, CA				Mr. Huffman, CA		X	
Mr. Gosar, AZ	X			Mr. Gallego, AZ			
Mr. Graves, LA	X			Mr. Neguse, CO		X	
Mrs. Radewagen, AS	X			Mr. Levin, CA		X	
Mr. LaMalfa, CA	X			Ms. Porter, CA			
Mr. Webster, FL	X			Ms. Leger Fernandez, NM		X	
Ms. González-Colón, PR	X			Ms. Stansbury, NM		X	
Mr. Fulcher, ID	X			Mrs. Peltola, AK		X	
Mr. Stauber, MN	X			Ms. Ocasio-Cortez, NY		X	
Mr. Curtis, UT	X			Mr. Mullin, CA		X	
Mr. Tiffany, WI	X			Ms. Hoyle, OR		X	
Mr. Carl, AL	X			Ms. Kamlager-Dove, CA		X	
Mr. Rosendale, MT	X			Mr. Magaziner, RI		X	
Mrs. Boebert, CO	X			Ms. Velázquez, NY		X	
Mr. Bentz, OR	X			Mr. Case, HI		X	
Ms. Kiggans, VA	X			Mrs. Dingell, MI		X	
Mr. Moylan, Guam	X			Ms. Lee, NV		X	
Mr. Hunt, TX							
Mr. Collins, GA	X						
Ms. Luna, FL	X						
Mr. Duarte, CA	X						
Ms. Hageman, WY	X						
				TOTAL:	23	18	

HEARINGS

For the purposes of clause 3(c)(6) of House rule XIII, the following hearing was used to develop or consider this measure: hearing by the Subcommittee on Energy and Mineral Resources held on October 25, 2024.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title

Section 1 establishes the short title of the bill as the “Restoring American Energy Dominance Act”.

Section 2. Withdrawal of BLM Proposed Rule

Section 2 would force the BLM to withdraw its onshore oil and gas leasing regulation and would prevent the BLM from finalizing a substantially similar rule in the future.

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) and (3) of rule XIII of the Rules of the House of Representatives and sections 308(a) and 402 of the Congressional Budget Act of 1974, the Committee has received the following estimate for the bill from the Director of the Congressional Budget Office:

H.R. 6009, Restoring American Energy Dominance Act			
As ordered reported by the House Committee on Natural Resources on December 6, 2023			
By Fiscal Year, Millions of Dollars	2024	2024-2028	2024-2033
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	*	*	not estimated
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2034?	No	Statutory pay-as-you-go procedures apply? No	
		Mandate Effects	
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2034?	No	Contains intergovernmental mandate?	No
		Contains private-sector mandate?	No
* = between zero and \$500,000.			

H.R. 6009 would direct the Bureau of Land Management (BLM) to withdraw the proposed rule, “Fluid Mineral Leases and Leasing

Process,” as published in the *Federal Register* in July 2023.¹ The bill also would prohibit BLM from implementing any substantially similar rule.

The proposed rule would restate in regulation provisions of the 2022 reconciliation legislation (Public Law 117–169) that established a fee for expressions of interest and adjusted royalty rates, rental rates, and minimum bids for BLM-issued oil and gas leases. Because those requirements would not be affected by the bill, CBO estimates that withdrawing the proposed rule would not affect those statutory fees and rates.

The proposed rule also would establish new fees and increase existing fees for certain lease applications and permits and would increase the minimum bond amounts required for onshore leases. Receipts from such fees and any forfeited bonds are classified in the budget as discretionary offsetting collections; that is, as a reduction in discretionary spending. Spending of those collections is subject to annual appropriation. Assuming appropriation of those future collections, CBO expects that any additional amounts collected under the proposed rule would be spent soon thereafter so that the net effect on discretionary spending would be negligible.

On that basis, CBO estimates that eliminating the collection and spending of those collections under H.R. 6009 would, on net, have a negligible effect on spending subject to appropriation.

The CBO staff contact for this estimate is Lilia Ledezma. The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

PHILLIP L. SWAGEL,
Director, Congressional Budget Office.

2. *General Performance Goals and Objectives.* As required by clause 3(c)(4) of rule XIII, the general performance goal or objective of this bill is to require the Director of the Bureau of Land Management to withdraw the proposed rule relating to fluid mineral leases and leasing process, and for other purposes.

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

According to the Congressional Budget Office, H.R. 6009 contains no unfunded mandates as defined in the Unfunded Mandates Reform Act.

EXISTING PROGRAMS

Directed Rule Making. This bill does not contain any directed rule makings.

Duplication of Existing Programs. This bill does not establish or reauthorize a program of the federal government known to be duplicative of another program. Such program was not included in

¹See Bureau of Land Management, “Fluid Mineral Leases and Leasing Process,” Proposed Rule, 88 *Fed. Reg.* 47562 (July 24, 2023), <http://tinyurl.com/39bjtnme>.

any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139 or identified in the most recent Catalog of Federal Domestic Assistance published pursuant to the Federal Program Information Act (Public Law 95–220, as amended by Public Law 98–169) as relating to other programs.

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

As ordered reported by the Committee on Natural Resources, H.R. 6009 makes no changes in existing law.

DISSENTING VIEWS

H.R. 6009 would withdraw BLM’s proposed oil and gas rule, undermining Inflation Reduction Act—directed reforms, and would prohibit any implementation or enforcement of any substantially similar rule.

In July 2023, BLM proposed updated regulations for the onshore oil and gas leasing program. The proposed rule incorporates the updates from the Inflation Reduction Act (IRA) and the recommendations from the 2021 report and is consistent with Executive Order 14008, “Tackling the Climate Crisis at Home and Abroad.” The rulemaking is the first comprehensive re-evaluation of the federal onshore oil and gas program since 1988.

The long overdue reforms in the rule address longstanding problems identified by independent and nonpartisan entities and the agency itself and move toward aligning the oil and gas program with our climate goals.

The proposed rule would:¹

1. Modernize bonding requirements for leasing, development, and production to reduce the future burden on American taxpayers.
2. Prioritize development on lands with existing infrastructure or high potential for production and away from important environmental and cultural sites.
3. Implement key fiscal reforms, including modernizing royalty rates, rental rates, and minimum bids to align with the IRA.

This rule is a common sense and long overdue rulemaking with popular support across the West. Ninety-one percent of Western voters support requiring oil and gas companies, not taxpayers, to pay for cleaning up and reclaiming public lands after they drill. Seventy-two percent support allowing drilling on public lands only where there is a high likelihood of producing oil and gas.²

Natural Resources Committee Republicans oppose this rule, claiming it would increase costs for American energy producers and discourage investment in drilling on public lands. However, recent state experience shows otherwise: officials in Colorado and Texas found no clear impact of raising their state royalty rates on production on state lands. Notably, Texas raised its rates to 25 percent on most leases without a noticeable impact on production or leas-

¹ U.S. Department of the Interior, Press Release, July 2023, Interior Department Takes Steps to Modernize Oil and Gas Leasing on Public Lands, Ensure Fair Return to Taxpayers <https://www.doi.gov/pressreleases/interior-department-takes-steps-modernize-oil-and-gas-leasing-public-lands-ensure-fair#:~:text=Key%20elements%20of%20the%20proposed,eliminate%20nationwide%20and%20unit%20bonds>.

² Colorado College Stage of the Rockies Project. January 2023, *Key Findings: The 2023 Survey of the Attitudes of Voters in Eight Western States*. <https://www.coloradocollege.edu/other/stateoftherockies/conservationinthewest/2023.html> pp. 52, 49.

ing.³ BLM’s increased federal royalty rate (16.67 percent, as mandated by the IRA) is on the low end of what states charge to extract on state lands (16.67–25 percent).⁴ Taxpayers for Common Sense estimates that the American public lost up to \$12.4 billion in revenue from oil and gas drilling on federal lands between 2010 and 2019 because of the outdated federal royalty rate.⁵

Republicans have repeatedly claimed that the increased bonding requirements will harm small producers and are unnecessary for preventing wells from being abandoned or orphaned. Western Energy Alliance President Kathleen Sgamma testified in an oversight hearing on the rule that “the bonding provisions are an arbitrary and capricious solution to a problem that doesn’t exist” because DOI had identified “only 37 orphan wells on federal lands” and there had been only “40 calls on bonds over the last decade.”⁶

This is a misrepresentation of the problem. Although BLM has stated that they have identified only 37 orphaned wells—abandoned, unplugged wells with no current or former identifiable owner capable of paying for reclamation—this does not mean oil and gas producers are promptly and completely plugging non-producing wells.

Federal law holds all past owners and operators of federal wells liable for reclamation if the current owner or operator does not have the resources to reclaim the well. An unplugged well can sit idled or even abandoned for years before a federal agency seeks to enforce reclamation requirements; if the bond is insufficient to cover reclamation and the current owner does not have the resources, BLM must contact all remaining liable parties to enforce reclamation.⁷ Although this typically results in reclamation without a well officially being declared orphaned, it can take years and large amounts of agency staff time and resources to enforce the reclamation of a single oil and gas well. Meanwhile, these unplugged wells can cause severe environmental and public health issues for nearby communities.⁸ In a 2019 report, GAO identified 2,294 unplugged wells that had not produced in over ten years and were at increased risk of becoming orphaned.⁹ Nonpartisan experts at GAO and the DOI Office.¹⁰ of Inspector General have repeatedly

³ U.S. Government Accountability Office, June 2017, Raising Federal Royalty Rates Could Decrease Production on Federal Lands but Increase Federal Revenue <https://www.gao.gov/assets/gao-17-540.pdf>.

⁴ U.S. Department of the Interior, November 2021, Report on the Federal Oil and Gas Leasing Program, <https://www.doi.gov/sites/doi.gov/files/report-on-the-federal-oil-and-gas-leasing-program-doi-eo-14008.pdf>.

⁵ Taxpayers for Common Sense, February 2020, Royalty Losing: Higher Royalties on State and Offshore Oil and Gas Production Reap Billions More than Drilling on Federal Lands <https://www.taxpayer.net/wp-content/uploads/2020/02/TCS-Royally-Losing-2020.pdf>.

⁶ Testimony of Ms. Kathleen Sgamma before the Subcommittee on Energy and Mineral Resources, September 19, 2023. <https://docs.house.gov/meetings/II/II06/20230919/116322/HHRG-118-II06-Wstate-SgammaK-20230919.pdf>.

⁷ Bureau of Land Management. “Instruction Memorandum 2021–039, Orphaned Well Identification, Prioritization, and Plugging and Reclamation.” July 13, 2021. <https://www.blm.gov/policy/im-2021-039>.

⁸ LA Times, “The toxic legacy of old oil wells: California’s multibillion-dollar problem,” February 6, 2020 <https://www.latimes.com/projects/california-oil-well-drilling-idle-cleanup/>.

⁹ U.S. Government Accountability Office, September 2019. “Bureau of Land Management Should Address Risks from Insufficient Bonds to Reclaim Wells.” <https://www.gao.gov/assets/gao-19-615.pdf>.

¹⁰ Ibid.

recommended increasing bond amounts to ensure complete and prompt reclamation of oil and gas wells.¹¹

While Republicans claim the proposed rule harms ranchers and other small businesses that use public lands—in reality, the rule does not undermine any valid existing land rights and levels the playing field for important local economic drivers like the recreation industry. For decades, BLM’s land management has prioritized oil and gas development despite their multi-use mandate: over 90 percent of public lands are open to oil and gas leasing.¹² The practice of speculative leasing of low-potential lands, which the IRA and the BLM rulemaking would end, pads industry profits while discouraging other uses of the lands.

RAÚL M. GRIJALVA,
Ranking Member.



¹¹U.S. Department of the Interior Office of Inspector General. “BLM Oil and Gas Bonding Procedures.” September 25, 2012. <https://www.doiig.gov/sites/default/files/2021-migration/BLM%2520Oil%2520and%2520Gas%2520Bonding%2520Procedures.pdf>.

¹²The Wilderness Society, Fixing the BLM’s Indiscriminate Energy Leasing <https://www.wilderness.org/sites/default/files/media/file/Report-No%20Exit-Fixing%20BLM%20Leasing.pdf>.