

April 4, 2024

The Honorable Joseph R. Biden President of the United States 1600 Pennsylvania Avenue NW Washington, D.C. 20500

Dear Mr. President:

We urge your Administration to finalize pending regulations to modernize the Federal oil and gas leasing system by the end of April. We support the common-sense reforms included in the Bureau of Land Management (BLM)'s proposed Onshore Oil and Gas Leasing Rule,<sup>1</sup> which will bring enormous benefit to our nation and public lands.

Our public lands are essential to fishing and hunting, wildlife and land conservation, livestock grazing, and our states' outdoor recreation economies. BLM's proposed rule includes important reforms that will save taxpayers money, help ensure lands are used for their highest value, and better protect communities and the environment. Many of these reforms were recommended in the Department of Interior's (DOI) review of the Federal oil and gas leasing program, released in November 2021.<sup>2</sup> That review was bolstered by an earlier Government Accountability Office (GAO) report, focused on the need for updated bonding rates.<sup>3</sup> These reports illustrate how the current oil and gas leasing program shortchanges the American public, locks up thousands of acres of land that could be put to other uses, invites speculation, and often leaves taxpayers on the hook to pay the cost of reclaiming orphaned wells and restoring surrounding lands and waters.

The proposed rule implements critical reforms included in the *Inflation Reduction Act*, such as an increased royalty rate on par with state rates, a realignment of rents and minimum bids to account for decades of inflation, a prohibition on non-competitive leasing, and a new fee to ensure oil and gas operators carefully consider the lands they nominate for lease. The proposed rule also uses existing authorities to:

- Increase outdated minimum bonding rates to ensure that oil and gas companies rather than taxpayers pay the costs of well clean-up and remediation;
- Focus leasing decisions away from lands with little potential for oil and gas production, wildlife habitat, cultural resources, and other sensitive places;
- Limit access to the leasing program for operators with a history of noncompliance and abuse.

<sup>&</sup>lt;sup>1</sup> <u>https://www.blm.gov/onshore-oil-and-gas-leasing-rule</u>

<sup>&</sup>lt;sup>2</sup> <u>https://www.doi.gov/sites/doi.gov/files/report-on-the-federal-oil-and-gas-leasing-program-doi-eo-14008.pdf</u>

<sup>&</sup>lt;sup>3</sup> <u>https://www.gao.gov/assets/gao-19-615.pdf</u>



These reforms are critical to update and improve the oil and gas leasing program to help ensure it better supports the needs of our communities, while protecting the environment and our public lands. They are also broadly supported by voters across the West. Colorado College's Conservation in the West Poll recently found that 90 percent of surveyed voters in eight Mountain West states support requiring oil and gas companies,<sup>4</sup> rather than federal and state governments, to pay for clean-up and land restoration costs after drilling is finished. In addition, over 260,000 Americans submitted public comments for the record on the BLM's proposed rule — the vast majority of which are supportive of the rule.

We applaud BLM for moving forward with long overdue reforms to the onshore oil and gas leasing program, and urge your Administration to move quickly to finalize the agency's proposed rule.

We look forward to hearing from you on this important matter.

Sincerely,

Michael F. Bennet United States Senator

Ben Ray Lujan United States Senator

Catherine Cortez Masto United States Senator

Jacky Rosen United States Senator

<sup>&</sup>lt;sup>4</sup> <u>https://www.coloradocollege.edu/other/stateoftherockies/\_documents/2024-poll-data/2024%20National</u> %20Press%20Release.pdf



John Hickenlooper United States Senator

Alex Padilla United States Senator

Angus S. King, Jr. () United States Senator

Sheldon Whitehouse United States Senator

Raúl M. Grijalva Member of Congress

Martin Heinrich United States Senator

Ron Wyden United States Senator

Coword J. W

Edward J. Markey United States Senator

Bernard Sanders United States Senator

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Mike Levin Member of Congress



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Melanie Stansbury Member of Congress

Katie Porter Member of Congress

Alexandria Ocasio-Cortez Member of Congress

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Kevin Mullin Member of Congress

Jared Huffman Member of Congress

Sydney Kamlage Dove Member of Congress

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Susie Lee Member of Congress

CC:

Secretary Deb Haaland, Department of the Interior

Director Tracy Stone-Manning, Bureau of Land Management