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Testimony Before the U.S. House Committee on Natural Resources, Subcommittee on Federal Lands

Legislative Hearing on H.R. 5015, H.R. 5499, H.R. 6085, H.R. 6209, H.R. 6547 and H.R. 7006 March 20, 2024

Chairman Tiffany, Ranking Member Neguse, and Committee Members, thank you for the opportunity to testify. I will address four of the bills before the committee today as they would help provide reasonable access for oil and natural gas development and production on non-park, non-wilderness public lands.

Western Energy Alliance is the leader and champion for independent oil and natural gas companies in the West. Working with a vibrant membership base for over 50 years, our expert staff, active committees, and committed board members form a collaborative and welcoming community of professionals dedicated to abundant, affordable energy and a high quality of life for all. Alliance members lease and regularly operate in an environmentally responsible manner on public lands in the West.

H.R. 6085 and H.R. 6547

On January 27, 2021, just a week into his presidency, President Biden issued a moratorium on new leases on federal lands and waters. Lacking the power to do so, this Biden leasing ban was fairly easily overturned in court. BLM is now using the public land use planning process to preclude leasing on vast swathes of land across the West, in effect serving as the Biden leasing ban by other means. In five RMPs that are currently being updated across the West, BLM is proposing to close 6,723,418 acres to oil and natural gas leasing.¹ While we strongly support H.R. 6085, Rep. Hageman's bill to prohibit the implementation of the Rock Springs RMP revision and H.R. 6547, Rep. Boebert's bill to prohibit the implementation of the RMP revision for the Colorado River Valley and Grand Junction field offices, Congress should also consider these other RMPs that contain large closures in Colorado, North Dakota, Utah, and Wyoming.

In my 18 years at the Alliance, I cannot recall but a few isolated examples where a standard RMP amendment did not result in more protections being put in place and more lands being locked away from leasing. Whether the Bush, Obama, Trump, or Biden administrations, almost every time BLM opens up an RMP for revision, it finds new reasons to impose more restrictions on oil and natural gas development and production or to close areas to leasing. It almost never goes the other way despite the

¹ <u>Draft Resource Management Plan Supplemental Environmental Impact Statement Colorado River Valley Field</u> <u>Office and Grand Junction Field Office</u>, BLM, August 2023; <u>Rock Springs Field Office Draft Resource Management</u> <u>Plan Revision and Draft Environmental Impact Statement</u>, BLM, May 2023; <u>Gunnison Sage-Grouse Resource</u> <u>Management Plan Amendment – Draft Environmental Impact Statement</u>, BLM, <u>November 2023</u>; <u>Draft Resource</u> <u>Management Plan Amendment and Environmental Impact Statement for Big Game Habitat Conservation for Oil</u> <u>and Gas Management in Colorado</u>, BLM, October 2023; <u>North Dakota Draft Resource Management</u> <u>Plan and Environmental Impact Statement</u>, BLM, January 2023.

March 20, 2024

Page 2 of 5

fact that expanded use of horizontal drilling reduces surface disturbance by up to 70%.² Once lands are closed to leasing, they remain that way. I understand that to a certain extent, as there are other resource values on public lands that must be protected, but the extent of the current proposed land closures and restrictions is at an unprecedented level, with the ultimate effect being a ban on leasing in large parts of the federal mineral estate.

With the Colorado RMP amendment, BLM would close 1,566,300 acres to oil and natural gas leasing out of a planning area of 1,921,660, or 82% of the federal mineral estate. BLM's justification is that the lands have no-known, low, or medium potential for oil and natural gas. BLM used an analysis of the potential based on a 2002 U.S. Geological Survey (USGS) resource assessment despite the existence of a 2016 USGS resource assessment that found a 318% increase in natural gas and a 23% increase in oil resources. The justification for BLM to close the areas to leasing because of poor potential is based on two-decades-old data. Since 2002, oil and natural gas technology has advanced exponentially and we are accessing new shale resources that were previously completely inaccessible.³

Even with BLM's incorrect assumption about the oil and natural gas potential, closing the lands to leasing would violate the law. The Energy Policy Act of 2005 and Energy Policy Conservation Act Amendments of 2000 require federal land management agencies to use the least restrictive means necessary to protect other resource values. BLM has many means at its disposal to protect wildlife, cultural, air, water, recreation, and other resources. Those means include lease stipulations that range from timing limitations on when oil and natural gas activity can occur, to controls on the use of the surface, to the most extreme restriction, which is no surface occupancy (NSO). NSO means that no oil and natural gas equipment, such as a drilling rig, can be placed on a lease whatsoever. The lease must be accessed from adjacent lands using horizontal or directional drilling. Since the lateral reach of horizontal wells is about two to three miles at a maximum, NSO can result in isolating lands that are beyond reach, and therefore, should be used sparingly. However, even NSO restrictions are less extreme than the blanket closure of 82% of the federal mineral estate in the planning area.

The Rock Springs RMP revision is likewise extreme.⁴ BLM is proposing to close 2,186,218 acres to leasing, out of a planning area of 3,718,451 acres of federal mineral estate, or 59%. Of the 1,532,233 acres of the planning area that would remain open, 813,354 or 53% would carry the most restrictive NSO designation. This area of Wyoming is one of the major oil and natural gas production areas in a state that is one of the major oil and natural gas states in the nation. For the 1,772,213 acres currently leased, BLM is proposing that these lands are closed to leasing once the terms of the leases expire.

Colorado Oil and Gas Association, and COGA, November 1, 2023. ⁴ See <u>Comments on the Rock Springs Draft Resource Management Plan and Environmental Impact Statement for</u>

 ² "<u>Oil and gas impacts on Wyoming's sage-grouse: summarizing the past and predicting the foreseeable future</u>," *Human-Wildlife Interactions Vol. 8 No 2*, Dave H. Applegate and Nick L. Owens, 2014, p. 284-290.
³ See <u>Comments on the Draft Resource Management Plan and Supplemental Environmental Impact Statement for</u> <u>the Colorado River Valley Field Office and Grand Junction Field Office</u>, Western Energy Alliance, West Slope

<u>the Rock Springs RMP Revisions</u>, Petroleum Association of Wyoming and Western Energy Alliance, January 17, 2024.

March 20, 2024

Page 3 of 5

Further, BLM grossly overestimates the number of wells that will likely be developed in Rock Springs in order to justify closing this extreme amount of acreage. Using outdated assumptions from 2010, BLM projects 6,719 new wells will be drilled over the 20-year life of the RMP, an average of 336 wells per year. This flawed "reasonably" foreseeable development scenario is used to quantify the projected impacts to surface disturbance, air quality, water quality, surface and ground water usage, cultural resources, invasive species, wildlife habitat, visual resources and just about every resource analyzed in the RMP.

In fact, BLM's own data show that in 2022, 33 Applications for Permits to Drill were received, 21 approved, 13 are pending, and 18 wells were actually spud.⁵ Such recent data show BLM's assumptions to be very wide of the mark. Rather than 336 wells drilled *a year*, it is more likely that 360 wells will be drilled *over the entire 20-year life* of the final RMP. The more realistic assumption of 18 wells drilled per year indicates that BLM is overestimating likely oil and natural gas development in the planning area by 1,867%, with that extreme overestimation causing commensurate exaggeration in the impacts to other resources. Only by exaggerating these impacts can BLM propose to impose such drastic restrictions on responsible oil and natural gas development in the Rock Springs planning area.

It is no wonder that the reaction to the release of the Rock Springs RMP was one of shock that rippled through the State of Wyoming. Stakeholders' input that had been collaboratively provided for 12 years was discarded. Never before had the BLM selected an extreme conservation alternative as the preferred alternative, one hastily developed and contrary to the balanced objectives envisioned by those involved in the multi-year stakeholder and cooperating agency process. The public's reaction to the BLM's decision was proportional and necessary.

Wyoming and the Rock Springs community rely on responsible oil and natural gas production from public lands for economic prosperity and job creation. Oil and natural gas development in the area has shaped the cultural and societal fabric of the community and supports a robust economy. Despite the fact that BLM heard overwhelmingly from members of the community that they wished to retain access to public lands for oil and natural gas activities, BLM seemed to listen to environmental special interests only who do not represent the community at large. Usually, BLM's preferred alternative strikes a balance, however imperfect, between the most protective alternative and the most extractive one, yet for this oil and natural gas community, BLM chose the extreme conservation alternative. We urge Congress to pass H.R. 6085 to prevent this fundamentally flawed RMP.

H.R. 7006

Western Energy Alliance strongly supports H.R. 7006, Rep. Curtis' bill to prohibit Natural Asset Companies (NAC) from operating in Utah. I only wish the bill applied across the whole country and in particular, on tribal and federal lands. As envisioned, NACs would have been able to monetize ecosystem services and natural resource values on public and tribal lands without an adequate system for compensating tribal members nor the American people who collectively own public lands. Although the Securities and Exchange Commission (SEC) has withdrawn the rule to list NACs on the New York

⁵ <u>BLM Oil & Gas Statistics</u>, FY2022, Table 16: Applications for Permits to Drill (APD) Report

March 20, 2024

Page 4 of 5

Stock Exchange, H.R. 7006 is necessary because the concept is far from dead, as the administration moves forward with its Natural Capital Accounting strategy.⁶

The bill should be extended to all federal lands because the concept of NACs conflicts with BLM's organic statute, the Federal Land Policy and Management Act (FLPMA) and to all tribal lands, as NACs benefitting from tribal resources is contrary to the Department of the Interior's trust responsibility to tribes and their members. NACs are envisioned to prevent productive activities like oil and natural gas development off federal lands, even though FLPMA mandates that the "principal or major uses" of public lands include "mineral exploration and production." See 43 U.S.C. § 1702(I). Please see my recent testimony before the Oversight and Investigations Subcommittee regarding NACs.⁷

H.R. 5499

We strongly support H.R. 5499, Rep. Miller-Meeks' Congressional Oversight of the Antiquities Act, as the Antiquities Act has been inappropriately used over many years to create huge monument designations that are well beyond the original intent of the law. Enacted in 1906, the Antiquities Act served to protect historic and cultural resources from looting, destruction, and private appropriation. No federal laws existed at the time to protect public lands outside of national parks and the resources on them. The original intent of the Antiquities Act was to protect small, significant places of national interest and the cultural resources they contain.

According to the text of the Act, monument designations are to be made for "historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest," and the government must reserve "the smallest area compatible with proper care and management of the objects to be protected." The clear implication of this language is that monuments were intended by Congress to protect specific resources and the land in their immediate vicinity that is directly threatened, not hundreds of thousands or millions of acres. Recent designations have far exceeded this intent.

Large monument designations are undemocratic, lacking input from local communities and elected officials, and negatively impact state and local economies. They are the only large actions on federal lands that do not require analysis under the National Environmental Policy Act (NEPA) and hence, are not subject to robust, transparent public comment and consultation with elected officials. National monument designations that affect large areas have been made over the objection of state, local, and tribal leaders, and those who live and make a living near the monuments.

In addition, both federal law and public appreciation of historical sites have significantly changed since 1906 when the Antiquities Act was enacted. With the Federal Land Policy and Management Act (FLPMA), public lands are no longer being transferred into private ownership and special areas can be protected, with public input, through the land use planning process. The Archaeological Resources

⁶ <u>National Strategy to Develop Statistics for Environmental-Economic Decisions: A U.S. System of Natural Capital</u> <u>Accounting Associated Environmental-Economic Statistics</u>, Office of Science and Technology, Office of Management and Budget, Department of Commerce, January 2023.

⁷ <u>Testimony of Kathleen Sgamma before the U.S. House Committee on Natural Resources, Subcommittee on</u> <u>Oversight and Investigations</u>, March 7, 2024.

March 20, 2024

Page 5 of 5

Protection Act of 1979 criminalized destruction of archaeological resources, and the Native American Graves Protection and Repatriation Act of 1990 (NAGPRA) provided additional protections. Moreover, the National Historic Preservation Act of 1966 (NHPA) prevents damage to cultural resources. The threat to our cultural heritage that the Antiquities Act was meant to address has largely disappeared, and the Act has been used instead as unrestrained presidential power that circumvents the will of Congress and the needs of local communities.

Western Energy Alliance is concerned that the current president, who has repeatedly promised to prevent federal oil and natural gas production, or future presidents would use unrestrained monument designations to lock away large areas that contain oil and natural gas resources. We urge Congress to pass H.R. 5499.