

**[DISCUSSION DRAFT]**115TH CONGRESS  
1ST SESSION**H. R.** \_\_\_\_\_

To achieve domestic energy independence by empowering States to manage the development and production of oil and gas on available Federal land, and for other purposes.

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**IN THE HOUSE OF REPRESENTATIVES**

M\_\_\_\_. \_\_\_\_\_ introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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**A BILL**

To achieve domestic energy independence by empowering States to manage the development and production of oil and gas on available Federal land, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Opportunities for the  
5       Nation and States to Harness Onshore Resources Act” or  
6       the “ONSHORE Act”.

1 **SEC. 2. STATE PRIMACY IN OIL AND GAS PERMITTING ON**  
2 **AVAILABLE FEDERAL LAND.**

3 The Mineral Leasing Act (30 U.S.C. 181 et seq.) is  
4 amended—

5 (1) by redesignating section 44 as section 47;

6 (2) by adding after section 43 the following new  
7 section:

8 **“SEC. 44. STATE PRIMACY IN OIL AND GAS PERMITTING ON**  
9 **AVAILABLE FEDERAL LAND.**

10 “(a) AUTHORIZATIONS.—Upon receipt of an applica-  
11 tion under subsection (b), the Secretary may delegate to  
12 a State exclusive authority—

13 “(1) to issue and enforce permits to drill on  
14 available Federal land; or

15 “(2) to approve and enforce drilling plans on  
16 available Federal land.

17 “(b) STATE APPLICATION PROCESS.—

18 “(1) SUBMISSION OF APPLICATION.—A State  
19 may submit an application under paragraph (1) or  
20 (2) of subsection (a) to the Secretary at such time  
21 and in such manner as the Secretary may require.

22 “(2) CONTENT OF APPLICATION.—An applica-  
23 tion submitted under this subsection shall include—

24 “(A) a description of the State regulatory  
25 program that the State proposes to establish  
26 and administer under State law; and

1           “(B) a statement from the attorney gen-  
2           eral of such State that the laws of such State  
3           provide adequate authority to carry out the  
4           State regulatory program.

5           “(3) DEADLINE FOR APPROVAL OR DIS-  
6           APPROVAL.—Not later than 180 days after the date  
7           of receipt of an application under this subsection,  
8           the Secretary shall approve or disapprove such appli-  
9           cation.

10          “(4) CRITERIA FOR APPROVAL.—The Secretary  
11          may approve an application received under this sub-  
12          section only if the Secretary has—

13               “(A) determined that the State applicant  
14               would be at least as effective as the Secretary  
15               in issuing and enforcing permits to drill or in  
16               approving and enforcing drilling plans, as appli-  
17               cable;

18               “(B) determined that the State regulatory  
19               program of the State applicant—

20                       “(i) complies with this Act; and

21                       “(ii) provides for the termination or  
22                       modification of a permit to drill or ap-  
23                       proval of a drilling plan, as applicable, for  
24                       cause, including for—

1 “(I) the violation of any condi-  
2 tion of such permit or approval;

3 “(II) obtaining such permit or  
4 approval by misrepresentation; or

5 “(III) failure to fully disclose in  
6 an application under this subsection  
7 all relevant facts;

8 “(C) determined that the State applicant  
9 has sufficient administrative and technical per-  
10 sonnel and sufficient funding to carry out the  
11 State regulatory program;

12 “(D) provided notice to the public, solicited  
13 public comment, and held a public hearing with-  
14 in the State; and

15 “(E) determined that approval of the ap-  
16 plication would not result in decreased royalty  
17 payments to the Federal Government.

18 “(5) DISAPPROVAL.—If the Secretary dis-  
19 approves an application submitted under this sub-  
20 section, then the Secretary shall—

21 “(A) notify, in writing, the State applicant  
22 of the reason for the disapproval and any revi-  
23 sions or modifications necessary to obtain ap-  
24 proval; and

1           “(B) provide any additional information,  
2           data, or analysis upon which the disapproval is  
3           based.

4           “(6) RESUBMITTAL OF APPLICATION.—A State  
5           may resubmit an application under this subsection  
6           at any time.

7           “(c) VOLUNTARY TERMINATION OF AUTHORITY.—A  
8           State may voluntarily terminate the authority delegated  
9           to such State under subsection (a) upon providing written  
10          notice to the Secretary 60 days in advance. Upon expira-  
11          tion of such 60-day period, the Secretary shall resume any  
12          activities for which authority was delegated to the State.

13          “(d) APPEAL OF DENIAL OF APPLICATION FOR PER-  
14          MIT TO DRILL OR APPLICATION FOR APPROVAL OF  
15          DRILLING PLAN.—

16          “(1) IN GENERAL.—If a State for which the  
17          Secretary has delegated authority under subsection  
18          (a) denies an application for a permit to drill or an  
19          application for approval of a drilling plan, the appli-  
20          cant may appeal such decision to the Bureau of  
21          Land Management.

22          “(2) FEE ALLOWED.—The Bureau of Land  
23          Management may charge the applicant a fee for the  
24          appeal described in paragraph (1).

1       “(e) FEDERAL ENFORCEMENT OF STATE REGU-  
2       LATORY PROGRAM.—If the Secretary determines that a  
3       State is not adequately enforcing permits to drill or drill-  
4       ing plans, as applicable, then the Secretary may provide  
5       for the Federal enforcement of such permits to drill or  
6       drilling plans, as applicable.

7       “(f) DEFINITIONS.—In this section:

8               “(1) AVAILABLE FEDERAL LAND.—The term  
9       ‘available Federal land’ means any Federal land  
10      that—

11               “(A) is located within the boundaries of a  
12      State;

13               “(B) is not held by the United States in  
14      trust for the benefit of a federally recognized  
15      Indian Tribe or a member of such an Indian  
16      Tribe;

17               “(C) is not a unit of the National Park  
18      System;

19               “(D) is not a unit of the National Wildlife  
20      Refuge System;

21               “(E) is not a Congressionally approved wil-  
22      derness area under the Wilderness Act (16  
23      U.S.C.1131 et seq.); and

1 “(F) has been identified as land available  
2 for lease for the exploration, development, and  
3 production of oil and gas—

4 “(i) by the Bureau of Land Manage-  
5 ment under—

6 “(I) a resource management plan  
7 under the process provided for in the  
8 Federal Land Management and Policy  
9 Act of 1976 (43 U.S.C. 1701 et seq.);  
10 or

11 “(II) an integrated activity plan  
12 with respect to the National Petro-  
13 leum Reserve in Alaska; or

14 “(ii) by the Forest Service under a  
15 forest management plan under the process  
16 provided for in the National Forest Man-  
17 agement Act of 1976 (16 U.S.C. 1600 et  
18 seq.).

19 “(2) PERMIT TO DRILL.—The term ‘permit to  
20 drill’ means a permit—

21 “(A) that grants authority to drill for oil  
22 and gas; and

23 “(B) for which an application has been re-  
24 ceived that contains—

25 “(i) a drilling plan;

1 “(ii) a surface use plan of operations  
2 described under section 3162.3–1(f), Code  
3 of Federal Regulations.

4 “(iii) evidence of bond coverage; and

5 “(iv) such other information as may  
6 be required by applicable orders and no-  
7 tices.

8 “(3) DRILLING PLAN.—The term ‘drilling plan’  
9 means a plan described under section 3162.3–1(e),  
10 Code of Federal Regulations.

11 “(4) SECRETARY.—The term ‘Secretary’ means  
12 the Secretary of the Interior.

13 “(5) STATE.—The term ‘State’ means—

14 “(A) each of the several States; and

15 “(B) the District of Columbia.

16 “(6) STATE APPLICANT.—The term ‘State ap-  
17 plicant’ means a State that has submitted an appli-  
18 cation under subsection (b).

19 “(7) STATE REGULATORY PROGRAM.—The term  
20 ‘State regulatory program’ means a program that  
21 provides for a State to—

22 “(A) issue and enforce permits to drill or  
23 approve and enforce drilling plans, as applica-  
24 ble, on available Federal land; and



1 “(B) impose sanctions for violations of  
2 State laws, regulations, or any condition of a  
3 permit to drill or approved drilling plan, as ap-  
4 plicable.”; and

5 (3) ADMINISTRATIVE COSTS.—Section 35(b) of  
6 the Mineral Leasing Act (30 U.S.C. 191(b)) is  
7 amended by striking “In determining” and inserting  
8 “Except with respect to States for which the Sec-  
9 retary has delegated any authority under section  
10 44(a), in determining”.

11 **SEC. 3. CONVEYANCE TO CERTAIN STATES OF PROPERTY**  
12 **INTEREST IN STATE SHARE OF ROYALTIES**  
13 **AND OTHER PAYMENTS.**

14 (a) IN GENERAL.—Section 35 of the Mineral Leasing  
15 Act (30 U.S.C. 191) is amended—

16 (1) in the first sentence of subsection (a), by  
17 striking “shall be paid into the Treasury” and in-  
18 serting “shall, except as provided in subsection (e),  
19 be paid into the Treasury”;

20 (2) by adding at the end the following:

21 “(e) CONVEYANCE TO CERTAIN STATES OF PROP-  
22 ERTY INTEREST IN STATE SHARE.—

23 “(1) IN GENERAL.—Notwithstanding any other  
24 provision of law, on request of a State and in lieu  
25 of any payments to the State under subsection (a),

1 the Secretary of the Interior shall convey to the  
2 State all right, title, and interest in and to the per-  
3 centage specified in that subsection for that State of  
4 all amounts otherwise required to be paid into the  
5 Treasury under that subsection from sales, bonuses,  
6 royalties (including interest charges), and rentals for  
7 all public land or deposits located in the State.

8 “(2) AMOUNT.—Notwithstanding any other  
9 provision of law, after a conveyance to a State under  
10 paragraph (1), any person shall pay directly to the  
11 State any amount owed by the person for which the  
12 right, title, and interest has been conveyed to the  
13 State under this subsection.

14 “(3) NOTICE.—The Secretary of the Interior  
15 shall promptly provide to each holder of a lease of  
16 public land to which subsection (a) applies that are  
17 located in a State to which right, title, and interest  
18 is conveyed under this subsection notice that—

19 “(A) the Secretary of the Interior has con-  
20 veyed to the State all right, title, and interest  
21 in and to the amounts referred to in paragraph  
22 (1); and

23 “(B) the leaseholder is required to pay the  
24 amounts directly to the State.

1           “(4) APPLICATION.—This subsection shall  
2       apply only with respect to States for which the Sec-  
3       retary has delegated any authority under section  
4       44(a).”; and

5           (3) in subsection (c)(1), by inserting “and ex-  
6       cept as provided in subsection (e)” before “, any  
7       rentals”.

8       (b) CONFORMING AMENDMENT.—Section 205(f) of  
9       the Federal Oil and Gas Royalty Management Act of 1982  
10      (30 U.S.C. 1735(f)) is amended by striking “All” in the  
11      sixth sentence and inserting “Subject to section 35(e) of  
12      the Mineral Leasing Act, all”.

13   **SEC. 4. PERMITTING ON NON-FEDERAL LAND.**

14       The Mineral Leasing Act (30 U.S.C. 181 et seq.) is  
15      further amended by inserting after section 44 (as added  
16      by this Act) the following:

17   **“SEC. 45. PERMITTING ON NON-FEDERAL LAND.**

18       “(a) PERMITS NOT REQUIRED FOR CERTAIN ACTIVI-  
19      TIES ON NON-FEDERAL LAND.—The following activities  
20      conducted on non-Federal land shall not require a permit  
21      from the Bureau of Land Management and shall not be  
22      considered a major Federal action under the National En-  
23      vironmental Policy Act of 1969 (42 U.S.C. 4321 et seq.):

1           “(1) Oil and gas operations for the exploration  
2           for or development or production of oil and gas in  
3           which the United States holds an ownership interest.

4           “(2) Oil and gas operations that may have po-  
5           tential drainage impacts, as determined by the Bu-  
6           reau of Land Management, on oil and gas in which  
7           the United States holds an ownership interest.

8           “(b) ROYALTIES.—Nothing in this section shall affect  
9           the amount of royalties due to the United States under  
10          this Act from the production of oil and gas.

11          “(c) APPLICATION.—This section shall only apply  
12          with respect to States for which the Secretary has dele-  
13          gated any authority under section 44(a).”.

14       **SEC. 5. PREFERRED OIL AND GAS LEASING AREAS.**

15          Section 202 of the Federal Land Policy and Manage-  
16          ment Act (43 U.S.C. 1712) is amended by adding at the  
17          end the following:

18          “(g) DESIGNATION OF PREFERRED OIL AND GAS  
19          LEASING AREAS.—

20               “(1) IN GENERAL.—For each land use plan de-  
21               veloped or revised under this section, the Secretary  
22               shall designate in such plan any preferred oil and  
23               gas leasing areas.

24               “(2) UPDATE OF EXISTING LAND USE PLANS.—

1           “(A) IN GENERAL.—Not later than one  
2           year, or as soon as practicable, after the date  
3           of the enactment of this Act, the Secretary shall  
4           update each existing land use plan to designate  
5           in such plan any preferred oil and gas leasing  
6           areas.

7           “(B) PRIORITY.—The Secretary shall  
8           prioritize updating land use plans for public  
9           land that has the greatest potential for oil and  
10          gas development.

11          “(3) REPORT TO CONGRESS.—After finalizing  
12          any land use plan development or revision under this  
13          section, the Secretary shall make public on the  
14          website of the Secretary a report on the estimated  
15          cost of closing public lands subject to such land use  
16          plan to oil and gas development.

17          “(4) NEPA.—Conducting a lease sale or a  
18          processing permit for oil and gas development within  
19          a preferred oil and gas leasing area shall not be con-  
20          sidered a major Federal action under the National  
21          Environmental Policy Act of 1969 (42 U.S.C. 4321  
22          et seq.).

23          “(5) PROCEDURE.—The Secretary shall con-  
24          duct lease sales and issue lease stipulations accord-  
25          ing to existing land use plans and shall not base

1 leasing activities on revised land use plans until such  
2 plans are finalized and approved by the Secretary.

3 “(6) DEFINITION OF PREFERRED OIL AND GAS  
4 LEASING AREA.—In this subsection, the term ‘pre-  
5 ferred oil and gas leasing area’ means an area that  
6 is open for oil and gas leasing without a major con-  
7 straint, as determined by the Bureau of Land Man-  
8 agement.”.

9 **SEC. 6. STATE AND TRIBAL AUTHORITY FOR HYDRAULIC**  
10 **FRACTURING REGULATION.**

11 The Mineral Leasing Act (30 U.S.C. 181 et seq.) is  
12 further amended by inserting after section 45 (as added  
13 by this Act) the following:

14 **“SEC. 46. STATE AND TRIBAL AUTHORITY FOR HYDRAULIC**  
15 **FRACTURING REGULATION.**

16 “(a) IN GENERAL.—The Secretary of the Interior  
17 shall not enforce any Federal regulation, guidance, or per-  
18 mit requirement regarding hydraulic fracturing, or any  
19 component of that process, relating to oil, gas, or geo-  
20 thermal production activities on or under any land in any  
21 State that has regulations, guidance, or permit require-  
22 ments for that activity.

23 “(b) STATE AUTHORITY.—The Secretary of the Inte-  
24 rior shall recognize and defer to State regulations, permit-  
25 ting, and guidance, for all activities related to hydraulic

1 fracturing, or any component of that process, relating to  
2 oil, gas, or geothermal production activities on Federal  
3 land.

4 “(c) TRANSPARENCY OF STATE REGULATIONS.—

5 “(1) IN GENERAL.—Each State shall submit to  
6 the Bureau of Land Management a copy of its regu-  
7 lations that apply to hydraulic fracturing operations  
8 on Federal land.

9 “(2) AVAILABILITY.—The Secretary of the In-  
10 terior shall make available to the public on the  
11 website of the Secretary the State regulations sub-  
12 mitted under paragraph (1).

13 “(d) TRANSPARENCY OF STATE DISCLOSURE RE-  
14 QUIREMENTS.—

15 “(1) IN GENERAL.—Each State shall submit to  
16 the Bureau of Land Management a copy of any reg-  
17 ulations of the State that require disclosure of  
18 chemicals used in hydraulic fracturing operations on  
19 Federal land.

20 “(2) AVAILABILITY.—The Secretary of the In-  
21 terior shall make available to the public on the  
22 website of the Secretary the State regulations sub-  
23 mitted under this subsection.

24 “(e) TRIBAL AUTHORITY ON TRUST LAND.—The  
25 Secretary of the Interior shall not enforce any Federal reg-

1 ulation, guidance, or permit requirement with respect to  
2 the process of hydraulic fracturing, or a component of hy-  
3 draulic fracturing, on any land held in trust or restricted  
4 status for the benefit of a federally recognized Indian  
5 Tribe or a member of such an Indian Tribe, except with  
6 the express consent of the beneficiary on whose behalf  
7 such land is held in trust or restricted status.

8 “(f) HYDRAULIC FRACTURING DEFINED.—In this  
9 section the term ‘hydraulic fracturing’ means the process  
10 by which fracturing fluids (or a fracturing fluid system)  
11 are pumped into an underground geologic formation at a  
12 calculated, predetermined rate and pressure to generate  
13 fractures or cracks in the target formation and thereby  
14 increase the permeability of the rock near the wellbore and  
15 improve production of oil and gas.”.

16 **SEC. 7. REVIEW OF INTEGRATED ACTIVITY PLAN FOR THE**  
17 **NATIONAL PETROLEUM RESERVE IN ALASKA.**

18 The Secretary of the Interior shall conduct a review  
19 of the National Petroleum Reserve in Alaska Final Inte-  
20 grated Activity Plan, for which notice of availability was  
21 published in the Federal Register on December 28, 2012  
22 (77 Fed. Reg. 76515), to determine which lands within  
23 the National Petroleum Reserve in Alaska should be made  
24 available for oil and gas leasing.