

**Testimony of Hilary Cooper**

**Commissioner, San Miguel County, CO**

**BEFORE THE SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES  
COMMITTEE ON NATURAL RESOURCES UNITED STATES HOUSE OF  
REPRESENTATIVES**

*“MODERNIZING ENERGY DEVELOPMENT LAWS FOR THE BENEFIT OF TAXPAYERS,  
COMMUNITIES, AND THE ENVIRONMENT”*

**March 9, 2021**

Chair Lowenthal, Ranking Member Stauber, members of the Subcommittee, thank you for inviting me to testify today in support of these crucial oil and gas modernization bills. I sincerely appreciate the opportunity to be here.

My name is Hilary Cooper and I am a County Commissioner in San Miguel County, Colorado. As an elected official, I consider myself in service to the public I serve. I have also been a community organizer and dedicated to protecting the public lands that surround us and that we depend on in so many ways. I come before you today because the current federal oil and gas leasing system is an ongoing threat to all of these values. Millions of acres in Colorado are under lease, tying up our treasured public lands in fossil fuel development and threatening the health and safety of the people in my community.

Colorado is one of the top oil and gas producing states and, at the same time, on the front lines of climate change. Reduced snowpack, increasingly destructive fires, more intense drought, and higher levels of air pollution are all impacts of fossil fuel production in our state. Our mountains have less snow, our rivers have less water and our high elevation desert landscapes are facing increased aridification. Oil and gas development in these increasingly stressed conditions add threats to air and water quality. In San Miguel County, the Gunnison sage-grouse population, a U.S. Fish & Wildlife Threatened species, historically inhabited Dry Creek Basin. Since the development of the gas field in Dry Creek Basin, the bird counts have dropped to zero in the last five years. Dry Creek basin is living up to its name and development and associated traffic are added impacts.

The current outdated leasing program has also entangled community welfare and local and state budgets for schools, libraries and social services with the fossil fuel industry's profits. The quality of these essential programs should not depend on the monetary success of oil and gas companies. When the price of oil and gas drops and the smaller operators cannot afford to produce, they also stop paying their property taxes which impacts our local services. Recently, the Town of Norwood was able to build a much needed library for the community. They operate on an extremely tight budget based on their tax funded Special District revenue. One of the small gas producers in the county has been delinquent with their property tax payments with what amounts to a significant portion of the library's annual budget. Now the County treasurer and attorney must go back and re-negotiate a payment plan that will most likely become delinquent again unless the

price of gas increases. Compounding these impacts is the lack of transparency requirements that make it difficult to find the correct contact for these companies. Our communities cannot be dependent on the cyclical nature of natural resource extraction. Under our current system, oil and gas companies nominate public lands they want to drill, purchase leases at obscenely low rates, easily obtain drilling permits, and pay taxpayers low and outdated royalty rates. When an acre of public land is under lease, we, the public, have no access and the land is no longer managed for multi-use, a mandate of the USFS and BLM.

America's public lands belong to all of us and must be managed responsibly. Under the outdated oil and gas regulations fossil fuel developers are prioritized over the health, safety and welfare of our local communities and all Americans. Reasonable reforms will allow for a better balance of all uses of our public lands including the recreational activities that support a growing number of our local economies, conservation actions that protect our ecosystem services and scenic vistas and wildlife protection. We need oil and gas regulation reform that provides transparency to the public and protects our lands, waters, wildlife, and communities.

Fortunately, President Biden's administration has placed a much needed pause on public land leasing. We can take this opportunity to work together to protect our communities, the public lands where we play, the wildlife that we treasure, and the future of our climate. This pause on leasing allows policymakers to review an outdated program for the first time in nearly four decades, and evaluate the impacts of drilling on our climate, communities, and taxpayers. Moreover, it gives us the opportunity to shape a new approach to the management of our public lands – one that directs responsible oil and gas development in appropriate areas, while allowing for public access in areas that are not suitable for development.

The bills before you today will be a significant step towards the improved management of our public lands for Americans today and generations to come. I urge you to support these carefully crafted and much needed reform bills that will simply require more responsible use of lands belonging to all of us.

### *Methane Waste Prevention Act of 2021*

The oil and gas industry is the largest source of emissions of methane, a powerful greenhouse gas over 80 times more potent than carbon dioxide over a 20 year time frame.<sup>1</sup> In addition to contributing to climate change, methane negatively impacts the air quality of communities near oil and gas operations. Methane pollution can lead to respiratory damage, cancer, birth defects, and nervous system damage, threatening the health of people in communities like mine.

My state of Colorado has led the way on methane regulation, implementing strong standards to limit the amount of methane that is wasted and released into the atmosphere. It is time for the federal government to follow suit.

---

<sup>1</sup> Energy Information Administration, DOE/EIA-0573(2009), Emissions of Greenhouse Gases in the U.S. (March 2011): 35; UN Environment Programme, "Oil and gas sector can bring quick climate win by tackling methane emissions" (June 27, 2019), <https://www.unenvironment.org/news-and-stories/story/oil-and-gas-sector-can-bring-quick-climate-win-tackling-methaneemissions>.

The Methane Waste Prevention Act would prevent the flaring, venting, and leaking of methane, by reinstating and updating the methane waste and pollution prevention standards established by the Bureau of Land Management (BLM) in 2016, establish nationwide methane emission reduction targets, and require the Environmental Protection Agency (EPA) to develop regulations to achieve these nationwide targets. Ensuring that all methane is captured and sold also has the added benefit of ensuring that the gas is subject to royalties, which generates revenue for American taxpayers.

### *Restoring Community Input and Public Protection in Oil and Gas Leasing Act of 2021*

Communities near public lands are directly impacted by the fossil fuel development that takes place on those lands. Local community members in places like San Miguel County have a right to participate in decision making regarding potential oil and gas leasing. For too long, the oil and gas industry has taken advantage of our public lands to benefit corporations without meaningful input from the public. America's public lands, waters, and natural resources belong to all of us. We all deserve to have a voice in how these lands and resources are managed and protected for current and future generations.

The Restoring Community Input and Public Protection in Oil and Gas Leasing Act includes several policies that are critical to modernizing the oil and gas leasing system to increase public participation and protect the community I serve as well as the public lands, water, and wildlife that make Colorado special. The Act would:

- Ensure fair market values for the use of public lands and protect American taxpayers through a series of fiscal reforms, including raising the oil and gas royalty rate to 18.75%; ending the practice of noncompetitive leasing, which has allowed oil and gas companies to stockpile leases for low prices and prohibit those lands from being managed for other uses; increasing the national minimum lease bid from \$2 per acre to \$5 acre; establishing a minimum \$15 per acre Expression of Interest rate, and raising the rental rates for oil and gas leases from their current values of \$1.50 for the first 5 years, and \$2 for the second five years, to \$3 for the first 2 years, and \$5 in each subsequent year.
- Protect natural and cultural resources, and increase public participation by restoring opportunities for the public to be heard in oil and gas leasing decisions; undoing actions taken by the previous administration to shorten public comment periods and forgo adequate public notice before leasing occurs; and revitalizing leasing procedures that encourage public participation and proactive outreach with state agencies, private landowners, and other stakeholders.
- Improve transparency by requiring companies that nominate lands for oil and gas leasing to disclose their identities - as opposed to the current anonymous nomination process for determining which lands are available for oil and gas drilling.
- Slow down the firesale of oil and gas leases by reducing the number of lease sales in each state from four to a maximum of three and limiting each BLM field office to one lease sale per year.
- Protect landowners by requiring DOI to notify surface landowners and holders of special recreation permits when oil and gas leases are offered on lands that would affect their property or permits and requiring a surface use agreement between the oil and gas operator

and the landowner guaranteeing that the operator will minimize its impact, clean up after itself, and pay for any damages it leaves behind.

### *Transparency in Energy Production Act of 2021*

Communities like San Miguel County are inextricably linked to nearby oil and gas operations. We deserve to have information on the health and environmental impacts from that activity. Currently, however, oil and gas companies have no obligation to disclose the social or environmental impacts of their operations on federal lands and communities like mine are paying the price. My community - and all Americans - have a right to know the extent to which energy development on public lands is contributing to climate change and the health risks associated with fossil fuel production.

At present, the federal government does not sufficiently track or report emissions from energy development on public lands. Without transparency or accurate measurements, the federal government cannot manage lands effectively or be held accountable to manage resources equitably. The Transparency in Energy Production Act seeks to remedy this by requiring companies that hold or are seeking a lease to drill on federal lands to record and report the resulting emissions. These requirements will take meaningful steps towards protecting communities like mine, as well as help the government pursue effective solutions to the climate crisis.

### *Bonding Reform and Taxpayer Protection Act of 2021*

The Interstate Oil & Gas Compact Commission (IOGCC) estimates that are hundreds of orphaned wells across Colorado and while the total number of orphaned wells nationwide is unknown, the IOGCC estimates that there are nearly 57,000 documented orphaned wells and as many as 746,000 undocumented orphaned wells. As demand for oil decreases, the number of orphaned wells will only increase. Similarly, in 2019, the Government Accountability Office [identified](#) nearly 2,300 “at risk” wells on federal lands and warned that taxpayers could be on the hook for a large chunk of the clean-up costs for those wells, which could reach \$333 million. The environmental costs are also increasing. These impacts are profound; according to a [recent analysis](#), orphaned wells have caused “dozens” of groundwater contaminations and, in 2018, emitted 281 kilotons of methane – the climate equivalent of burning 16 million barrels of oil. Wells that are not properly plugged and remediated leak greenhouse gasses into the atmosphere and pose a serious threat to the environment and the public health and safety of communities near oil and gas activity, like San Miguel County. Leaks from orphaned wells are known to [pollute groundwater and farmland, endanger wildlife, leak methane and toxic gases](#), hazardous to human health.

In theory, oil and gas bonds cover the costs of cleanup and reclamation when the well stops producing or is no longer in use. However, current bonding requirements are often inadequate to cover the costs of adequately plugging and restoring wells, leaving local governments on the hook for cleanup costs. The Bonding Reform and Taxpayer Protection Act would address this problem by increasing the bond amounts that oil and gas developers must post before being allowed to drill on public land, and require oil and gas companies to develop and present a reclamation plan to BLM before any development can occur on leased public land. Adequate bonding is critical to

protect communities near oil and gas activity from the public health hazards of abandoned wells and, at the same time, ensure local taxpayers in my state are not left to cover the costs of cleanup.

*Ending Taxpayer Welfare for Oil and Gas Companies Act of 2021*

While the current leasing system enables large profits to the oil and gas industry, it shortchanges taxpayers like residents in my communities. Low prices not only deny the American people a fair market value on the resources they own, it allows fossil fuel companies to tie up large swaths of public lands at bargain prices for oil and gas leasing, limiting those lands from being managed for other uses that are important to communities and the public, such as recreation, conservation, and cultural uses.

The Ending Taxpayer Welfare for Oil and Gas Companies Act would implement numerous policies to ensure that the American people are receiving fair market value for the resources they own. Specifically, it would raise royalties, rental rates, inspection fees, and penalties that have not been updated in decades. These artificially low fees are costing taxpayers in my community and across the country hundreds of millions of dollars and creating a financial windfall for oil and gas companies that extract resources from public lands. The Act will also close loopholes that enable corporate waste, fraud, and abuse by oil and gas companies operating on public lands.

Thank you again for the opportunity to be heard on these bills that, if enacted, would take meaningful steps toward modernizing the oil and gas leasing system in a way that works for the operators as well as the American people. These are reasonable reforms that will ensure responsible oil and gas development, while protecting our treasured public lands and communities. I look forward to answering any questions you may have.