

U.S. House of Representatives
Committee on Natural Resources
Washington, DC 20515

May 28, 2024

Ms. Liz Klein
Director
Bureau of Ocean Energy Management
U.S. Department of the Interior
1849 C Street, NW
Washington, DC 20240-0001

Dear Director Klein,

Thank you for appearing before the Subcommittee on Energy and Mineral Resources at an oversight hearing titled, *"Examining the President's FY 2025 Budget Request for the Bureau of Ocean Energy Management, the Bureau of Safety and Environmental Enforcement, and the Office of Natural Resources Revenue"* on Thursday, May 23, 2024.

Your testimony was extremely helpful in defining the Subcommittee's understanding of the issue and I appreciate the effort you took to prepare and present your testimony. While many questions were asked during the hearing, the Subcommittee has additional questions, attached, for your reply.

Please forward your responses to Jacob Greenberg, Clerk, Subcommittee on Energy and Mineral Resources, at Jacob.Greenberg@mail.house.gov by June 13, 2024. Your assistance in meeting this deadline is requested, as failure to meet it will be noted in the printed transcript.

Once again, thank you for your extensive effort in making this a valuable hearing.

Sincerely,



Pete Stauber
Subcommittee on Energy and Mineral Resources
Chairman

Enclosure

Committee on Natural Resources
Subcommittee on Energy and Mineral Resources
Oversight Hearing
1324 Longworth House Office Building
May 23, 2024
10:00 AM

"Examining the President's FY 2025 Budget Request for the Bureau of Ocean Energy Management, the Bureau of Safety and Environmental Enforcement, and the Office of Natural Resources Revenue"

Questions from Rep. Westerman

Director Klein and Director Sligh,

The Infrastructure Investment and Jobs Act was signed into law (P.L. 117-58) on November 15, 2021. Section 340307 amends the Outer Continental Shelf Lands Act to authorize the Secretary of the Interior to grant a lease, easement, or right-of-way on the Outer Continental Shelf for activities that "provide for, support, or are directly related to the injection of a carbon dioxide stream into sub-seabed geologic formations for the purpose of long-term carbon sequestration." The Act requires the Bureau of Safety and Environmental Enforcement jointly with the Bureau of Ocean Energy Management to promulgate regulations within one year of the law's enactment. Given the evolving landscape of carbon capture and sequestration (CCS) and its importance for carbon management, enhanced oil recovery, and other evolving uses; I'd like to understand BOEM's current stance and plans regarding CCS on the Outer Continental Shelf (OCS).

1. **Directors** Can you provide an update on where BOEM and BSEE are in drafting and publishing the necessary regulations for CCS? Specifically, when can we expect these proposed regulations to be available for public comment?
2. **Director Klein:** Will companies holding existing OCS oil and gas leases be permitted to convert these leases into CCS leases, or will they need to acquire new leases specifically for CCS activities? If conversion is not allowed, what is the rationale behind this decision?
3. **Director Klein:** Can companies currently seek new leases specifically for CCS under 43 USC 1337(p)? If so, what is the current process for obtaining such a lease? If not, is it because BOEM is awaiting the finalization of the new regulations?

West Coast Decommissioning/Chumash Sanctuary

Directors Sligh and Klein

On behalf of a broad community consortium, the Northern Chumash Tribal Council submitted a their sanctuary nomination in July 2015. NOAA's Office of National Marine Sanctuaries issued a Notice of Intent to begin the designation process for the proposed sanctuary in November 2021.

Now that NOAA has formally proposed the Chumash National Marine Sanctuary, it doesn't allow for an exception for decommissioning. BOEM and BSEE are currently in the process of working towards the decommissioning of the platforms within the proposed sanctuary. If the proposed sanctuary is finalized without a decommissioning exception, how will that impact BOEM and BSEE's mission to have these platforms decommissioned?

Financial Assurance/For BOEM

Director Klein,

The BOEM Financial Assurance Rule is now finalized. BOEM has discretion under that rule on when and whether to call on any bonds granted in its favor.

- Does BOEM intend to call on those bonds in all instances when a current lessee/owner fails to perform (e.g., even where there are predecessors)? If not, why not?
- Will BOEM make the proceeds of those bonds available to predecessors who are called upon to perform? If not, why not?

During his administration, President Obama designated the Bears Ears National Monument in December 2016, recklessly restricting 1.35 million acres, and expanded the Hawaiian Marine National Monument, a 600,000 square acre designation, in the waning months of his term in August 2016, making it the largest protected area on Earth at the time.

1. As we thankfully approach the end of President Biden's term, what funding in the BOEM budget is allocated for preparing reviews, analyses, or required documents to withdraw lands and waters under OCSLA, the Antiquities Act, or other statutes?
2. Have you participated in, or are you aware of any plans within the Department of the Interior to carry out such withdrawals in the near future? If so, under which program would these actions be carried out, and which line item from FY24 or FY25 funding would be utilized to prepare for such actions?