

**Statement of  
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**House Natural Resources Subcommittee on Energy and Mineral Resources**

**Legislative Hearing on  
H.R. 1555, Bureau of Land Management Mineral Spacing Act  
H.R. 5639, Co-Location Energy Act  
H.R. 7831, License to Drill Act  
H.R. 7872, To amend the Mineral Leasing Act to provide for the payment of bonus  
payments of certain coal leases issued under that Act  
H.R. 7882, To provide for the leasing of certain deposits of minerals located within the City  
of Carlsbad, New Mexico**

**March 25, 2026**

**Introduction**

Chairman Stauber, Ranking Member Ansari, and Members of the Subcommittee, thank you for the opportunity to provide testimony on behalf of the Bureau of Land Management (BLM) regarding the bills discussed below.

The public lands and minerals stewarded by the BLM include approximately 245 million acres of public lands and about 700 million acres of subsurface and mineral estate. The mineral resources contained in these lands are critical to achieving American Energy Dominance, and their development will power our economy, bolster national defense, and support emerging technologies. The BLM is working every day to responsibly develop our national assets to grow our economy, help balance the budget, and generate revenue for American taxpayers, while at the same time protecting our beautiful lands, abundant wildlife, and clean air and water.

**H.R. 1555, Bureau of Land Management Mineral Spacing Act**

H.R. 1555 would eliminate the requirement that an oil and gas operator submit a federal drilling permit to the BLM in instances where there is non-federal surface estate and where the subsurface mineral estate that would be accessed is less than 50 percent federal. Under the bill, an operator would be required to provide the Secretary a copy of a state-approved drilling permit and may commence activities 30 days after submission. H.R. 1555 also states that nothing in the bill alters the amount of royalties due to the United States from production of federal oil and gas resources and would allow the Secretary of the Interior (Secretary) to conduct onsite reviews and inspections to ensure payment of royalties. The bill would not apply to Indian lands, including trust lands.

Currently, the Department of the Interior (Department) is working to reverse and remove bureaucratic hurdles that impede domestic oil and gas production. Supported by its bureaus, the Department is delivering on the President's promise to put American workers first, cut burdensome regulations, and unleash our vast energy potential. The Department supports H.R. 1555 as it furthers the Administration's priorities to cut red tape and strengthen oil and gas development.

### ***Analysis***

In the first year of President Trump's second term, oil and gas lease sales from the BLM brought in \$356.6 million, more revenue than in the previous four years combined. The BLM appreciates further efforts to improve and streamline the processing of oil and gas permitting by reducing redundancies with state regulatory agencies. This will help expedite permitting of our oil and gas resources by establishing a predictable and streamlined permitting process, fulfilling statutory requirements, and advancing the Trump Administration's broader goals of energy security and economic growth. The Department would like to work with the Sponsor and Subcommittee on technical edits to ensure the BLM's ability to access private surface to conduct federal measurement and royalty accountability inspections.

### **H.R. 5639, Co-Location Energy Act**

H.R. 5639 would authorize the Secretary to issue permits for constructing or operating solar or wind energy facilities on areas currently leased for oil, gas, coal, or geothermal energy – requiring consent from the applicable leaseholder on federal lands and waters. The bill would also require the Secretary to determine whether any actions under this bill would be suitable for a categorical exclusion under the National Environmental Policy Act. Finally, the bill would direct the Secretary to issue a rule to implement H.R. 5639. The Department believes the bill is not necessary because it currently has the authority to authorize new uses that are compatible with existing authorized uses.

### ***Analysis***

The Department notes that Congress has provided the BLM with sufficient authorities to consider and issue rights-of-way (ROWs). Under Title V of the Federal Land Policy and Management Act, the Mineral Leasing Act, and implementing regulations, the BLM may issue ROWs to co-locate electric transmission and distribution lines; oil, gas, hydrogen, and carbon dioxide distribution pipelines; and renewable energy projects, along with any other type of ROW, on hydrocarbon leases. The BLM's Title V ROW regulations at 43 CFR Part 2800 allow the BLM to approve solar and wind energy generation facilities on public lands, including lands where it has authorized other uses, such as the development of oil, gas, or geothermal resources. Once the BLM has authorized a certain use of the public lands, such as by issuing a lease for oil, gas, or geothermal development, the agency may authorize additional uses of that land if it determines that those additional uses are compatible with the existing authorized use. In practice, this involves close coordination among the authorized user (such as a lessee), the sponsor of the proposed activity, and the BLM.

Similarly, the Bureau of Ocean Energy Management (BOEM) already possesses broad authority under the Outer Continental Shelf Lands Act (OCSLA) to authorize the co-location of offshore wind and solar energy facilities on existing oil and gas facilities on the Outer Continental Shelf

(OCS). Section 8(p) of OCSLA, as amended by the Energy Policy Act of 2005, grants BOEM the authority to issue leases, easements, and rights-of-way for the production, transportation, or transmission of energy from sources other than oil and gas on the OCS. For example, this authority enables BOEM to authorize renewable energy activities in proximity to, or in conjunction with, existing hydrocarbon facilities, provided that such activities are compatible with those existing authorized uses.

BOEM's regulations at 30 CFR Part 585 and 586 establish a comprehensive framework for renewable energy activities on the OCS and allow BOEM to consider and approve compatible uses on existing leased areas. Under this framework, any proposed co-location of renewable energy infrastructure on OCS areas with existing facilities or subject to existing oil and gas leases would require coordination among BOEM, the existing leaseholder, and the renewable energy developer to ensure operational safety, environmental compliance, and compatibility of uses. This process already reflects the leaseholder consent framework contemplated by H.R. 5639.

If the bill moves forward, the Department would like to work with the Sponsor and Subcommittee on technical edits to aid in implementation.

### **H.R. 7831, License to Drill Act**

H.R. 7831 would extend for 10 years the BLM's authorization to collect oil and gas permit processing fees, which are set to expire at the end of FY 2026. The BLM strongly supports H.R. 7831. The bill would enable the agency to continue fulfilling the objectives of the President's Executive Order, *Unleashing American Energy*, (E.O. 14154) and the Secretary's Order of the same name (S.O. 3418).

### ***Background***

The Energy Policy Act of 2005, as amended by the National Defense Authorization Act of 2015 (NDAA, Section 3021(b)), authorizes the BLM to collect an oil and gas processing fee for new Applications for Permit to Drill (APDs). The BLM's authority to collect such fees is set to expire at the end of FY 2026. The fee amount is established by law – currently \$12,850 per APD – and is adjusted annually to account for inflation according to the Consumer Price Index. After collection, these fees are transferred to the BLM Permit Processing Improvement Fund (PPIF), which supports the processing of APDs and related use authorizations.

In FY 2025, the BLM collected approximately \$49 million in APD fees from the submission of nearly 4,000 applications. During the same fiscal year, more than \$40 million from the PPIF was used to process over 6,000 APDs, a 55% increase compared to the same period in 2024-2025, including associated sundry notices and ROWs. APD fees are essential in supporting the growing demand for permitting services and maintaining timely and defensible permit reviews. The majority of funds collected from APD fees are allocated to the BLM offices responsible for processing oil and gas permits. A portion of these fees also support improvements in database and processing software.

### ***Analysis***

H.R. 7831 supports oil and gas exploration and production on federal lands to meet the energy

needs of our nation and solidify the United States as a global energy leader. If the authority providing for APD fees expires, the BLM would need to rely on an increase in appropriated funds to make up for any loss of revenue to support APD processing.

Finally, the BLM would like to work with the Sponsor and Subcommittee on technical edits to the bill to broaden the scope of the PPIF to include expenses related to construction and drilling inspections tied to the APD, and to provide flexibility to allocate resources across offices supporting oil and gas development. Specifically, the BLM would like to include associated sundry notices, lease administration activities, and inspection and enforcement actions as authorized uses of the collected fee.

### **H.R. 7872, To amend the Mineral Leasing Act to provide for the payment of bonus payments of certain coal leases issued under that Act**

H.R. 7872 would amend the Mineral Leasing Act to allow that bonus payments for coal leases issued under the deferred bonus payment system be payable in ten equal annual installments, rather than five, as required by current regulation. Under the bill, the first payment would still be submitted with the bid for the lease. President Trump issued E.O. 14261, *Reinvigorating America's Beautiful Clean Coal Industry and Amending Executive Order 14241*, establishing support for the domestic coal industry as a national priority by removing regulatory barriers to coal production and encouraging the use of coal to meet America's energy needs. H.R. 7872 incentivizes coal production by deferring a portion of the start-up costs of coal operations on federal lands and the Department supports the bill.

### **Analysis**

The BLM manages coal leasing and development on approximately 570 million acres of federal land, under the Mineral Leasing Act, the Mineral Leasing Act for Acquired Lands, and the Federal Land Policy and Management Act, with the goal of providing a fair return for the American taxpayer while allowing responsible energy development. The BLM's coal program conducts lease sales, administers leases, inspects Federal and Indian operations to ensure compliance, and provides pre-lease evaluations of mineral tracts when requested by the Bureau of Indian Affairs, Indian Tribes, or Indian mineral owners.

Under the Mineral Leasing Act, the BLM is required to receive fair market value for all acreage that is leased for coal development, which includes a bonus bid, or value that is a cash payment in addition to the required annual rental payments and production royalties. Additionally, at least half of the acreage offered for competitive coal leases in any one year must be offered on a deferred bonus payment basis. By regulation (43 CFR 3422.4(c)), the bonus is paid in five equal annual installments, with the first payment being submitted with the bid. If a lease is relinquished or otherwise cancelled or terminated, the unpaid remainder of the bid must be paid immediately.

Since the beginning of the Trump Administration, the Department has reaffirmed its commitment to supporting American Energy Dominance with a renewed focus on coal. Coal is a critical component of a secure, stable and diversified American energy portfolio. By expanding access to coal reserves and streamlining permitting processes, the administration is removing long-standing regulatory barriers that have undermined American coal production. These efforts support high-paying mining jobs and rural economies, strengthen U.S. energy independence, and

reduce reliance on foreign energy sources. Due to the nature of coal development, the changes being proposed in the bill would be beneficial to both the coal industry and the American taxpayer. The Department supports the bill and looks forward to continuing to work with Congress to position coal as a cornerstone of the nation's energy strategy.

**H. R. 7882, To provide for the leasing of certain deposits of minerals located within the City of Carlsbad, New Mexico**

H.R. 7882 would authorize the Secretary to lease minerals on federal lands within the City of Carlsbad, New Mexico, subject to written consent by the City.

The BLM supports the bill with recommended changes discussed below to facilitate responsible management of federal mineral resources. H.R. 7882 aligns with President Trump's objective to achieve energy dominance and economic security through increased domestic oil and gas production, as directed by E.O. 14154 and E.O. 14241, *Immediate Measures to Increase American Mineral Production*.

***Background***

The BLM's Carlsbad Field Office administers over 2 million acres of federal surface estate and 3 million acres of federal mineral estate in the southeastern portion of New Mexico. The Field Office is located within the Permian Basin, a prolific oil basin in the United States, and one of the oldest oil fields in the nation. Under the Trump Administration, the Department and the BLM have substantially increased the amount of federal lands available for lease to provide a reliable, diversified, growing, and affordable supply of energy for our nation. Oil production on federally managed lands within the City of Carlsbad could provide important contributions towards furthering America's standing as a global energy leader and strengthening national security.

***Analysis***

The Mineral Leasing Act of 1920, (MLA) and the Mineral Leasing Act for Acquired Lands of 1947 (MLAAL) provide for the commercial development of the federal subsurface for deposits of coal, potassium, sodium, phosphate, oil shale, native asphalt, tar sands, oil, and gas.

H.R. 7882 would provide the Department with the authority to lease deposits of these federal minerals within the City of Carlsbad, New Mexico, notwithstanding exclusions within the MLA and MLAAL, subject to written consent of the City. Currently, the MLA and MLAAL generally prohibit leasing within incorporated municipalities; however, the BLM has existing authority to issue protective leases within incorporated cities, towns, and villages when lands are subject to drainage of the oil and gas resources from wells on adjacent lands.

The Department supports H.R. 7882, which would expand the federal lands available for development. The Department recommends that the Sponsor consider including an explicit authorization for protective leasing in drainage situations, even when a city does not provide consent to lease, to prevent avoidable loss of federal oil and gas resources and associated revenues. We look forward to working with the Sponsor and the Subcommittee to address this technical issue.