



# United States Department of the Interior

OFFICE OF THE SECRETARY  
Washington, DC 20240

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The Honorable Katie Porter  
Chair, Subcommittee on Oversight  
and Investigations  
Committee on Natural Resources  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Chair Porter:

Enclosed are responses prepared by the Bureau of Land Management to written questions for the record submitted to Mr. Michael D. Nedd, Deputy Director, Operations, Bureau of Land Management, following the Subcommittee's July 28, 2022, hearing on *Preventing Polluters from Getting Government Contracts: Bureau of Land Management's Corporate Exclusion Lists*.

Thank you for the opportunity to provide this material to the Committee.

Sincerely,

Christopher P. Salotti  
Legislative Counsel  
Office of Congressional and  
Legislative Affairs

Enclosure

cc: The Honorable Bruce Westerman  
Ranking Member

**Questions for the Record**  
**House Natural Resources Subcommittee**  
**on Oversight and Investigations**  
**Hearing on BLM's Corporate Exclusions Lists**  
**July 28, 2022**

**Questions from Chair Porter**

**Question 1. Does the BLM currently require every applicant that wants to do business with them to obtain and register a unique identifying number on SAM.gov? Why or why not?**

**Response:** Neither the Department nor the BLM currently require every applicant to obtain and register a unique identifying number on System for Award Management (SAM.gov.)

**Question 2. If not, will you commit to requiring BLM applicants for leases on public lands to register on SAM.gov and receive an identifying number?**

**Response:** The BLM is committed to checking SAM.gov prior to issuing a lease or approving a change in lease interest holders. The BLM reviewed the option for requiring potential bidders to register through SAM.gov and obtain a unique entity identifier and identified several challenges with this approach (i.e., SAM.gov is designed for contracting and many of the registration processes are not applicable to fluid mineral leasing). As a result, we determined that this requirement would not further aid in the prevention of BLM issuing leases to entities that are on the SAM.gov exclusion list.

**Question 3. How could SAM.gov be improved to make it easier for employees to check the exclusions list?**

**Response:** The Department and the BLM are consistently working to improve our internal processes. After initial reviews, we will work with SAM.gov to improve the search parameters functionality and discuss the potential to merge with Federal Awardee Performance and Integrity Information System (FAPIIS.gov) data. As the BLM considers other potential improvements, we will continue to work with our interagency partners on the quality of data in SAM.gov.

**Question 4. How long were companies on the 17(g) list before being referred to the Office of Inspector General? How often have new companies historically been added to the 17(g) list?**

**Response:** The BLM has added 24 entities to the Entities in Noncompliance with Reclamation Requirements of Section 17(g) of Mineral Leasing Act list ("17(g) list") since 1987. Nine entities have been added to the 17(g) list since 2018. On July 8, 2022, the BLM met with the Office of Inspector General Administrative Remedies Division (ARD) to determine if and how the BLM should refer entities on the 17(g) list to ARD for consideration to suspend and/or debar the entity across all federal programs. The ARD agreed to review the entities added to the 17(g) list since 2018 and asked the BLM to provide the supporting records related to those entities. Based on the discussion, the BLM is gathering the required documents for all entities added to the 17(g) list since 2018.

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**Question 5. How many entities have been referred from the 17(g) list to the Office of Inspector General? What is the timeframe for referring all entities currently on the 17(g) list to the Office of Inspector General?**

**Response:** The BLM provided the list of nine entities on the 17(g) list to the ARD on June 27, 2022. The BLM is now gathering the required records for ARD to complete their review and plans to send all the records related to the nine entities to the ARD by the end of September 2022.

**Question 6. Will all entities added to the 17(g) list be referred to the Office of Inspector General going forward?**

**Response:** Yes. The BLM will refer entities added to the 17(g) list to the ARD.

**Question 7. The Infrastructure Investment and Jobs Act included nearly \$5 billion dollars to find and clean up orphaned wells. All these newly discovered abandoned wells once belonged to some company or individual, some of which may still be operating oil and gas leases on public lands. Mr. Nedd, will this orphaned well funding increase or decrease the number of entities that could be added to the exclusions list? Why?**

**Response:** While the Infrastructure Investment and Jobs Act (Public Law 117-58) provided the BLM additional funding to clean up orphaned wells on Federal lands, the nature of an orphaned well makes it difficult to identify a responsible party. If in the course of determining whether a well is orphaned the BLM identifies an operator or an entity who has held interest in the lease, they will be added to the exclusion list.

**Question 8. Please describe the process of identifying the entities responsible for abandoning a well for both the state and the federal government. Is it possible to assess whether those entities are still in business with the federal government, or linked to companies that are? Is BLM required to do these assessments?**

**Response:** The BLM manages Federal oil and gas resources under the authorities provided by the Mineral Leasing Act of 1920. The BLM does not have the authority to manage state-owned resources.

As part BLM's process to determine if a well is orphaned, the BLM pursues oil and gas entities in three stages. The BLM first pursues the operator of the well. If the operator does not address the liability of the well and the bond is insufficient to cover plugging and reclamation costs, the BLM pursues the current Federal lease interest owners. If the current Federal lease owners do not address the liabilities, the BLM pursues all entities that previously held interest in the Federal lease during the lifespan of the well. The process includes assessments and civil penalties for each group and each group is held jointly and severally responsible. The assessments range from

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\$250 to \$1,000 per well per entity. The civil penalties range from \$1,198 to \$11,995 per well per entity per day.

If the BLM determines that no parties are capable of reclaiming the well, the BLM will add these entities to the 17(g) list. The BLM will not issue a new lease or approve an interest in a lease (assignments/transfers) to any entity on the Section 17(g) list. However, the BLM does not cancel other lease interests that they may hold nor does the BLM force entities to transfer any other lease interest that they may hold to another party. The BLM does not collect information on a company's corporate structure or their affiliated entities.

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**Questions from Ranking Member Moore**

**Question 1. Please provide the Committee with the total number of Applications for Permits to Drill the Bureau of Land Management issued within the thirty-day time frame required for mineral leasing, between January 20, 2021, and July 28, 2022.**

**Response:** The BLM approved 1,248 Applications for Permits to Drill (APDs), on BLM managed lands, within 30 days of receipt of an administratively complete APD between January 20, 2021, and July 28, 2022.

**Question 2. Please provide the Committee with the total number of Applications for Permits to Drill that are currently pending before the Bureau of Land Management, as of July 28, 2022.**

**Response:** As of July 31, 2022, the BLM has 4,373 APDs pending.

**Question 3. Please provide the Committee with the total number of expressions of interest for parcels for leases that are pending Bureau of Land Management review, as of July 28, 2022.**

**Response:** As of July 31, 2022, the BLM estimates that it has approximately 3,322 pending EOIs, received over the past five years, which still need to be evaluated for whether the nominated lands are available for leasing.