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.

IN THE HOUSE OF REPRESENTATIVES

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

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”.

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,
SEC. 2. STATE PRIMACY IN OIL AND GAS PERMITTING ON
AVAILABLE FEDERAL LAND.

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

(1) by redesignating section 44 as section 47;
(2) by adding after section 43 the following new
section:

"SEC. 44. STATE PRIMACY IN OIL AND GAS PERMITTING ON
AVAILABLE FEDERAL LAND.

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

"(1) to issue and enforce permits to drill on
available Federal land; or
"(2) to approve and enforce drilling plans on
available Federal land.

"(b) STATE APPLICATION PROCESS.—
\hspace{1cm} "(1) SUBMISSION OF APPLICATION.—A State
may submit an application under paragraph (1) or
(2) of subsection (a) to the Secretary at such time
and in such manner as the Secretary may require.

"(2) CONTENT OF APPLICATION.—An applica-
tion submitted under this subsection shall include—
\hspace{1cm} "(A) a description of the State regulatory
program that the State proposes to establish
and administer under State law; and
“(B) a statement from the attorney general of such State that the laws of such State provide adequate authority to carry out the State regulatory program.

“(3) DEADLINE FOR APPROVAL OR DISAPPROVAL.—Not later than 180 days after the date of receipt of an application under this subsection, the Secretary shall approve or disapprove such application.

“(4) CRITERIA FOR APPROVAL.—The Secretary may approve an application received under this subsection only if the Secretary has—

“(A) determined that the State applicant would be at least as effective as the Secretary in issuing and enforcing permits to drill or in approving and enforcing drilling plans, as applicable;

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

“(i) complies with this Act; and

“(ii) provides for the termination or modification of a permit to drill or approval of a drilling plan, as applicable, for cause, including for—
“(I) the violation of any condition of such permit or approval;

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

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

“(C) determined that the State applicant has sufficient administrative and technical personnel and sufficient funding to carry out the State regulatory program;

“(D) provided notice to the public, solicited public comment, and held a public hearing within the State; and

“(E) determined that approval of the application would not result in decreased royalty payments to the Federal Government.

“(5) DISAPPROVAL.—If the Secretary disapproves an application submitted under this subsection, then the Secretary shall—

“(A) notify, in writing, the State applicant of the reason for the disapproval and any revisions or modifications necessary to obtain approval; and
“(B) provide any additional information, data, or analysis upon which the disapproval is based.

“(6) Resubmittal of application.—A State may resubmit an application under this subsection at any time.

“(c) Voluntary Termination of Authority.—A State may voluntarily terminate the authority delegated to such State under subsection (a) upon providing written notice to the Secretary 60 days in advance. Upon expiration of such 60-day period, the Secretary shall resume any activities for which authority was delegated to the State.

“(d) Appeal of Denial of Application for Permit to Drill or Application for Approval of Drilling Plan.—

“(1) In General.—If a State for which the Secretary has delegated authority under subsection (a) denies an application for a permit to drill or an application for approval of a drilling plan, the applicant may appeal such decision to the Bureau of Land Management.

“(2) Fee allowed.—The Bureau of Land Management may charge the applicant a fee for the appeal described in paragraph (1).
“(e) FEDERAL ENFORCEMENT OF STATE REGULATORY PROGRAM.—If the Secretary determines that a State is not adequately enforcing permits to drill or drilling plans, as applicable, then the Secretary may provide for the Federal enforcement of such permits to drill or drilling plans, as applicable.

“(f) DEFINITIONS.—In this section:

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

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

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

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

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

“(E) is not a Congressionally approved wilderness area under the Wilderness Act (16 U.S.C.1131 et seq.); and
“(F) has been identified as land available
for lease for the exploration, development, and
production of oil and gas—

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

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

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

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

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

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

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

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

“(iii) evidence of bond coverage; and

“(iv) such other information as may be required by applicable orders and notices.

“(3) Drilling Plan.—The term ‘drilling plan’ means a plan described under section 3162.3–1(e), Code of Federal Regulations.

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

“(5) State.—The term ‘State’ means—

“(A) each of the several States; and

“(B) the District of Columbia.

“(6) State Applicant.—The term ‘State applicant’ means a State that has submitted an application under subsection (b).

“(7) State Regulatory Program.—The term ‘State regulatory program’ means a program that provides for a State to—

“(A) issue and enforce permits to drill or approve and enforce drilling plans, as applicable, on available Federal land; and
“(B) impose sanctions for violations of
State laws, regulations, or any condition of a
permit to drill or approved drilling plan, as ap-
plicable.”; and

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

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

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

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

(2) by adding at the end the following:

“(e) CONVEYANCE TO CERTAIN STATES OF Prop-
erty Interest in State Share.—

“(1) IN GENERAL.—Notwithstanding any other
provision of law, on request of a State and in lieu
of any payments to the State under subsection (a),
the Secretary of the Interior shall convey to the State all right, title, and interest in and to the percentage specified in that subsection for that State of all amounts otherwise required to be paid into the Treasury under that subsection from sales, bonuses, royalties (including interest charges), and rentals for all public land or deposits located in the State.

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

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

“(A) the Secretary of the Interior has conveyed to the State all right, title, and interest in and to the amounts referred to in paragraph (1); and

“(B) the leaseholder is required to pay the amounts directly to the State.
“(4) APPLICATION.—This subsection shall apply only with respect to States for which the Secretary has delegated any authority under section 44(a).”; and

(3) in subsection (c)(1), by inserting “and except as provided in subsection (e)” before “, any rentals”.

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

SEC. 4. PERMITTING ON NON-FEDERAL LAND.

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

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

“(a) PERMITS NOT REQUIRED FOR CERTAIN ACTIVITIES ON NON-FEDERAL LAND.—The following activities conducted on non-Federal land shall not require a permit from the Bureau of Land Management and shall not be considered a major Federal action under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.):
“(1) Oil and gas operations for the exploration for or development or production of oil and gas in which the United States holds an ownership interest.

“(2) Oil and gas operations that may have potential drainage impacts, as determined by the Bureau of Land Management, on oil and gas in which the United States holds an ownership interest.

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

“(c) APPLICATION.—This section shall only apply with respect to States for which the Secretary has delegated any authority under section 44(a).”.

SEC. 5. PREFERRED OIL AND GAS LEASING AREAS.

Section 202 of the Federal Land Policy and Management Act (43 U.S.C. 1712) is amended by adding at the end the following:

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

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

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

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

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

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

“(5) PROCEDURE.—The Secretary shall conduct lease sales and issue lease stipulations according to existing land use plans and shall not base
leasing activities on revised land use plans until such
plans are finalized and approved by the Secretary.

“(6) Definition of Preferred Oil and Gas
Leasing Area.—In this subsection, the term ‘pre-
ferred oil and gas leasing area’ means an area that
is open for oil and gas leasing without a major con-
straint, as determined by the Bureau of Land Man-
agement.”.

SEC. 6. STATE AND TRIBAL AUTHORITY FOR HYDRAULIC
FRAC TURING REGULATION.

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

“SEC. 46. STATE AND TRIBAL AUTHORITY FOR HYDRAULIC
FRAC TURING REGULATION.

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

“(b) State Authority.—The Secretary of the Inte-
rior shall recognize and defer to State regulations, permit-
ting, and guidance, for all activities related to hydraulic
fracturing, or any component of that process, relating to oil, gas, or geothermal production activities on Federal land.

“(c) TRANSPARENCY OF STATE REGULATIONS.—

“(1) IN GENERAL.—Each State shall submit to the Bureau of Land Management a copy of its regulations that apply to hydraulic fracturing operations on Federal land.

“(2) AVAILABILITY.—The Secretary of the Interior shall make available to the public on the website of the Secretary the State regulations submitted under paragraph (1).

“(d) TRANSPARENCY OF STATE DISCLOSURE REQUIREMENTS.—

“(1) IN GENERAL.—Each State shall submit to the Bureau of Land Management a copy of any regulations of the State that require disclosure of chemicals used in hydraulic fracturing operations on Federal land.

“(2) AVAILABILITY.—The Secretary of the Interior shall make available to the public on the website of the Secretary the State regulations submitted under this subsection.

“(e) TRIBAL AUTHORITY ON TRUST LAND.—The Secretary of the Interior shall not enforce any Federal reg-
ulation, guidance, or permit requirement with respect to the process of hydraulic fracturing, or a component of hydraulic fracturing, on any land held in trust or restricted status for the benefit of a federally recognized Indian Tribe or a member of such an Indian Tribe, except with the express consent of the beneficiary on whose behalf such land is held in trust or restricted status.

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

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

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