

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

September 25, 2023

Mr. Michael D. Nedd
Deputy Director
Bureau of Land Management
U.S. Department of the Interior
1849 C Street, NW
Washington, DC 20240-0001

Dear Mr. Nedd:

Thank you for appearing before the Subcommittee on Energy and Mineral Resources at an oversight hearing titled, "*Examining the Biden Administration's Mismanagement of the Federal Onshore Oil and Gas Program*" on Tuesday, September 19, 2023.

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 Lonnie Smith, Clerk of the Subcommittee on Energy and Mineral Resources, at Lonnie.smith@mail.house.gov by October 9, 2023. Your assistance in meeting this deadline is requested, as failure to meet it will be noted in the printed transcript.

Sincerely,



Pete Stauber
Subcommittee on Energy and Mineral Resources
Chairman

Enclosure

Committee on Natural Resources
Subcommittee on Energy and Mineral Resources
Oversight Hearing
1334 Longworth House Office Building
September 19, 2023
10:30 AM

“Examining the Biden Administration’s Mismanagement of the Federal Onshore Oil and Gas Program.”

Questions from Rep. Westerman for [Mike Nedd, Deputy Director, Bureau of Land Management]

1. This Committee has asked for Expression of Interest (EOI) data over the last year, but have gotten nothing back despite a number of requests.
 - a. We would again like to request this data. Please send us the number of EOI’s received by the agency for each month over the past two years along with the acreage associated with each EOI.
2. The Tax Cuts and Jobs Act requires a second lease sale in ANWR by 2024.
 - a. Will the Department meet that deadline?
3. The recent BLM onshore oil and gas regulation proposed new changes to bonding for oil and gas on federal lands.
 - a. What do you do with bond money when you do find responsible party through the record title process?
 - b. How many wells are plugged and abandoned each year without requiring a call on a bond?
 - c. Can you explain why the proposed rule didn’t offer additional surety options?
4. During the hearing you said in regard to the cancellation of the ANWR leases and the BLM’s proposed NPR-A rule that “ongoing engagement dating back many years and that engagement continued through the Secretaries decisions” and that “throughout the entire process communities were involved.”
 - a. Could you please list the “engagements” related to these decisions, when they occurred, where they occurred and who attended them?

5. You said that the BLM has cancelled leases in cases where there was no litigation. Please provide all examples where the BLM has cancelled leases without litigation over the last 10 years including the rationale for cancellation.
6. The Committee has recently been informed that the timeline for approval of communitization agreements (CA's) under the Mineral Leasing Act in the BLM Field Offices has significantly increased.
 - a. What is this recent slowdown attributed to?
 - b. Are you aware that the office of Natural Resources Revenue (ONRR) is requiring 100% allocation payment for producing units that don't have an approved CA?
 - c. Is this a new change?
 - d. Do you agree with this change?
7. We have heard on numerous accounts of a growing Application for Permit to Drill (APD) backlog in the Carlsbad, NM Field Office. No doubt this office is receiving a large number of APD requests, but what is the BLM doing to get this office more help to address this backlog?
8. The National Petroleum Reserve in Alaska is 22.8 million acres. The BLM has said that the proposed new rule will have an economic impact of less than \$100 million and is therefore "not significant". For reference and comparison, the Willow project in Alaska will generate \$17 billion in public royalties and taxes, at current prices, from a federal unit that is merely 130,000 acres. In other words, less than one percent of the NPR-A will meet the \$100 million "significance" level 170 times over. Yet BLM's position is that none of the other 99 percent of land in the NPR-A is economically significant.
 - a. What analysis was done to conclude this rule making will not reach the level of significant economic impact?
 - b. Is this analysis available so the public has transparent access to review it?
9. Does the Department plan to go through the NEPA process for the proposed NPR-A rule?
10. Regarding the timing of the release of this proposed rule, was any consideration given to the fact that the comment period overlaps with the fall whaling season for North Slope communities?

11. Are you aware that the NPR-A already requires over 250 mitigation measures, making it the gold standard for environmentally and socially responsible resource development? These measures are thoroughly described in the NPR-A's Integrated Activity Plan, which was approved by this administration only last year, in 2022. The IAP was charged with providing "maximum protection" to Special Areas, as required by the management plans for those areas. Did the 2022 IAP Record of Decision fail to meet this requirement? Why does the administration believe there is a need, only one year later, to deviate from the management plan they just approved and add more restrictions on development?

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“Examining the Biden Administration’s Mismanagement of the Federal Onshore Oil and Gas Program.”

Questions from Rep. Grijalva for Mr. Mike Nedd, Deputy Director for Operations, Bureau
of Land Management

1. Multiple studies, including the United States Geological Survey’s 2018 report “Federal Lands Greenhouse Gas Emissions and Sequestration in the United States: Estimates for 2005-2014” and Ratledge et al.’s 2022 “Emissions from fossil fuels produced on US federal lands and waters present opportunities for climate mitigation” in *Climatic Change*, have found that fossil fuel extraction on public lands and waters account for approximately one-quarter of U.S. greenhouse gas emissions. What proportion of U.S. greenhouse gas emissions come from oil and gas produced on BLM-managed land?

2. The Government Accountability Office’s (GAO) 2019 report, “Bureau of Land Management Should Address Risks from Insufficient Bonds to Reclaim Wells,” identified 2,294 idled wells that had not produced in over ten years and had not been reclaimed and were therefore at higher risk of becoming orphaned. At the time of the report, an idled well was defined as a well that has been nonoperational for at least seven years. This suggests the wells identified by GAO had been idled without being reclaimed for at least three years, raising concerns about compliance with the statutory requirement for timely reclamation. What is the process BLM undertakes to identify idled wells and enforce reclamation requirements, and how long does it typically take between identifying an idled well and complete reclamation of said well?

3. The Infrastructure Investment and Jobs Act lowered the time a well can be considered temporarily abandoned before being designated as idle from seven years to four years if the operator cannot reasonably demonstrate that the well will have future beneficial use. Under this new definition, how many idled wells are on BLM-managed lands?
4. How will the updated bonding requirements under the proposed rule speed up the reclamation of idled wells?
5. How does BLM monitor shut-in and idled wells to ensure they do not fall into disrepair and create environmental, safety, and public health hazards?
6. At the hearing, a witness claimed that bonding increases could lead to more orphaned wells by driving smaller operators out of business. Does BLM anticipate the updated bonding requirements will increase or decrease the number of orphaned wells on federal land?