

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

January 13, 2022

The Honorable Debra Haaland  
Secretary  
U.S. Department of the Interior  
1849 C Street, N.W.  
Washington, D.C. 20240

Dear Secretary Haaland,

We are disappointed by the Department of the Interior's (DOI) decision to postpone oil and gas lease sales scheduled for early 2021 and delay all but one sale until 2022. The Bureau of Land Management (BLM) completed necessary environmental reviews to schedule lease sales in Colorado, Utah, Wyoming, New Mexico, and Montana for March and April of last year,<sup>1</sup> but the Biden administration's freeze on new federal oil and gas leasing prohibited further progress.<sup>2</sup> These politically motivated delays represent a clear violation of requirements under the Mineral Leasing Act to hold quarterly lease sales in each state with an active BLM oil and gas leasing program. Further, the Bureau of Ocean Energy Management (BOEM) deferred several planned offshore lease sales, delaying critical revenues to coastal restoration efforts. After an eight-month delay, BOEM finally held lease sale 257,<sup>3</sup> which brought in \$191 million in bonus bids,<sup>4</sup> indicating significant interest in continued oil and gas development on the Outer Continental Shelf (OCS).

On June 15, 2021, the U.S. District Court for the Western District of Louisiana issued a nationwide preliminary injunction on the administration's "pause" on new oil and gas leasing.<sup>5</sup> Although the administration indicated it will nominally comply, DOI appealed the injunction,<sup>6</sup> and clearly intends to create as many roadblocks as possible for domestic energy development. In particular, BLM's recent announcement that the agency will now consider the climate impacts

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<sup>1</sup> U.S. Department of the Interior. Bureau of Land Management. National Fluids Lease Sale System. Lease Sale Schedule, <https://nflss.blm.gov/leasesale/list>.

<sup>2</sup> Executive Order 14008.

<sup>3</sup> Bureau of Ocean Energy Management. BOEM Rescinds Record of Decision for Gulf of Mexico Lease Sale. February 12, 2021, <https://www.boem.gov/boem-rescinds-record-decision-gulf-mexico-lease-sale>.

<sup>4</sup> Bureau of Ocean Energy Management. Gulf of Mexico Lease Sale Results Announced. November 17, 2021, <https://www.boem.gov/newsroom/press-releases/gulf-mexico-lease-sale-results-announced>.

<sup>5</sup> State of Louisiana et al. VERSUS Joseph R. Biden, Jr. et al. Case no: 2:21-CV-00778. United States District Court Western District of Louisiana Lake Charles Division. Filed June 15, 2021, <https://www.bloomberglaw.com/public/desktop/document/LouisianaetalvBidenetalDocketNo221cv00778WDLaMar242021CourtDocket/6?1623794815>.

<sup>6</sup> Valerie Volcovici. "Biden administration appeals federal court decision to block oil, gas leasing pause." Reuters. August 16, 2021, <https://www.reuters.com/world/us/biden-administration-appeals-federal-court-decision-block-oil-gas-leasing-pause-2021-08-16/>.

and the “social cost” of emissions during the leasing stage will introduce even more confusion and delay into the federal leasing process.<sup>7</sup>

Additionally, we are concerned about political interference in the administration of the BLM oil and gas leasing program at the state level. Permits are languishing in BLM field offices, jeopardizing current energy production on our federal lands. Approvals of Applications for Permit to Drill (APDs) continue to lag, falling by 86% in New Mexico from April to August, for example.<sup>8</sup> As of September 30, 2021, a total of 4,499 APDs were still pending.<sup>9</sup> Once again, this administration seems to cater to environmental extremists who would prefer that we meet domestic energy demand with foreign imports, many of which come from nations with inferior environmental and labor standards.

Holding regular lease sales for energy development is of national importance, but the effects of such decisions are also felt strongly at the state and local level. Lease sales provide not only a new source of federal royalties, but also bonus bids, creating a major source of revenue to energy-producing states. States then use these revenues for public services, supporting everything from public schools to firefighters. For instance, more than a third of New Mexico’s annual budget is generated by oil and gas development, with over \$1 billion for state school systems.<sup>10</sup> A single lease sale generated \$467 million in bonus bids for New Mexico in 2018.<sup>11</sup> Additionally, offshore lease sales in the Gulf of Mexico generated over \$407 million in bonus bids in 2019, a portion of which was disbursed to Louisiana, Alabama, Texas, and Mississippi for coastal conservation projects.<sup>12</sup>

America’s school children suffered greatly during the COVID-19 pandemic, unable to learn in-person, access critical services, or socialize for several months. Eliminating this key source of revenue from lease sales further constrains our children’s educational resources and puts their future at risk. Recognizing the crucial contributions of bonus bids to school funding and coastal restoration, the administration should provide monetary relief to energy-producing states that will lose a year’s worth of bonus bid receipts.

DOI’s recently released oil and gas leasing report doubles down on this anti-energy agenda, recommending several reforms to the leasing program that will drive up the cost of production

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<sup>7</sup> U.S. Department of the Interior. Bureau of Land Management. “BUREAU OF LAND MANAGEMENT ANNOUNCES NEXT STEPS, NEW ANALYSES FOR UPCOMING OIL AND GAS LEASE SALES.” Press Release. October 29, 2021, <https://www.blm.gov/press-release/bureau-land-management-announces-next-steps-new-analyses-upcoming-oil-and-gas-lease>.

<sup>8</sup> Heather Richards. “Interior oil drilling approvals take a dive.” Politico Pro. September 27, 2021. <https://subscriber.politicopro.com/article/eenews/2021/09/27/interior-oil-drilling-approvals-take-a-dive-281177>

<sup>9</sup> Bureau of Land Management. APD States Report September 2021, [https://www.blm.gov/sites/blm.gov/files/docs/2021-](https://www.blm.gov/sites/blm.gov/files/docs/2021-11/FY%202021%20APD%20Status%20Report%20September%20EOY%20Final.pdf)

[11/FY%202021%20APD%20Status%20Report%20September%20EOY%20Final.pdf](https://www.blm.gov/sites/blm.gov/files/docs/2021-11/FY%202021%20APD%20Status%20Report%20September%20EOY%20Final.pdf).

<sup>10</sup> Congresswoman Yvette Herrell. “Herrell Bill Exempts New Mexico from Biden’s Ban on New Oil & Gas Leases.” Press release. February 3, 2021, <https://herrell.house.gov/media/press-releases/herrell-bill-exempts-new-mexico-bidens-ban-new-oil-gas-leases>.

<sup>11</sup> Kevin Robinson-Avila. “BLM oil and gas lease sale busts records.” Albuquerque Journal. September 7, 2018. <https://www.abqjournal.com/1218213/latest-sale-of-nm-oil-leases-sets-national-record.html>.

<sup>12</sup> Office of Natural Resources Revenue. Query data, <https://revenue.data.doi.gov/query-data>.

on federal lands and waters under the guise of generating greater return to the taxpayer. While the report argues that recommendations to increase fees and royalty rates are consistent with fee and royalty requirements on state lands, it ignores the uncertainty, costs and regulatory challenges associated with production on federal lands and waters. If implemented, these recommendations will crush small businesses and only further discourage development on federal lands and waters, reducing overall domestic development and increasing our import reliance on nations with lower environmental standards.

This is the worst time to put politically motivated constraints on domestic energy development. Gas prices have more than tripled since March 2020,<sup>13</sup> and rising inflation is straining household budgets across the country. This administration has engaged in a relentless attack on our energy producers since day one, reducing domestic supply and discouraging further investment in U.S. production. While U.S. producers are ready and willing to provide affordable energy to our communities, President Biden's preferred solution is to increase our dependence on OPEC+, which has ignored his multiple pleas to increase supply.<sup>14</sup> Meanwhile, Americans are forced to grapple with this administration's disastrous handling of our economic recovery and a resulting supply chain crisis. The combination of labor shortages and restrictive energy policies are driving up prices for energy, goods, and services, forcing Americans to make tough choices during the cold winter months.

To address these many concerns and to assist with our oversight activities, please produce the following, as soon as possible, but not later than 5:00 p.m. on January 27, 2022:

1. A document sufficient to describe the approval process of Applications for Permit to Drill (APDs), lease extensions, and suspensions, including but not limited to, a description of when actions are elevated to headquarters for final approval and the approval discretion that is granted to BLM field offices.
2. A document sufficient to show the current status as of January 13, 2022, of pending APDs in each BLM state office and the number of APDs approved per month by each BLM state office from January 1, 2018, through January 13, 2022.
3. A document sufficient to describe the status of grant relief approvals required under Section 39 of the Mineral Leasing Act, which provides for BLM to grant relief to existing lessees in the form of a suspension of operations and production (SOP) when adjacent federal lands which are available for leasing per the Overall Area Leasing EIS are not offered for lease.

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<sup>13</sup> Chris Morris. "Gas prices have more than tripled in the last 18 months—and are likely to go higher." Fortune. October 11, 2021, <https://fortune.com/2021/10/11/gas-prices-triple-crude-oil-above-80-supply-shortage-4-dollars-per-gallon/>.

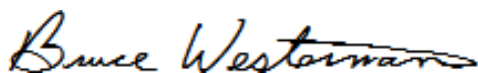
<sup>14</sup> Javier Blas. "As Biden Weighs Response to OPEC, He Has Few Good Options." Bloomberg. November 5, 2021, <https://www.bloomberg.com/news/articles/2021-11-05/as-biden-weighs-response-to-opec-rebuff-he-has-few-good-options>.

4. A document sufficient to describe the status of nominated parcels for future lease sales, including but not limited to, the number of expressions of interest that BLM has not taken any action to review, or has not yet completed review, for potential lease sales to date and the length of time these expressions of interest have been pending.
5. A document sufficient to describe BLM's plan to execute quarterly lease sales to comply with the Mineral Leasing Act following the announcement on October 29, 2021, that environmental assessments of future lease sales must consider cumulative and social costs of emissions, and given that these lease sales have already been postponed for months from their originally scheduled dates.
6. A document sufficient to show the total amount of taxpayer funds utilized to date to appeal the injunction on the oil and gas leasing moratorium imposed by Executive Order 14008.
7. A document sufficient to describe the administration's plans to provide monetary relief to compensate energy-producing states for lost receipts from bonus bids from January 20, 2021, to present.
8. A document sufficient to describe DOI's compliance with the preliminary injunction against the administration's "pause" on new oil and gas leasing, including but not limited to, DOI's timeline for noticing the next OCS oil and gas lease sale and steps taken to ensure the Secretary makes the OCS "*available for expeditious and orderly development*" by executing regular OCS lease sales.
9. A document sufficient to describe the status of DOI's work from January 20, 2021, to present and a timeline of outstanding items to develop the 2017-2022 National OCS Leasing Program.

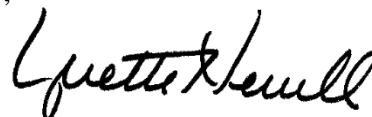
Please contact the Energy and Mineral Resources Subcommittee Minority staff at (202) 226-3044 or Ashley.Nichols@mail.house.gov with any questions about this request and to coordinate the delivery of your response to room 1329 of the Longworth House Office Building.

An attachment contains additional instructions for responding to this request. This matter is critically important to energy-producing states across the West and the Gulf Coast, and to the American economy as a whole. Thank you for your attention to this matter, and we look forward to a timely response.

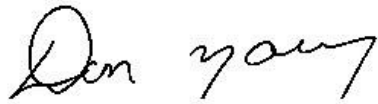
Sincerely,



Bruce Westerman  
Ranking Member  
House Committee on Natural Resources



Yvette Herrell  
Member of Congress



Don Young  
Ranking Member  
Subcommittee for Indigenous Peoples



Pete Stauber  
Ranking Member  
Subcommittee on Energy and Mineral  
Resources



Russ Fulcher  
Ranking Member  
Subcommittee on National Parks, Forests,  
and Public Lands



Cliff Bentz  
Ranking Member  
Subcommittee on Water, Oceans, and  
Wildlife



Louie Gohmert  
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Doug Lamborn  
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Robert J. Wittman  
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Paul A. Gosar, D.D.S.  
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Garret Graves  
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Jody Hice  
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Aumua Amata Coleman Radewagen  
Member of Congress

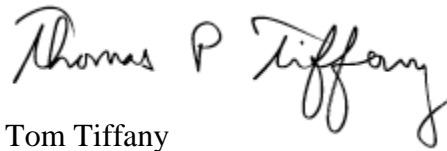
Secretary Haaland

January 13, 2022

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Jennifer González-Colón  
Member of Congress



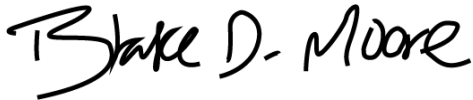
Tom Tiffany  
Member of Congress



Jerry L. Carl  
Member of Congress



Matt Rosendale  
Member of Congress



Blake Moore  
Member of Congress



Lauren Boebert  
Member of Congress



Jay Obernolte  
Member of Congress

cc: The Honorable Raúl Grijalva, Chair, House Committee on Natural Resources

Enclosure