

WORC

Western Organization of Resource Councils

Onshore Oil and Gas Provisions of the CLEAR Act

The Gulf disaster has focused the nation's attention on the dangers of offshore drilling, yet many of the same risks apply to onshore oil and gas drilling, particularly in the case of federal oil and gas:

- The Bureau of Land Management (BLM) has multiple, often conflicting responsibilities including land use planning, environmental review, leasing, revenue collection, permitting, inspections, and enforcement.
- Limited resources force trade offs between facilitating development, protecting multiple uses, exercising oversight, and protecting the interests of taxpayers.
- Use of toxic chemicals poses risks to health, safety and the environment, yet the oil and gas industry is exempted from many environmental standards other industries must comply with.
- People living in affected communities don't have the information they need to test their air or water for pollutants because little, if any, information about toxic chemicals used is made available to the public.
- The people who rely on the land, air and water (onshore, this is often farmers and ranchers who own the land above federal oil and gas) bear the brunt of the impacts, but have little or no ability to ensure responsible development.
- Corporate liability is limited: In the case of onshore drilling, bonding requirements are 50 years out-of-date, putting taxpayers and landowners at risk for the cost of cleanups.

Rep. Rahall's CLEAR Act includes a number of important reforms that would address many of these issues, and help ensure that an appropriate balance is struck between developing our important federal oil and gas resources and protecting drinking water, air quality, agricultural lands, wildlife habitat, and the health of communities.

Agency Restructuring

Title I abolishes the Minerals Management Service (Sec. 107) and establishes three new agencies to manage federal energy programs:

- The Bureau of Energy Resources Management issues leases and drilling permits. (Sec. 101)
- The Bureau of Safety and Environmental Enforcement carries out all safety and environmental enforcement activities. (Sec. 102)
- The Office of Natural Resources Revenue collects and distributes revenues and royalties. (Sec. 103)
- The BLM and Forest Service retain responsibility for best management practices; land use planning; compliance with land use plans and permits; conditions of surface occupancy; special lease stipulations; reclamation requirements; and reclamation bonds. (Sec. 101(f))

Diligent Development

Sec. 231 requires issuance of new "diligent development" requirements to encourage development of and discourage speculative holding of leases. Sec. 232 requires reporting on efforts to develop nonproducing leases.

Lease Sales and Rental Rates

Sec. 233 requires notification of the public, private surface owners, and recreational leaseholders in advance of leasing and permitting. Sec. 234 specifies that onshore lease sales take place no more 3 times per year per state, increases in annual rental rates to \$2.50 per acre, and eliminates non-competitive lease sales.

Best Management Practices

Sec. 236 requires the use of safety and environmental standards (now voluntary) to ensure the sound, efficient, and environmentally responsible development of oil and gas in a manner that avoids, minimizes, and mitigates actual and anticipated impacts from oil and gas development.

Bonding and Reclamation

Sec. 237 requires complete and timely reclamation of lease tracts, and restoration of any adversely affected lands or surface waters, through Interim and Final Reclamation plans that restore oil and gas sites to a condition approximate or equal to that which existed prior to the surface disturbance, including restoration of natural vegetation and hydrology, habitat restoration, salvage, storage and reuse of topsoils, control of erosion, invasive species and noxious weeds, and natural contouring.

Wildlife Sustainability

Sec. 238 requires wildlife sustainability planning, management, monitoring and evaluation.

Chemical Disclosure

Sec. 239 requires public disclosure of the often-toxic chemicals used in drilling and completion of oil and gas wells on federal leases.

Categorical Exclusions

Sec. 241 would end the “Categorical exclusions” created by the Energy Policy Act of 2005, which allow various types of oil and gas activities to short cut required environmental review and analysis.

Fee

Sec. 702 establishes a fee of \$2/bbl for oil and \$.20/million btu for natural gas on all federal onshore and offshore leases in effect on the date of enactment that are producing oil and gas in commercial quantities

What’s Missing

Protections for Surface Owners

Millions of acres of federal oil and gas lie beneath private land. Under current law, the Stockraising Homestead Act of 1916, landowners have limited rights to consultation and compensation, and face serious damages to their land and way of life. While Sec. 223 requires notification of surface owners in advance of leasing and permitting, additional protections are needed, as provided by H.R. 1180 and H.R. 3221 from the 110th Congress.

For more information, contact Sara Kendall at 202-547-7040 or sara@worc.org.