# <sup>115TH CONGRESS</sup> 2D SESSION **S. 2319**

To empower States to manage the development and production of oil and gas on available Federal land, and for other purposes.

#### IN THE SENATE OF THE UNITED STATES

JANUARY 18, 2018

Mr. BARRASSO (for himself, Mr. HOEVEN, Mr. ENZI, Mr. LEE, and Mr. HATCH) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

# A BILL

- To empower 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 for En-
- 6 ergy Act" or the "ONSHORE Act".

| 1  | SEC. 2. COOPERATIVE FEDERALISM IN OIL AND GAS PER-   |
|----|--|
| 2  | MITTING ON AVAILABLE FEDERAL LAND.                   |
| 3  | (a) IN GENERAL.—The Mineral Leasing Act (30          |
| 4  | U.S.C. 181 et seq.) is amended—                      |
| 5  | (1) by redesignating section $44$ as section $47$ ;  |
| 6  | and  |
| 7  | (2) by adding after section 43 the following:        |
| 8  | "SEC. 44. COOPERATIVE FEDERALISM IN OIL AND GAS PER- |
| 9  | MITTING ON AVAILABLE FEDERAL LAND.                   |
| 10 | "(a) DEFINITIONS.—In this section:                   |
| 11 | "(1) APD.—The term 'APD' means a permit—             |
| 12 | "(A) that grants authority to drill for oil          |
| 13 | and gas; and   |
| 14 | "(B) for which an application has been re-           |
| 15 | ceived that includes—                                |
| 16 | "(i) a drilling plan;                                |
| 17 | "(ii) a surface use plan of operations               |
| 18 | described in section 3162.3–1(f) of title 43,        |
| 19 | Code of Federal Regulations (or a suc-               |
| 20 | cessor regulation);                                  |
| 21 | "(iii) evidence of bond coverage; and                |
| 22 | "(iv) such other information as may                  |
| 23 | be required by applicable orders and no-             |
| 24 | tices.   |

| 1  | "(2) AVAILABLE FEDERAL LAND.—The term           |
|----|---|
| 2  | 'available Federal land' means any Federal land |
| 3  | that—   |
| 4  | "(A) is located within the boundaries of a      |
| 5  | State;  |
| 6  | "(B) is not held by the United States in        |
| 7  | trust for the benefit of a federally recognized |
| 8  | Indian Tribe or a member of a federally recog-  |
| 9  | nized Indian Tribe;                             |
| 10 | "(C) is not a unit of the National Park         |
| 11 | System;   |
| 12 | "(D) is not a unit of the National Wildlife     |
| 13 | Refuge System, other than a unit of the Na-     |
| 14 | tional Wildlife Refuge System for which oil and |
| 15 | gas drilling is allowed under law;              |
| 16 | "(E) is not a congressionally approved wil-     |
| 17 | derness area under the Wilderness Act $(16)$    |
| 18 | U.S.C. 1131 et seq.); and                       |
| 19 | "(F) has been identified as land available      |
| 20 | for lease, or has been leased, for the explo-   |
| 21 | ration, development, and production of oil and  |
| 22 | gas—  |
| 23 | "(i) by the Bureau of Land Manage-              |
| 24 | ment under—                                     |

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| 1  | "(I) a resource management plan                       |
| 2  | under the Federal Land Policy and                     |
| 3  | Management Act of 1976 (43 U.S.C.                     |
| 4  | 1701 et seq.); or                                     |
| 5  | "(II) an integrated activity plan                     |
| 6  | with respect to the National Petro-                   |
| 7  | leum Reserve–Alaska; or                               |
| 8  | "(ii) by the Forest Service under a                   |
| 9  | National Forest management plan under                 |
| 10 | the Forest and Rangeland Renewable Re-                |
| 11 | sources Planning Act of 1974 (16 U.S.C.               |
| 12 | 1600 et seq.).  |
| 13 | "(3) DRILLING PLAN.—The term 'drilling plan'          |
| 14 | means a plan described in section 3162.3-1(e) of      |
| 15 | title 43, Code of Federal Regulations (or a successor |
| 16 | regulation).  |
| 17 | "(4) Secretary.—The term 'Secretary' means            |
| 18 | the Secretary of the Interior.                        |
| 19 | "(5) STATE APPLICANT.—The term 'State ap-             |
| 20 | plicant' means a State that submits an application    |
| 21 | under subsection (c).                                 |
| 22 | "(6) STATE PROGRAM.—The term 'State pro-              |
| 23 | gram' means a program in a State under which the      |
| 24 | State may—  |
|    |   |

| 1  | "(A) issue APDs or approve drilling plans,           |
|----|--|
| 2  | as applicable, on available Federal land; and        |
| 3  | "(B) impose sanctions for violations of              |
| 4  | State laws, regulations, or any condition of an      |
| 5  | issued APD or approved drilling plan, as appli-      |
| 6  | cable.   |
| 7  | "(7) SUNDRY NOTICE.—The term 'sundry no-             |
| 8  | tice' means a written request—                       |
| 9  | "(A) to perform work not covered under an            |
| 10 | APD or drilling plan; or                             |
| 11 | "(B) for a change to operations covered              |
| 12 | under an APD or drilling plan.                       |
| 13 | "(b) Authorizations.—                                |
| 14 | "(1) IN GENERAL.—On receipt of an applica-           |
| 15 | tion under subsection (c), the Secretary may dele-   |
| 16 | gate to a State exclusive authority—                 |
| 17 | "(A) to issue an APD on available Federal            |
| 18 | land; or   |
| 19 | "(B) to approve drilling plans on available          |
| 20 | Federal land.  |
| 21 | "(2) SUNDRY NOTICES.—On request of a State           |
| 22 | for which authority is delegated under paragraph     |
| 23 | (1), the authority delegated may include the author- |
| 24 | ity to approve sundry notices.                       |
| 25 | "(3) INSPECTION AND ENFORCEMENT.—                    |

| 1  | "(A) IN GENERAL.—On request of a State                |
|----|---|
| 2  | for which authority is delegated under para-          |
| 3  | graph (1), the authority delegated may include        |
| 4  | the authority to inspect and enforce an APD or        |
| 5  | drilling plan, as applicable.                         |
| 6  | "(B) Effect.—A delegation of authority                |
| 7  | under paragraph $(1)(A)$ shall not affect the         |
| 8  | ability of the Secretary to collect inspection fees   |
| 9  | under subsection (d) of section 108 of the Fed-       |
| 10 | eral Oil and Gas Royalty Management Act of            |
| 11 | 1982 (30 U.S.C. 1718).                                |
| 12 | "(c) STATE APPLICATION PROCESS.—                      |
| 13 | "(1) SUBMISSION OF APPLICATION.—A State               |
| 14 | seeking a delegation of authority under subpara-      |
| 15 | graph (A) or (B) of subsection $(b)(1)$ shall submit  |
| 16 | to the Secretary an application at such time, in such |
| 17 | manner, and containing such information as the Sec-   |
| 18 | retary may require, including—                        |
| 19 | "(A) a description of the State program               |
| 20 | that the State proposes to administer under           |
| 21 | State law; and  |
| 22 | "(B) a statement from the Governor or at-             |
| 23 | torney general of the State that demonstrates         |
| 24 | that the laws of the State provide adequate au-       |
| 25 | thority to carry out the State program.               |

| 1  | "(2) DEADLINE FOR APPROVAL OR DIS-                    |
|----|---|
| 2  | APPROVAL.—Not later than 180 days after the date      |
| 3  | on which an application under paragraph $(1)$ is re-  |
| 4  | ceived, the Secretary shall approve or disapprove the |
| 5  | application.  |
| 6  | "(3) Requirements for approval.—                      |
| 7  | "(A) IN GENERAL.—The Secretary may                    |
| 8  | approve an application received under para-           |
| 9  | graph (1) only if the Secretary determines            |
| 10 | that—   |
| 11 | "(i) the State applicant would be at                  |
| 12 | least as effective as the Secretary in                |
| 13 | issuing APDs or in approving drilling                 |
| 14 | plans, as applicable;                                 |
| 15 | "(ii) the State program of the State                  |
| 16 | applicant—  |
| 17 | "(I) complies with this Act; and                      |
| 18 | "(II) provides for the termination                    |
| 19 | or modification of an issued APD or                   |
| 20 | approved drilling plan, as applicable,                |
| 21 | for cause, including for—                             |
| 22 | "(aa) the violation of any                            |
| 23 | condition of the issued APD or                        |
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| 1  | "(bb) obtaining the issued                        |
| 2  | APD or approved drilling plan by                  |
| 3  | misrepresentation; or                             |
| 4  | "(cc) failure to fully disclose                   |
| 5  | in the application all relevant                   |
| 6  | facts;  |
| 7  | "(iii) the State applicant has suffi-             |
| 8  | cient administrative and technical per-           |
| 9  | sonnel and sufficient funding to carry out        |
| 10 | the State program; and                            |
| 11 | "(iv) approval of the application                 |
| 12 | would not result in decreased royalty pay-        |
| 13 | ments owed to the United States under             |
| 14 | section 35(a), except as provided in sub-         |
| 15 | section (e) of that section.                      |
| 16 | "(B) Memoranda of understanding.—                 |
| 17 | With respect to a State applicant seeking au-     |
| 18 | thority under subsection $(b)(3)(A)$ to inspect   |
| 19 | and enforce APDs or drilling plans, as applica-   |
| 20 | ble, before approving the application of the      |
| 21 | State applicant, the Secretary shall enter into a |
| 22 | memorandum of understanding with the State        |
| 23 | applicant under paragraph (6) that describes      |
| 24 | the Federal and State responsibilities with re-   |
| 25 | spect to the inspection and enforcement.          |
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| 1  | "(C) PUBLIC NOTICE.—Before approving                 |
|----|--|
| 2  | an application received under paragraph (1),         |
| 3  | the Secretary shall—                                 |
| 4  | "(i) provide public notice of the appli-             |
| 5  | cation;  |
| 6  | "(ii) solicit public comment for the                 |
| 7  | application; and                                     |
| 8  | "(iii) hold a public hearing for the ap-             |
| 9  | plication in the State.                              |
| 10 | "(4) DISAPPROVAL.—If the Secretary dis-              |
| 11 | approves an application submitted under paragraph    |
| 12 | (1), the Secretary shall provide to the State appli- |
| 13 | cant written notification of—                        |
| 14 | "(A) the reasons for the disapproval, in-            |
| 15 | cluding any information, data, or analysis on        |
| 16 | which the disapproval is based; and                  |
| 17 | "(B) any revisions or modifications nec-             |
| 18 | essary to obtain approval.                           |
| 19 | "(5) Resubmittal of application.—A State             |
| 20 | may resubmit an application under paragraph (1) at   |
| 21 | any time.  |
| 22 | "(6) STATE MEMORANDA OF UNDER-                       |
| 23 | STANDING.—Before a State submits an application      |
| 24 | under paragraph (1), the Secretary, on request of a  |
| 25 | State, may enter into a memorandum of under-         |

| 1  | standing with the State regarding the proposed         |
|----|--|
| 2  | State program—   |
| 3  | "(A) to describe the Federal and State re-             |
| 4  | sponsibilities for oil and gas regulations;            |
| 5  | "(B) to provide technical assistance; and              |
| 6  | "(C) to share best management practices.               |
| 7  | "(d) Administrative Fees for APDs.—                    |
| 8  | "(1) IN GENERAL.—A State for which authority           |
| 9  | has been delegated under subsection $(b)(1)(A)$ may    |
| 10 | collect a fee for each application for an APD that     |
| 11 | is submitted to the State.                             |
| 12 | "(2) NO COLLECTION OF FEE BY SEC-                      |
| 13 | RETARY.—The Secretary may not collect a fee from       |
| 14 | the applicant or from the State for an application     |
| 15 | for an APD that is submitted to a State for which      |
| 16 | authority has been delegated under subsection          |
| 17 | (b)(1)(A).   |
| 18 | "(3) FEE AMOUNT.—The fee collected under               |
| 19 | paragraph (1) shall be less than or equal to the       |
| 20 | amount of the fee collected by the Secretary under     |
| 21 | section $35(d)(2)$ from States for which authority has |
| 22 | not been delegated under subsection $(b)(1)(A)$ .      |
| 23 | "(4) USE.—A State shall use 100 percent of             |
| 24 | the fees collected under this subsection for the ad-   |

ministration of the approved State program of the
 State.

3 "(e) VOLUNTARY TERMINATION OF AUTHORITY.—

4 "(1) IN GENERAL.—After providing written no5 tice to the Secretary, a State may voluntarily termi6 nate any authority delegated to the State under sub7 section (b)(1) on expiration of the 60-day period be8 ginning on the date on which the Secretary receives
9 the written notice.

"(2) RESUMPTION BY SECRETARY.—On termination of the authority delegated to a State under
paragraph (1), the Secretary shall resume any activities for which authority was delegated to the
State under subsection (b)(1).

15 "(f) APPEAL OF DENIAL OF APPLICATION FOR APD16 OR APPLICATION FOR APPROVAL OF DRILLING PLAN.—

"(1) IN GENERAL.—If a State for which the
Secretary has delegated authority under subsection
(b)(1) denies an application for an APD or an application for approval of a drilling plan, the applicant
may appeal the decision to the Office of Hearings
and Appeals of the Department of the Interior.

23 "(2) FEE ALLOWED.—The Secretary may
24 charge an applicant a fee for an appeal under para25 graph (1).

2 GRAM.—

"(g) Federal Administration of State Pro-

| 3  | "(1) NOTIFICATION.—If the Secretary has rea-          |
|----|---|
| 4  | son to believe that a State is not administering or   |
| 5  | enforcing an approved State program, the Secretary    |
| 6  | shall notify the relevant State regulatory authority  |
| 7  | of any possible deficiencies.                         |
| 8  | "(2) STATE RESPONSE.—Not later than 30                |
| 9  | days after the date on which a State receives notifi- |
| 10 | cation of a possible deficiency under paragraph (1),  |
| 11 | the State shall—                                      |
| 12 | "(A) take appropriate action to correct the           |
| 13 | possible deficiency; and                              |
| 14 | "(B) notify the Secretary of the action in            |
| 15 | writing.  |
| 16 | "(3) Determination.—                                  |
| 17 | "(A) IN GENERAL.—On expiration of the                 |
| 18 | 30-day period described in paragraph (2), the         |
| 19 | Secretary shall issue public notice of any deter-     |
| 20 | mination of the Secretary that—                       |
| 21 | "(i) a violation of all or any part of an             |
| 22 | approved State program has resulted from              |

approved State program has resulted from a failure of the State to administer or enforce the approved State program of the State; or

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| 1  | "(ii) the State has not demonstrated                  |
| 2  | the capability and intent of the State to             |
| 3  | administer or enforce the State program of            |
| 4  | the State.  |
| 5  | "(B) APPEAL.—A State may appeal the                   |
| 6  | determination of the Secretary under subpara-         |
| 7  | graph (A) in the applicable United States Dis-        |
| 8  | trict Court.  |
| 9  | "(C) RESUMPTION BY SECRETARY PEND-                    |
| 10 | ING APPEAL.—The Secretary may not resume              |
| 11 | activities under paragraph (4) if an appeal           |
| 12 | under subparagraph (B) is pending.                    |
| 13 | "(4) Resumption by secretary.—Except as               |
| 14 | provided in paragraph $(3)(C)$ , if the Secretary has |
| 15 | made a determination under paragraph $(3)(A)$ , the   |
| 16 | Secretary shall resume any activities for which au-   |
| 17 | thority was delegated to the State during the pe-     |
| 18 | riod—   |
| 19 | "(A) beginning on the date on which the               |
| 20 | Secretary issues the public notice under para-        |
| 21 | graph $(3)(A)$ ; and                                  |
| 22 | "(B) ending on the date on which the Sec-             |
| 23 | retary determines that the State may admin-           |
| 24 | ister or enforce, as applicable, the approved         |
| 25 | State program of the State.                           |
|    |   |

| 1  | "(5) STANDING.—A State with an approved               |
|----|---|
| 2  | regulatory program shall have standing to sue the     |
| 3  | Secretary for any action taken under this sub-        |
| 4  | section.".  |
| 5  | (b) INSPECTION FEES.—Section 108 of the Federal       |
| 6  | Oil and Gas Royalty Management Act of 1982 (30 U.S.C. |
| 7  | 1718) is amended by adding at the end the following:  |
| 8  | "(d) INSPECTION FEES FOR CERTAIN STATES.—             |
| 9  | "(1) Collection of fees.—                             |
| 10 | "(A) IN GENERAL.—The Secretary shall                  |
| 11 | collect annual nonrefundable inspection fees in       |
| 12 | the amount specified in subparagraph (B), from        |
| 13 | each designated operator under each lease on          |
| 14 | Federal or Indian lands that is—                      |
| 15 | "(i) subject to inspection under sub-                 |
| 16 | section (b); and                                      |
| 17 | "(ii) located in a State for which the                |
| 18 | Secretary has delegated authority under               |
| 19 | section $44(b)(1)(A)$ of the Mineral Leasing          |
| 20 | Act.  |
| 21 | "(B) AMOUNT.—The amount of the fees                   |
| 22 | collected under subparagraph (A) shall be—            |
| 23 | "(i) \$700 for each lease or unit or                  |
| 24 | communitization agreement with no active              |

| 1  | or inactive wells, but with surface use, dis-   |
|----|---|
| 2  | turbance or reclamation;                        |
| 3  | "(ii) \$1,225 for each lease or unit or         |
| 4  | communitization agreement with $1$ to $10$      |
| 5  | wells, with any combination of active or in-    |
| 6  | active wells;                                   |
| 7  | "(iii) \$4,900 for each lease or unit or        |
| 8  | communitization agreement with $11$ to $50$     |
| 9  | wells, with any combination of active or in-    |
| 10 | active wells; and                               |
| 11 | "(iv) \$9,800 for each lease or unit or         |
| 12 | communitization agreement with more             |
| 13 | than 50 wells, with any combination of ac-      |
| 14 | tive or inactive wells.                         |
| 15 | "(2) Onshore energy safety fund.—               |
| 16 | "(A) IN GENERAL.—There is established in        |
| 17 | the Treasury of the United States a fund to be  |
| 18 | known as the 'Onshore Energy Safety Fund'       |
| 19 | (referred to in this subsection as the 'Fund'). |
| 20 | "(B) DEPOSITS.—An amount equal to the           |
| 21 | amounts collected as fees under paragraph $(1)$ |
| 22 | shall be deposited in the Fund.                 |
| 23 | "(C) AVAILABILITY.—Amounts in the               |
| 24 | Fund shall—                                     |

"(i) only be available to the extent 1 2 and in the amount provided in advance in 3 appropriations Acts; "(ii) be used only for purposes de-4 5 scribed in subparagraph (D); 6 "(iii) remain available until expended; 7 and "(iv) be credited as offsetting collec-8 9 tions. "(D) USE OF FUNDS.—Notwithstanding 10 11 section 3302 of title 31, United States Code, 12 amounts deposited in the Fund shall only be 13 available for expenditure for purposes of car-14 rving out inspections under subsection (b) in 15 those States for which the Secretary has dele-16 gated authority under section 44(b)(1)(A) of 17 the Mineral Leasing Act. 18 "(3) PAYMENT DUE DATE.—The Secretary 19 shall require payment of any fee assessed under 20 paragraph (1) not later than 30 days after the date 21 on which the Secretary provides notice of the assess-22 ment of the fee after the completion of an inspec-23 tion. 24 "(4) PENALTY.—If a designated operator as-

25 sessed a fee under paragraph (1) fails to pay the full

amount of the fee required under this subsection,
 the Secretary may, in addition to using any other
 applicable enforcement authority, assess civil pen alties against the operator under section 109 in the
 same manner as if this section were a mineral leas ing law.

"(5) NOTIFICATION TO STATE OF NONCOMPLIANCE.—If, on the basis of any inspection under subsection (b), the Secretary determines that an operator is failing to comply with the requirements of
mineral leasing laws or this Act, the Secretary shall
notify the State of the failure to comply immediately.".

14 (c) EXISTING AUTHORITIES.—Section 390(a) of the
15 Energy Policy Act of 2005 (42 U.S.C. 15942(a)) is
16 amended—

17 (1) by striking "Action by the Secretary" and18 inserting "The Secretary";

(2) by striking "with respect to any of the activities described in subsection (b) shall be subject to
a rebuttable presumption that the use of" and inserting "shall apply"; and

(3) by striking "would apply if the activity" and
inserting "for each action described in subsection (b)
if the action".

| 1  | SEC. 3. CONVEYANCE TO CERTAIN STATES OF PROPERTY        |
|----|---|
| 2  | INTEREST IN STATE SHARE OF ROYALTIES                    |
| 3  | AND OTHER PAYMENTS.                                     |
| 4  | (a) IN GENERAL.—Section 35 of the Mineral Leasing       |
| 5  | Act (30 U.S.C. 191) is amended—                         |
| 6  | (1) in subsection (a), in the first sentence, by        |
| 7  | striking "shall be paid into the Treasury" and in-      |
| 8  | serting "shall, except as provided in subsection (e),   |
| 9  | be paid into the Treasury";                             |
| 10 | (2) in subsection (c)(1), by inserting "and ex-         |
| 11 | cept as provided in subsection (e)" before ", any       |
| 12 | rentals"; and   |
| 13 | (3) by adding at the end the following:                 |
| 14 | "(e) Conveyance to Certain States of Prop-              |
| 15 | erty Interest in State Share.—                          |
| 16 | "(1) IN GENERAL.—Notwithstanding any other              |
| 17 | provision of law, on request of a State and in lieu     |
| 18 | of any payments to the State under subsection (a),      |
| 19 | the Secretary of the Interior shall convey to the       |
| 20 | State all right, title, and interest in and to the per- |
| 21 | centage specified in that subsection for that State     |
| 22 | that would otherwise be required to be paid into the    |
| 23 | Treasury under that subsection.                         |
| 24 | "(2) Amount.—Notwithstanding any other                  |
| 25 | provision of law, after a conveyance to a State under   |
| 26 | paragraph (1), any person shall pay directly to the     |
|    |   |

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| 1  | State any amount owed by the person for which the       |
| 2  | right, title, and interest has been conveyed to the     |
| 3  | State under this subsection.                            |
| 4  | "(3) NOTICE.—The Secretary of the Interior              |
| 5  | shall promptly provide to each holder of a lease of     |
| 6  | public land to which subsection (a) applies that is lo- |
| 7  | cated in a State to which right, title, and interest is |
| 8  | conveyed under this subsection notice that—             |
| 9  | "(A) the Secretary of the Interior has con-             |
| 10 | veyed to the State all right, title, and interest       |
| 11 | in and to the amounts referred to in paragraph          |
| 12 | (1); and  |
| 13 | "(B) the leaseholder is required to pay the             |
| 14 | amounts directly to the State.                          |
| 15 | "(4) REPORT.—A State that has received a                |
| 16 | conveyance under this subsection shall report month-    |
| 17 | ly to the Office of Natural Resources Revenue of the    |
| 18 | Department of the Interior the amount paid to the       |
| 19 | State pursuant to this subsection.                      |
| 20 | "(5) Application.—With respect to the inter-            |
| 21 | est conveyed to a State under this subsection from      |
| 22 | sales, bonuses, royalties (including interest charges), |
| 23 | and rentals collected under the Federal Oil and Gas     |
| 24 | Royalty Management Act of 1982 (30 U.S.C. 1701          |
| 25 | et seq.), this subsection shall only apply with respect |
|    |   |

| 1 | to States for which the Secretary has delegated any |
|---|---|
| 2 | authority under section 44(b)(1).".                 |

3 (b) ADMINISTRATIVE COSTS.—Section 35(b) of the
4 Mineral Leasing Act (30 U.S.C. 191(b)) is amended by
5 striking "In determining" and inserting "Except with re6 spect to States for which the Secretary has delegated any
7 authority under section 44(b)(1), in determining".

8 (c) CONFORMING AMENDMENT.—Section 205(f) of
9 the Federal Oil and Gas Royalty Management Act of 1982
10 (30 U.S.C. 1735(f)) is amended in the seventh sentence
11 by striking "All" and inserting "Subject to subsection (e)
12 of section 35 of the Mineral Leasing Act (30 U.S.C. 191),
13 all".

#### 14 SEC. 4. PERMITTING ON NON-FEDERAL SURFACE ESTATE.

The Mineral Leasing Act (30 U.S.C. 181 et seq.) is
amended by inserting after section 44 (as added by section
2(a)(2)) the following:

#### 18 "SEC. 45. PERMITTING ON NON-FEDERAL SURFACE ESTATE.

"(a) PERMITS NOT REQUIRED FOR CERTAIN ACTIVITIES ON NON-FEDERAL SURFACE ESTATE.—The following activities conducted on non-Federal surface estate
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
a lease or unit or communitization agreement in
which the United States holds a mineral ownership
interest of 50 percent or less.

6 "(2) Oil and gas operations that may have po-7 tential drainage impacts, as determined by the Bu-8 reau of Land Management, on oil and gas in which 9 the United States holds a mineral ownership inter-10 est.

11 "(b) DOI NOTIFICATION.—The Secretary of the In12 terior shall provide to each State a map or list indicating
13 Federal mineral ownership within that State.

"(c) STATE NOTIFICATION.—Each State with an approved permit to drill or drilling plan that would impact
or extract oil and gas owned by the Federal Government
shall notify the Secretary of the Interior of the approved
permit to drill or drilling plan.

19 "(d) ROYALTIES.—Nothing in this section affects the
20 amount of royalties due to the United States under this
21 Act from the production of oil and gas.".

| 1  | SEC. 5. STATE AND TRIBAL AUTHORITY FOR HYDRAULIC              |
|----|---|
| 2  | FRACTURING REGULATION.  |
| 3  | The Mineral Leasing Act (30 U.S.C. 181 et seq.) is            |
| 4  | amended by inserting after section 45 (as added by section    |
| 5  | 4) the following:   |
| 6  | "SEC. 46. STATE AND TRIBAL AUTHORITY FOR HYDRAULIC            |
| 7  | FRACTURING REGULATION.  |
| 8  | "(a) IN GENERAL.—In this section:                             |
| 9  | "(1) Hydraulic fracturing defined.—The                        |
| 10 | term 'hydraulic fracturing' means the process of cre-         |
| 11 | ating small cracks or fractures in underground geo-           |
| 12 | logical formations for well stimulation purposes of           |
| 13 | bringing hydrocarbons into the wellbore and to the            |
| 14 | surface for capture.  |
| 15 | "(2) Secretary.—The term 'Secretary' means                    |
| 16 | the Secretary of the Interior.                                |
| 17 | "(b) Enforcement of Federal Regulations.—                     |
| 18 | The Secretary shall not enforce any Federal regulation,       |
| 19 | guidance, or permit requirement regarding hydraulic frac-     |
| 20 | turing relating to oil, gas, or geothermal production activi- |
| 21 | ties on or under any land in any State that has regula-       |
| 22 | tions, guidance, or permit requirements for that activity.    |
| 23 | "(c) STATE AUTHORITY.—The Secretary shall defer               |
| 24 | to State regulations, guidance, and permit requirements       |
| 25 | for all activities regarding hydraulic fracturing relating to |

oil, gas, or geothermal production activities on Federal
 land.

3 "(d) TRANSPARENCY OF STATE REGULATIONS.—

4 "(1) IN GENERAL.—Each State shall submit to
5 the Bureau of Land Management a copy of the reg6 ulations of the State that apply to hydraulic frac7 turing operations on Federal land, including the reg8 ulations that require disclosure of chemicals used in
9 hydraulic fracturing operations.

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

14 "(e) TRIBAL AUTHORITY ON TRUST LAND.—The 15 Secretary shall not enforce any Federal regulation, guidance, or permit requirement with respect to hydraulic frac-16 turing on any land held in trust or restricted status for 17 18 the benefit of a federally recognized Indian Tribe or a member of a federally recognized Indian Tribe, except 19 with the express consent of the beneficiary on whose behalf 20 21 the land is held in trust or restricted status.".

22 SEC. 6. REVIEW OF INTEGRATED ACTIVITY PLAN FOR THE

### NATIONAL PETROLEUM RESERVE-ALASKA.

24 The Secretary of the Interior shall—

23

1 (1) conduct a review of the National Petroleum 2 Reserve–Alaska Final Integrated Activity Plan/Envi-3 ronmental Impact Statement, for which notice of 4 availability was published in the Federal Register on 5 December 28, 2012 (77 Fed. Reg. 76515), to deter-6 mine which land within the National Petroleum Re-7 serve-Alaska should be made available for oil and gas leasing; and 8

9 (2) make available the lands described in para-10 graph (1) for oil and gas leasing.

## 11 SEC. 7. PROTESTED LEASE SALES.

Section 17(b)(1)(A) of the Mineral Leasing Act (30
U.S.C. 226(b)(1)(A)) is amended by inserting after the
seventh sentence the following: "The Secretary shall resolve any protest to a lease sale within 60 days following
such payment.".