

116TH CONGRESS
1ST SESSION

H. R. 4346

To amend the Mineral Leasing Act to make certain adjustments to the regulation of surface-disturbing activities and to protect taxpayers from unduly bearing the reclamation costs of oil and gas development, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 17, 2019

Mr. LOWENTHAL introduced the following bill; which was referred to the Committee on Natural Resources

A BILL

To amend the Mineral Leasing Act to make certain adjustments to the regulation of surface-disturbing activities and to protect taxpayers from unduly bearing the reclamation costs of oil and gas development, 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 referred to as the “Bonding Reform
5 and Taxpayer Protection Act of 2019”.

1 **SEC. 2. SURFACE DISTURBANCE AND RECLAMATION.**

2 Section 17(g) of the Mineral Leasing Act (30 U.S.C.
3 226(g)) is amended to read as follows:

4 “(g) BONDING REQUIREMENTS.—

5 “(1) DEFINITIONS.—In this subsection:

6 “(A) INTERIM RECLAMATION PLAN.—The
7 term ‘Interim Reclamation Plan’ means an on-
8 going plan specifying reclamation steps to be
9 taken on all disturbed areas covered by any
10 lease issued under this Act that are not needed
11 for active operations.

12 “(B) FINAL RECLAMATION PLAN.—The
13 term ‘Final Reclamation Plan’ means a plan
14 describing all reclamation activity to be con-
15 ducted for all disturbed areas, including loca-
16 tions, facilities, trenches, rights-of-way, roads,
17 and any other surface disturbance covered by a
18 lease issued under this Act prior to final aban-
19 donment.

20 “(2) IN GENERAL.—The Secretary of the Inte-
21 rior, or with respect to National Forest lands, the
22 Secretary of Agriculture, shall regulate all surface-
23 disturbing activities conducted pursuant to any lease
24 issued under this Act, and shall determine reclama-
25 tion and other actions as required in the interest of
26 conservation of surface resources.

1 “(3) RECLAMATION PLANS REQUIRED.—

2 “(A) ANALYSIS AND APPROVAL RE-
3 QUIRED.—No permit to drill on an oil and gas
4 lease issued under this Act may be granted
5 without the analysis and approval by the Sec-
6 retary concerned of both an interim reclamation
7 plan and a final reclamation plan covering pro-
8 posed surface-disturbing activities within the
9 lease area.

10 “(B) PLANS OF OPERATIONS.—All Plans
11 of Operations submitted and approved pursuant
12 to this Act shall include an Interim Reclama-
13 tion Plan.

14 “(C) SECRETARIAL REVIEW.—The relevant
15 Secretary shall review each Interim Reclama-
16 tion Plan at regular intervals and shall require
17 such plans to be amended as warranted, subject
18 to the approval of such Secretary.

19 “(4) BONDING.—

20 “(A) IN GENERAL.—The Secretary con-
21 cerned shall, by regulation, require that an ade-
22 quate bond, surety, or other financial arrange-
23 ment will be established prior to the commence-
24 ment of surface-disturbing activities on any
25 lease, to ensure the complete and timely rec-

1 lamation of the lease tract, and the restoration
2 of any lands or surface waters adversely af-
3 fected by lease operations after the abandon-
4 ment or cessation of oil and gas operations on
5 the lease.

6 “(B) PROHIBITION.—The Secretary shall
7 not issue or approve the assignment of any
8 lease under the terms of this section to any per-
9 son, association, corporation, or any subsidiary,
10 affiliate, or person controlled by or under com-
11 mon control with such person, association, or
12 corporation, during any period in which, as de-
13 termined by the relevant Secretary, such entity
14 has failed or refused to comply in any material
15 respect with the reclamation requirements and
16 other standards established under this section
17 for any prior lease to which such requirements
18 and standards applied.

19 “(C) NOTICE AND OPPORTUNITY FOR COM-
20 PLIANCE.—Prior to making such determination
21 with respect to any such entity the concerned
22 Secretary shall provide such entity with ade-
23 quate notification and an opportunity to comply
24 with such reclamation requirements and other
25 standards and shall consider whether any ad-

1 ministrative or judicial appeal is pending. Once
2 the entity has complied with the reclamation re-
3 quirement or other standard concerned an oil or
4 gas lease may be issued to such entity under
5 this Act.

6 “(D) LIMITATION ON BONDS.—A bond,
7 surety, or other financial arrangement described
8 in subparagraph (A) shall not be adequate if it
9 is less than—

10 “(i) \$50,000 in the case of an ar-
11 rangement for an individual surface-dis-
12 turbating activity of an entity;

13 “(ii) \$250,000 in the case of an ar-
14 rangement for all surface-disturbing activi-
15 ties of an entity in a State; or

16 “(iii) \$1,000,000 in the case of an ar-
17 rangement for all surface-disturbing activi-
18 ties of an entity in the United States.

19 “(E) ADJUSTMENTS FOR INFLATION.—In
20 the application of subparagraph (B), the Secre-
21 taries concerned shall jointly at least once every
22 three years adjust the dollar amounts in sub-
23 paragraph (B) to account for inflation based on
24 the Consumer Price Index for all urban con-
25 sumer published by the Department of Labor.

1 “(5) STANDARDS.—The Secretary of the Inte-
2 rior and the Secretary of Agriculture shall, by regu-
3 lation, establish uniform standards for all Interim
4 and Final Reclamation Plans. The goal of such
5 plans shall be the restoration of the affected eco-
6 system to a condition approximating or equal to that
7 which existed prior to the surface disturbance. Such
8 standards shall include restoration of natural vegeta-
9 tion and hydrology, habitat restoration, salvage,
10 storage and reuse of topsoils, erosion control, control
11 of invasive species and noxious weeds and natural
12 contouring.

13 “(6) MONITORING.—The Secretary concerned
14 shall not approve final abandonment and shall not
15 release any bond required by this Act until the
16 standards and requirement for final reclamation es-
17 tablished pursuant to this Act have been met.”.

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