

BLM Onshore Oil and Gas Policy

The Administration proposes the following laudable reforms of the BLM's oil and gas program:

- A proposed fee on onshore federal operators designed to bring in \$10 million per year for the I&E program
- Continuation of the \$6,500 APD fee in FY 2011 which was approved by Congress for FY 2010 (estimated revenues -- \$45.5 million)
- A \$4.00 per acre fee on non-producing onshore leases (needs authorizing legislation)
- Repeal of Sec. 365 of EPACT which diverted lease rental revenues to fund the "Permit Streamlining Pilot Offices", and prohibits the BLM from charging APD fees (the latter provision in effect overridden by Congress in the FY 2010 appropriations bill)
- Initiation of a new rule to raise royalty rates for federal onshore oil and gas leases, with a goal of raising oil and gas revenues by \$1 billion over ten years (royalty rates under consideration are not discussed in the budget proposal, however)

We support all of these proposals.

In addition to the budget proposals outlined in the DOI "Budget in Brief", Secretary Salazar and the BLM are moving forward with some important management reforms of the onshore program that should, when fully implemented, lead to a better balance between oil and gas developed on western public lands, and the protection of the many natural resource values that have been impaired by the previous administration's oil and gas policies.