To Speaker Johnson, Minority Leader Jeffries, and members of the House of Representatives:

We write to you as elected leaders across the state of Colorado to urge you to oppose passage of H.R. 6009, the Restoring American Energy Dominance Act, offered by Rep. Lauren Boebert (R-CO). If passed, this harmful legislation would halt the Bureau of Land Management's (BLM) Fluid Mineral Leases and Leasing Process Rule ("oil and gas leasing rule"), and would prevent the BLM from offering a substantially similar rule in the future. The bill passed committee on December 6 and is expected to pass the House quickly when taken to the floor this session.

The existing federal onshore oil and gas system prioritizes leasing and production on public lands over all other important uses—shortchanging Coloradans, locking up thousands of acres that could be put to better and higher uses, and leaving Coloradans on the hook to pay for the cost of cleaning up orphaned and abandoned wells.

The Inflation Reduction Act (IRA) and the Bipartisan Infrastructure Law (BIL) were big steps in the right direction for Colorado and addressed many of these shortcomings. The IRA included long-overdue reforms to the oil and gas leasing program on federal public lands — it raised the royalty rate for production on these lands, aligned other fees to account for decades of inflation, and cut down on speculation by requiring oil and gas companies to pay a nominal fee to nominate public lands for leasing. It also included Senator Hickenlooper's COMPETES Act (S. 2962, 117th Congress) to end noncompetitive leasing — the process by which companies can buy up leases for bargain basement prices if no other bids are made at auction. According to one analysis, had these reforms been enacted 10 years ago, taxpayers would have received \$541 million more in royalty revenue and \$25 million more in rents, half of which would have gone back to Colorado.

The BIL, for its part, included billions of dollars in funding that benefit many facets of Colorado's economy and infrastructure. Notably, it included \$4.7 billion for mitigating and reclaiming orphaned oil and gas wells, reflecting provisions in Senator Michael Bennet's Oil and Gas Bonding Reform and Orphaned Well Remediation Act (S. 2177, 117th Congress). Colorado can expect to receive roughly \$79 million to plug orphaned and abandoned wells on state lands — in addition to the BLM's efforts and funding to mitigate wells on federal lands in our state.

The BLM's proposed oil and gas leasing rule, released in July, is a critical next step in these efforts — both by ensuring these reforms are reflected in regulations and in addressing other shortcomings in the status quo that the IRA and the BIL did not cover.

Importantly, the proposed rule reforms the oil and gas bonding process by raising minimum bonding requirements. Oil and gas bonds are meant to hold companies accountable for mitigating and cleaning up their wells after they cease to produce. The rates, however, remain at levels set over a half-century ago — without any inflationary adjustments. As a result, these rates — at \$10,000 per lease, \$25,000 for all wells in a state, and \$500,000 for all wells nationwide — resemble a pittance: Taxpayers for Common Sense estimates \$371 million in potential reclamation liability for currently producible wells on federal lands in Colorado. And when companies abandon their wells, or go bankrupt, the bond the government is left with fails to cover the cost of cleanup, and taxpayers must cover the cost of cleaning up the industry's mess. The proposed rule would raise these rates to \$150,000 per lease, \$500,000 statewide, and eliminate nationwide bonding, which would better reflect the true cost of mitigation and aligns with the bonding rates put forward by Senator Bennet in his bill, S. 2177. These stricter bonding requirements are widely supported by Coloradans — 92% of voters support requiring oil and gas companies, rather than taxpayers, to pay for all clean-up and restoration costs after drilling occurs. As Jackson County, CO, resident Barbara Vasquez recently testified before your committee, the oil and gas leasing rule is a "common sense and long overdue set of updates that will help ensure that all operators provide a sufficient backstop to ensure funds are available for complete and timely reclamation. This puts the costs of cleanup where they belong, not on taxpayers and communities."

The proposed rule would also deprioritize speculative oil and gas leasing — that is, leasing lands with little to no oil or gas development potential. When leased by oil and gas companies, regardless of development, that lease is tied up for 10 years, preventing access to recreation and other uses, let alone the revenue that could be generated from those uses. One example of the benefits of minimizing speculative leasing is in North Park, Colorado. There are currently more than 29,000 acres of oil and gas leases in North Park on lands that have little chance of actually recovering any oil or gas, including 15,000 acres that have been auctioned off over the past decade alone. The hunting, fishing, camping, hiking, and wildlife watching in North Park is some of the best in Colorado and helps fuel a robust outdoor recreation economy for local communities. In fact, hunting, fishing, and outdoor recreation account for almost half of Jackson County's

<u>economic activity</u>. Limiting the practice of speculative leasing will help expand opportunities for conservation and recreation for all who enjoy this wildlife mecca.

This, combined with the end of non-competitive leasing that Senator Hickenlooper championed, will ensure that more federal public lands in Colorado can be managed for recreation, hunting, fishing, skiing, and responsible renewable energy production.

In addition to these other economic and <u>health benefits</u>, the BLM has <u>analyzed the economic impact</u> of the proposed rule, the results of which are far more favorable than continuing without reform.

Representative Boebert's legislation would withdraw this rule, wrecking these critical efforts and complicating the implementation of these enacted reforms. And it precludes the BLM from putting forward a similar rule in the future, hamstringing the federal government's ability to manage Colorado's federal public lands for anything aside from oil and gas extraction.

Most importantly, however, it disregards the views of tens of thousands of Coloradans — our constituents. During the rule's comment period, the agency received over 260,000 comments. According to <u>one analysis</u>, over 99% of these comments were supportive and only roughly 0.1% asked the agency to weaken or withdraw the rule. Tens of thousands of these comments came from Colorado voters. This bill completely disregards those voices — *our* voices.

For these reasons, we urge you to oppose H.R. 6009 when it comes before the full House of Representatives for a vote.

## Sincerely,

- 1. Colorado State Senator Chris Hansen
- Colorado State Senator Lisa Cutter
- 3. Colorado State Senator Jessie Danielson
- 4. Colorado State Senator Nick Hinrichsen
- Colorado State Senator Chris Kolker
- 6. Colorado State Senator Sonya Jaquez Lewis
- 7. Colorado State Senator Kevin Priola
- 8. Colorado State Senator Dylan Roberts
- 9. Speaker of the Colorado House of Representatives Julie McCluskie
- 10. Colorado State Representative Judy Amabile
- 11. Colorado State Representative Andrew Boesenecker
- 12. Colorado State Representative Kyle Brown
- 13. Colorado State Representative Regina English
- 14. Colorado State Representative Meg Froelich
- 15. Colorado State Representative Tim Hernández
- 16. Colorado State Representative Leslie Herod
- 17. Colorado State Representative Cathy Kipp
- 18. Colorado State Representative William Linsdtedt
- 19. Colorado State Representative Meghan Lukens
- 20. Colorado State Representative Javier Mabrey
- 21. Colorado State Representative Karen McCormick
- 22. Colorado State Representative Jennifer Parenti
- 23. Colorado State Representative Manny Rutinel
- 24. Colorado State Representative Emily Sirota
- 25. Colorado State Representative Marc Snyder
- 26. Colorado State Representative Tammy Story
- 27. Colorado State Representative Brianna Titone
- 28. Colorado State Representative Elizabeth Velasco
- 29. Colorado State Representative Stephanie Vigil
- 30. Colorado State Representative Mike Weissman
- 31. Colorado State Representative Stephen Woodrow
- 32. Town of Basalt Council Member Elyse Hottel
- 33. Boulder County Commissioner Claire Levy

- 34. Boulder County Commissioner Ashley Stolzmann
- 35. Town of Breckenridge Mayor Pro Tem Kelly Owen
- 36. Town of Breckenridge Council Member Jeffrey Bergeron
- 37. Town of Breckenridge Council Member Dick Carleton
- 38. Town of Breckenridge Council Member Carol Saade
- 39. Town of Breckenridge Council Member Jay Beckerman
- 40. Town of Breckenridge Council Member Todd Rankin
- 41. Town of Carbondale Mayor Ben Bohmfalk
- 42. Town of Carbondale Town Trustee Colin Laird
- 43. Chaffee County County Commissioner Keith Baker
- 44. Chaffee County Commissioner PT Wood
- 45. City of Durango Mayor Melissa Youssef
- 46. Eagle County Commissioner Kathy Chandler-Henry
- 47. Eagle County Commissioner Jeanne McQueeney
- 48. Eagle County Commissioner Matt Scherr
- 49. Town of Frisco Council Member Lisa Holenko
- 50. Town of Eagle Council Member Geoff Grimmer
- 51. Town of Frisco Council Member Jessica Burley
- 52. City of Glenwood Springs Council Member Sumner Schachter
- 53. City of Grand Junction Mayor Pro Tem Abe Herman
- 54. Gunnison County Commissioner Jonathan Houck
- 55. Gunnison County Commissioner Laura Puckett Daniels
- 56. City of Gunnison Mayor Diego Plata
- 57. City of Gunnison Council Member Jim Gelwicks
- 58. City of Gunnison Council Member Boe Freeburn
- 59. La Plata County Commissioner Marsha Porter-Norton
- 60. La Plata County Commissioner Matt Salka
- 61. Town of Nederland Mayor Billy Giblin
- 62. Town of Nederland Mayor ProTem Tom Mahowald
- 63. Town of Ophir Mayor Andrew Ward
- 64. Town of Paonia Mayor Pro-Tem Dave Knutson
- 65. Pitkin County County Commissioner Francie Jacober
- 66. Pitkin County County Commissioner Steve Child
- 67. Pitkin County Commissioner Greg Poschman
- 68. Town of Ridgway Mayor John I. Clark
- 69. Town of Ridgway Council Member Polly Kroger
- 70. Town of Ridgway Council Member Terence Schuyler
- 71. Routt County Commissioner Timothy V. Corrigan
- 72. Town of Silverton Mayor Shane Fuhrman
- 73. Town of Snowmass Village Mayor Bill Madsen
- 74. Town of Telluride Mayor Teddy Errico
- 75. Town of Telluride Mayor Pro Tem J. Meehan Fee
- 76. Town of Telluride Council Person Elena Levin
- 77. Town of Telluride Council Member Geneva Shaunette
- 78. Town of Telluride Council Member Dan Enright
- 79. Town of Telluride Council Member Ashley Von Spreecken
- 80. San Miguel County Commissioner Lance Waring
- 81. San Miguel County Commissioner Anne Brown
- 82. San Miguel County Commissioner Kris Holstrom
- 83. Summit County Commissioner Nina Waters
- 84. Summit County Commissioner Eric Mamula
- 85. Town of Vail Mayor Travis Coggin
- 86. Town of Vail Council Member Pete Seibert
- 87. Town of Vail Council Member Jonathan Staufer