

RGS comment on BLM rulemaking (OMB hearing)

Onshore Oil & Gas Leasing Rule

March 19, 2024

I am Rodger Steen, from Routt County, Steamboat Springs, Colorado, and I am representing Western Colorado Alliance, a non-profit group focusing on public advocacy for Colorado West Slope residents. I am a retired air pollution control engineer, registered in Colorado, who consulted on current emission controls for oil & gas companies among other industries over at least a decade.

Now, I am here to encourage you, the BLM, to strengthen your O&G leasing and tracking regulations as you have proposed in your July 24, 2023 draft. By this, we are asking BLM to end industry's common business practice of leaving industrial waste and trashed property for the American citizens to cleanup and reclaim, and to provide us, the public, with a market-price-based return for sale of our natural resource. When industry profits from the public's resource, it should also fully assume the associated liabilities. This should be considered not just good business but an ethical responsibility. Having said this, I recognize that there are operators that have thoroughly cleaned up after their operations and reclaimed their sites to near-natural conditions so that the sites are not recognizable as old well sites. This action is not above and beyond the call of duty; it should be the norm. Unfortunately, perhaps due to insufficient bonds, operators are often not motivated to clean up their drilling mess.

Our current situation here in Western Colorado is the consequence of liberal bankruptcy laws and rules built largely by the industry itself for its own benefit. The environmental impact consequences have already been well documented and have been communicated to you, so I will not repeat them, except to emphasize that they are a result of a business culture of passing liabilities down a sequence of underfunded operators that have no intention of complying which is accepted as normal practice, perhaps not even considered unethical. The current BLM leasing rules provide no administrative control of lease transfers to other O&G operators who have inadequate financial resources to execute the required reclamation liabilities in a timely manner, so the cleanup cost burden falls on us, the public. Other current practices include leasing prices well below market and lease terms so flexible that it is nearly impossible to recapture leases for other land or surface uses. Taxpayers for Common Sense published in an August 28, 2023; Energy & Natural Resources expose, an estimate of the outdated lease terms as of today, in Colorado, which is a cost to taxpayers of \$838 million over the past decade.

Here in Northwest Colorado, we have many old well sites on our BLM lands, in National Forests, and on private land that remain essentially as abandoned. They are rusting junk piles littering the landscape including old pump-jack engines, sometimes with the lubrication still leaking, leaking petroleum and process water tanks, empty maintenance cans, and other miscellaneous trash on former well sites. These forever make the site unusable unless reclaimed. The rules must be updated to eliminate these scars and restore the surface for ranching, recreation, water sheds, regenerating wetlands, hunting & fishing, wildlife habitat and other natural uses. Cleanup after O&G projects should restore all these lands to their natural conditions.

In 2019, through state legislation, SB19-181, Colorado significantly changed its primary regulatory authority on oil and gas development from promotion of production to regulation of the industry consistent with protection of human health, welfare, and the environment, including financial assurance for cleanup and reclamation. Since passage of SB19-181 there have been several legislative actions strengthening Colorado's position on protection of public health, safety, and welfare, including protection of the environment and wildlife resources and financial assurance.

The July 24, 2023 proposed BLM rules update aligns nicely with Colorado's new approach to the industry on state lands. Both Colorado senators, Bennett and Hickenlooper, and 9 other senators have provided BLM with a letter of support for these federal changes (October 26, 2023). Bennet also provided a second, updated letter of support dated November 29, 2023. The newly created Colorado Energy and Carbon Management Commission (ECMC) is currently in the process of strengthening our leasing laws to address the SB19-181 mandate. The drafted BLM rules would complement these new state laws on the federal level. Many Colorado counties are also upgrading their local land use regulations to improve cleanup and reclamation to the extent currently allowed by these new federal and state laws.

All of us are interested in shifting the industry liabilities back from the residents to the industry. And now we are asking for BLM to finalize its rules, as already drafted, to align them with Colorado's interests. Colorado wants these proposed BLM rules.