

117TH CONGRESS
1ST SESSION

H. R. 1503

To amend the Mineral Leasing Act to make certain adjustments in leasing on Federal lands for oil and gas drilling, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 2, 2021

Mr. LEVIN of California (for himself, Mr. GRIJALVA, Mr. LOWENTHAL, Mr. NADLER, Ms. NORTON, Ms. BONAMICI, Mr. GARCÍA of Illinois, Ms. LEE of California, Ms. PORTER, and Ms. BROWNLEY) introduced the following bill; which was referred to the Committee on Natural Resources, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Mineral Leasing Act to make certain adjustments in leasing on Federal lands for oil and gas drilling, 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 “Restoring Community
5 Input and Public Protections in Oil and Gas Leasing Act
6 of 2021”.

1 **SEC. 2. LEASING PROCESS.**

2 (a) ONSHORE OIL AND GAS LEASING.—Section 17(a)
3 of the Mineral Leasing Act (30 U.S.C. 226(a)) is amended
4 to read as follows:

5 “(a) LEASING AUTHORITY.—

6 “(1) IN GENERAL.—All lands subject to disposi-
7 tion under this Act that are known or believed to
8 contain oil or gas deposits may be leased by the Sec-
9 retary.

10 “(2) RECEIPT OF FAIR MARKET VALUE.—Leas-
11 ing activities under this Act shall be conducted to
12 assure receipt of fair market value for the lands and
13 resources leased and the rights conveyed by the
14 United States.”.

15 (b) COMPETITIVE BIDDING.—Section 17(b)(1)(A) of
16 the Mineral Leasing Act (30 U.S.C. 226(b)(1)(A)) is
17 amended to read as follows:

18 “(A) COMPETITIVE BIDDING.—

19 “(i) IN GENERAL.—All lands to be
20 leased under this section shall be leased as
21 provided in this paragraph to the highest
22 responsible qualified bidder by competitive
23 bidding by sealed bid.

24 “(ii) GEOGRAPHIC LIMITATION.—The
25 Secretary shall lease lands under this para-
26 graph in units of not more than 2,560

1 acres, except in Alaska, where units shall
2 be not more than 5,760 acres. Such units
3 shall be as nearly compact as possible.

4 “(iii) FREQUENCY.—Lease sales
5 under this section shall be held for each
6 State in which there are lands eligible for
7 leasing no more than 3 times each year
8 and on a rotating basis such that the lands
9 under the responsibility of any Bureau of
10 Land Management field office are available
11 for leasing no more than one time each
12 year.

13 “(iv) ROYALTY.—A lease under this
14 section shall be conditioned upon the pay-
15 ment of a royalty at a rate of not less than
16 18.75 percent in amount or value of the
17 production removed or sold from the lease,
18 except as otherwise provided in this Act.

19 “(v) ISSUANCE OF LEASE.—The Sec-
20 retary may issue a lease under this section
21 to the responsible qualified bidder with the
22 highest bid that is equal to or greater than
23 the national minimum acceptable bid. The
24 Secretary shall decide whether to accept a
25 bid and issue a lease within 90 days fol-

1 lowing payment by the successful bidder of
2 the remainder of the bonus bid, if any, and
3 annual rental for the first lease year.

4 “(vi) REJECTION OF BID.—The Sec-
5 retary may reject a bid above the national
6 minimum acceptable bid if, after evaluation
7 of the value of the lands proposed for
8 lease, the Secretary determines that the
9 bid amount does not ensure that fair mar-
10 ket value is obtained for the lease.”.

11 (c) NATIONAL MINIMUM ACCEPTABLE BID.—Sub-
12 paragraph (B) of section 17(b)(1) of the Mineral Leasing
13 Act (30 U.S.C. 226(b)(1)), is amended to read as follows:

14 “(B) NATIONAL MINIMUM ACCEPTABLE
15 BID.—

16 “(i) IN GENERAL.—Except as pro-
17 vided in clause (ii), for purposes of sub-
18 paragraph (A), the national minimum ac-
19 ceptable bid shall be \$5 per acre. All bids
20 under this section for less than the na-
21 tional minimum acceptable bid shall be re-
22 jected.

23 “(ii) RAISING THE NATIONAL MIN-
24 IMUM ACCEPTABLE BID.—The Secretary

1 may establish a higher national minimum
2 acceptable bid—

3 “(I) beginning at the end of the
4 4-year period that begins on the date
5 of enactment of the Restoring Com-
6 munity Input and Public Protection in
7 Oil and Gas Leasing Act of 2021, and
8 once every 4 years thereafter, to re-
9 flect the change in the Consumer
10 Price Index for All Urban Consumers
11 published by the Bureau of Labor
12 Statistics; and

13 “(II) at any time, if the Sec-
14 retary finds that such a higher
15 amount is necessary to enhance finan-
16 cial returns to the United States or to
17 promote more efficient management
18 of oil and gas resources on Federal
19 lands.

20 “(iii) NOT A MAJOR FEDERAL AC-
21 TION.—The proposal or issuance of any
22 regulation to establish a higher national
23 minimum acceptable bid under clause (ii)
24 shall not be considered a major Federal ac-
25 tion that is subject to the requirements of

1 section 102(2)(C) of the National Environ-
2 mental Policy Act of 1969 (42 U.S.C.
3 4332(2)(C)).”.

4 (d) RENTALS.—Section 17(d) of the Mineral Leasing
5 Act (30 U.S.C. 226(d)) is amended to read as follows:

6 “(d) ANNUAL RENTALS.—All leases issued under this
7 section shall be conditioned upon the payment by the les-
8 see of a rental of—

9 “(1) not less than \$3.00 per acre per year dur-
10 ing the 2-year period beginning on the date the lease
11 begins for new leases, and after the end of such two
12 year period not less than \$5 per acre per year; or

13 “(2) such higher rental rate as the Secretary
14 may establish if the Secretary finds that such action
15 is necessary to enhance financial returns to the
16 United States and promote more efficient manage-
17 ment of oil and gas and alternative energy resources
18 on Federal lands.”.

19 (e) ELIMINATION OF NONCOMPETITIVE LEASING.—
20 The Mineral Leasing Act (30 U.S.C. 181 et seq.) is
21 amended—

22 (1) in section 17(b) (30 U.S.C. 226(b)), by
23 striking paragraph (3);

24 (2) by amending section 17(c) (30 U.S.C.
25 226(c)) to read as follows:

1 “(c) Lands made available for leasing under sub-
2 section (b)(1) but for which no bid is accepted may be
3 made available by the Secretary for a new round of sealed
4 bidding under such subsection.”;

5 (3) in section 17(e) (30 U.S.C. 226(e))—

6 (A) by striking “Competitive and non-
7 competitive leases” and inserting “Leases, in-
8 cluding leases for tar sand areas,”; and

9 (B) by striking “*Provided, however*” and
10 all that follows through “ten years.”;

11 (4) in section 31(d)(1) (30 U.S.C. 188(d)(1))
12 by striking “or section 17(e)”;

13 (5) in section 31(e) (30 U.S.C. 188(e))—

14 (A) in paragraph (2) by striking “, or the
15 inclusion” and all that follows and inserting a
16 semicolon; and

17 (B) in paragraph (3) by striking “(A)”
18 and by striking subparagraph (B);

19 (6) by striking section 31(f) (30 U.S.C. 188(f));
20 and

21 (7) in section 31(g) (30 U.S.C. 188(g))—

22 (A) in paragraph (1) by striking “as a
23 competitive” and all that follows through the
24 period and inserting “in the same manner as

1 the original lease issued pursuant to section
2 17.”;

3 (B) by striking paragraph (2) and redesignig-
4 nating paragraphs (3) and (4) as paragraphs
5 (2) and (3), respectively; and

6 (C) in paragraph (2), as redesignated, by
7 striking “, applicable to leases issued under
8 subsection 17(e) of this Act (30 U.S.C. 226(e))
9 except,” and inserting “, except”.

10 (f) LEASE TERM.—Section 17(e) of the Mineral
11 Leasing Act (30 U.S.C. 226(e)) is amended by striking
12 “10 years:” and inserting “5 years.”.

13 (g) OTHER LEASING REQUIREMENTS.—Section
14 17(g) of the Mineral Leasing Act (30 U.S.C. 226(g)), as
15 amended by section 8 of this Act, is further amended—

16 (1) by striking “The Secretary” at the begin-
17 ning and inserting “(1) IN GENERAL.—The Sec-
18 retary”; and

19 (2) by adding at the end the following:

20 “(2) LIMITATION.—The Secretary shall not
21 issue a lease or approve the assignment of any lease
22 to any person, or to any subsidiary or affiliate of
23 such person or any other person controlled by or
24 under common control with such person, unless such

1 person has the demonstrated capability to explore
2 and produce oil and gas under the lease.

3 “(3) PROTECTION OF LEASED LANDS FOR
4 OTHER USES.—Each lease under this section shall
5 include such terms as are necessary to preserve the
6 United States flexibility to control or prohibit activi-
7 ties that pose serious and unacceptable impacts to
8 the value of the leased lands for uses other than pro-
9 duction of oil and gas.”.

10 **SEC. 3. TRANSPARENCY AND LANDOWNER PROTECTIONS.**

11 (a) DISCLOSURE OF IDENTITIES FILING DISCLO-
12 SURES OF INTEREST AND BIDS.—Section 17(b) of the
13 Mineral Leasing Act (30 U.S.C. 226(b)), as amended by
14 this Act, is further amended by adding at the end the fol-
15 lowing:

16 “(3) BIDDER IDENTITY.—The Secretary—

17 “(A) shall require that each expression of
18 interest to bid for a lease under this section and
19 each bid for a lease under this section shall in-
20 clude the name of the person for whom such ex-
21 pression of interest or bid is submitted; and

22 “(B) shall promptly publish each such
23 name.”.

24 (b) NOTICE REQUIREMENTS.—Section 17(f) of the
25 Mineral Leasing Act (30 U.S.C. 226(f)) is amended by

1 striking “At least” and all that follows through “agen-
2 cies.” and inserting the following:

3 “(1) REQUIRED NOTICE.—At least 45 days be-
4 fore offering lands for lease under this section, and
5 at least 30 days before approving applications for
6 permits to drill under the provisions of a lease,
7 modifying the terms of any lease issued under this
8 section, or granting a waiver, exception, or modifica-
9 tion of any stipulation of a lease issued under this
10 section, the Secretary shall provide notice of the pro-
11 posed action to—

12 “(A) the general public by posting such no-
13 tice in the appropriate local office and on the
14 electronic website of the leasing and land man-
15 agement agencies offering the lands for lease;

16 “(B) all surface land owners in the area of
17 the lands being offered for lease; and

18 “(C) the holders of special recreation per-
19 mits for commercial use, competitive events,
20 and other organized activities on the lands
21 being offered for lease.

22 “(2) REQUIRED INFORMATION.—”.

23 (c) SURFACE OWNER PROTECTION.—Section 17 of
24 the Mineral Leasing Act (30 U.S.C. 226), is amended by
25 adding at the end the following:

1 “(r) POST-LEASE SURFACE USE AGREEMENT.—

2 “(1) IN GENERAL.—Except as provided in para-
3 graph (2), the Secretary may not authorize any op-
4 erator to conduct exploration and drilling operations
5 on lands with respect to which title to oil and gas
6 resources is held by the United States but title to
7 the surface estate is not held by the United States,
8 until the operator has filed with the Secretary a doc-
9 ument, signed by the operator and the surface owner
10 or owners, showing that the operator has secured a
11 written surface use agreement between the operator
12 and the surface owner or owners that meets the re-
13 quirements of subparagraph (B).

14 “(2) CONTENTS.—The surface use agreement
15 shall provide for—

16 “(A) the use of only such portion of the
17 surface estate as is reasonably necessary for ex-
18 ploration and drilling operations based on site-
19 specific conditions;

20 “(B) the accommodation of the surface es-
21 tate owner to the maximum extent practicable,
22 including the location, use, timing, and type of
23 exploration and drilling operations, consistent
24 with the operator’s right to develop the oil and
25 gas estate;

1 “(C) the reclamation of the site to a condi-
2 tion capable of supporting the uses which such
3 lands were capable of supporting prior to explo-
4 ration and drilling operations; and

5 “(D) compensation for damages as a result
6 of exploration and drilling operations, includ-
7 ing—

8 “(i) loss of income and increased costs
9 incurred;

10 “(ii) damage to or destruction of per-
11 sonal property, including crops, forage, and
12 livestock; and

13 “(iii) failure to reclaim the site in ac-
14 cordance with clause (iii).

15 “(3) PROCEDURE.—

16 “(A) NOTICE OF INTENT TO CONCLUDE
17 AGREEMENT.—An operator shall notify the sur-
18 face estate owner or owners of the operator’s
19 desire to conclude an agreement under this sec-
20 tion. If the surface estate owner and the oper-
21 ator do not reach an agreement within 90 days
22 after the operator has provided such notice, the
23 operator may submit the matter to third-party
24 arbitration for resolution within a period of 90

1 days. The cost of such arbitration shall be the
2 responsibility of the operator.

3 “(B) LIST OF ARBITRATORS.—The Sec-
4 retary shall identify persons with experience in
5 conducting arbitrations and shall make this in-
6 formation available to operators.

7 “(C) REFERRAL.—Referral of a matter for
8 arbitration by an operator to an arbitrator iden-
9 tified by the Secretary pursuant to clause (ii)
10 shall be sufficient to constitute compliance with
11 clause (i).

12 “(4) ATTORNEYS’ FEES.—If action is taken to
13 enforce or interpret any of the terms and conditions
14 contained in a surface use agreement, the prevailing
15 party shall be reimbursed by the other party for rea-
16 sonable attorneys’ fees and actual costs incurred, in
17 addition to any other relief which a court or arbitra-
18 tion panel may grant.

19 “(5) AUTHORIZED EXPLORATION AND DRILL-
20 ING OPERATIONS.—

21 “(A) AUTHORIZATION WITHOUT SURFACE
22 USE AGREEMENT.—The Secretary may author-
23 ize an operator to conduct exploration and drill-
24 ing operations on lands covered by paragraph

1 (1) in the absence of an agreement with the
2 surface estate owner or owners, if—

3 “(i) the Secretary makes a determina-
4 tion in writing that the operator made a
5 good faith attempt to conclude such an
6 agreement, including referral of the matter
7 to arbitration pursuant to paragraph
8 (1)(C), but that no agreement was con-
9 cluded within 90 days after the referral to
10 arbitration;

11 “(ii) the operator submits a plan of
12 operations that provides for the matters
13 specified in paragraph (1)(B) and for com-
14 pliance with all other applicable require-
15 ments of Federal and State law; and

16 “(iii) the operator posts a bond or
17 other financial assurance in an amount the
18 Secretary determines to be adequate to en-
19 sure compensation to the surface estate
20 owner for any damages to the site, in the
21 form of a surety bond, trust fund, letter of
22 credit, government security, certificate of
23 deposit, cash, or equivalent.

1 “(B) SURFACE OWNER PARTICIPATION.—

2 The Secretary shall provide surface estate own-
3 ers with an opportunity to—

4 “(i) comment on plans of operations
5 in advance of a determination of compli-
6 ance with this Act;

7 “(ii) participate in bond level deter-
8 minations and bond release proceedings
9 under this section;

10 “(iii) attend an on-site inspection dur-
11 ing such determinations and proceedings;

12 “(iv) file written objections to a pro-
13 posed bond release; and

14 “(v) request and participate in an on-
15 site inspection when they have reason to
16 believe there is a violation of the terms and
17 conditions of a plan of operations.

18 “(C) PAYMENT OF FINANCIAL GUAR-
19 ANTEE.—A surface estate owner with respect to
20 any land subject to a lease may petition the
21 Secretary for payment of all or any portion of
22 a bond or other financial assurance required
23 under this section as compensation for any
24 damages as a result of exploration and drilling
25 operations. Pursuant to such a petition, the

1 Secretary may use such bond or other guar-
2 antee to provide compensation to the surface es-
3 tate owner for such damages.

4 “(D) BOND RELEASE.—Upon request and
5 after inspection and opportunity for surface es-
6 tate owner review, the Secretary may release
7 the financial assurance required under this sec-
8 tion if the Secretary determines that explo-
9 ration and drilling operations are ended and all
10 damages have been fully compensated.

11 “(6) SURFACE OWNER NOTIFICATION.—The
12 Secretary shall notify surface estate owners in writ-
13 ing—

14 “(A) not less than 45 days before lease
15 sales;

16 “(B) of the identity of the lessee, not more
17 than 10 business days after a lease is issued;

18 “(C) concerning any subsequent request or
19 decision regarding a lease not more than 5
20 business days after such request or decision, in-
21 cluding regarding modification of a lease, waiv-
22 er of a stipulation, or approval of a right of
23 way; and

24 “(D) not more than 5 business days after
25 issuance of a drilling permit under a lease.”.

1 **SEC. 4. LEASE STIPULATIONS.**

2 (a) ENERGY POLICY ACT OF 2005.—Section
3 363(b)(3)(C) of the Energy Policy Act of 2005 (42 U.S.C.
4 15922(b)(3)(C)) is amended to read as follows:

5 “(C) adequately protective of the resource
6 for which the stipulations are applied;”.

7 (b) REVISION OF EXISTING MEMORANDUM.—Not
8 later than 180 days after the date of the enactment of
9 this Act the Secretary of the Interior and the Secretary
10 of Agriculture shall revise the memorandum of under-
11 standing under section 363(b)(3)(C) of the Energy Policy
12 Act of 2005 (42 U.S.C. 15922) in accordance with the
13 amendment made by subsection (a).

14 **SEC. 5. MASTER LEASING PLANS.**

15 Section 17(a) of the Mineral Leasing Act (30 U.S.C.
16 226(a)), as amended by section 2, is further amended by
17 adding at the end the following:

18 “(3) MASTER LEASING PLANS.—

19 “(A) IN GENERAL.—The Secretary may
20 adopt and implement a master leasing plan to
21 govern the issuance of oil and gas leases under
22 this Act for any Federal lands, in accordance
23 with Bureau of Land Management Instruction
24 Memorandum No. 2010–117, dated May 17,
25 2010, as in effect on April 24, 2017.

1 “(B) FACTORS AND CONSIDERATIONS.—In
2 deciding whether to adopt and implement a
3 master leasing plan, the Secretary—

4 “(i) shall consider the criteria set
5 forth in Bureau of Land Management In-
6 struction Memorandum No. 2010–117,
7 dated May 17, 2010, as in effect on April
8 24, 2017; and

9 “(ii) shall consider the benefits of
10 avoiding conflicts between mineral leasing
11 and other land uses, including conserva-
12 tion, recreation, and protection of cultural
13 and historic resources.

14 “(C) STATE REQUEST.—The Secretary
15 shall adopt and implement a master leasing
16 plan under subparagraph (A) applicable to
17 leases for Federal lands in a State or county of
18 a State, if requested by the government of such
19 State or county, respectively.

20 “(D) REQUEST BY AN INDIVIDUAL.—

21 “(i) IN GENERAL.—Any individual
22 who is a resident of a State or county of
23 a State may submit a petition to the Sec-
24 retary requesting that the Secretary adopt
25 and implement a master leasing plan under

1 subparagraph (A) applicable to the
2 issuance of leases for Federal lands in such
3 State or county, respectively.

4 “(ii) CONSIDERATION.—The Secretary
5 shall, not later than 60 days after receiving
6 such a petition, issue a determination of
7 whether or not the adoption and implemen-
8 tation of such a master leasing plan is ap-
9 propriate.”.

10 **SEC. 6. PARCEL REVIEW.**

11 Section 17(a) of the Mineral Leasing Act (30 U.S.C.
12 226(a)), as amended by sections 2 and 5 of this Act, is
13 further amended by adding at the end the following:

14 “(4) PARCEL REVIEW.—The Secretary shall
15 issue oil and gas leases under this Act only in ac-
16 cordance with subsections C through I of section III
17 of Bureau of Land Management Instruction Memo-
18 randum No. 2010–117, dated May 17, 2010, as in
19 effect on April 24, 2017.”.

20 **SEC. 7. ACREAGE LIMITATIONS.**

21 Section 27(d)(1) of the Mineral Leasing Act (30
22 U.S.C. 184(d)(1)) is amended by striking “, and acreage
23 under any lease any portion of which has been committed
24 to a federally approved unit or cooperative plan or
25 communitization agreement or for which royalty (includ-

1 ing compensatory royalty or royalty in-kind) was paid in
2 the preceding calendar year.”.

3 **SEC. 8. LAND MANAGEMENT.**

4 Section 17(g) of the Mineral Leasing Act (30 U.S.C.
5 226(g)), as amended by section 2(g) of this Act, is further
6 amended by adding at the end the following:

7 “(4) **MULTIPLE-USE MANAGEMENT.**—The Sec-
8 retary, and for National Forest lands, the Secretary
9 of Agriculture, shall manage lands that are subject
10 to an oil and gas lease under this Act in accordance
11 with the principles, policies, and requirements relat-
12 ing to multiple use under the Federal Land Policy
13 and Management Act of 1976 (43 U.S.C. 1701 et
14 seq.), until the beginning of operations on such
15 lease.”.

16 **SEC. 9. OIL SHALE.**

17 Section 21(a) of the Mineral Leasing Act (30 U.S.C.
18 241(a)) is amended—

19 (1) in paragraph (1), by striking “The Sec-
20 retary of the Interior” and inserting “Subject to
21 paragraph (6), the Secretary of the Interior”; and

22 (2) by adding at the end the following:

23 “(6) Beginning on the date of enactment of the
24 Restoring Community Input and Public Protections
25 in Oil and Gas Leasing Act of 2021, The Secretary

1 may not issue any lease for oil shale under this Act
2 before the date the Secretary issues a finding that
3 the technical and economic feasibility of development
4 of and production from such deposit has been dem-
5 onstrated under section 369 of the Energy Policy
6 Act of 2005 (42 U.S.C. 15927).”.

7 **SEC. 10. TRANSPARENCY IN MANAGEMENT OF LEASES.**

8 Section 17(a) of the Mineral Leasing Act (30 U.S.C.
9 226(a)), as amended by sections 2, 5, and 6 of this Act,
10 is further amended by adding at the end the following:

11 “(5) TRANSPARENCY IN MANAGEMENT OF
12 LEASES.—For each lease under this section, the Sec-
13 retary shall make available on a public website—

14 “(A) the identity of—

15 “(i) each person who is or has been a
16 lessee under the lease; and

17 “(ii) each person who is or has been
18 an operator under the lease;

19 “(B) notice of each transfer of the lease;
20 and

21 “(C) notice of each suspension of oper-
22 ations, each suspension of production, and each
23 suspension of operations and production.”.

1 **SEC. 11. LEASE CANCELLATION FOR IMPROPER ISSUANCE.**

2 Section 31(b) of the Mineral Leasing Act (30 U.S.C.
3 188(b)) is amended by inserting “if the lease was improv-
4 erly issued or” after “30 days notice”.

5 **SEC. 12. FEES FOR EXPRESSIONS OF INTEREST.**

6 (a) IN GENERAL.—The Secretary shall charge any
7 person who submits an expression of interest, as that term
8 is defined by the Secretary, a fee, in an amount deter-
9 mined by the Secretary under paragraph (2).

10 (b) AMOUNT.—The fee authorized under paragraph
11 (1) shall be established by the Secretary in an amount that
12 is determined by the Secretary to be appropriate to cover
13 the aggregate cost of processing an expression of interest
14 under this section, but not less than \$15 per acre of the
15 area covered by the applicable expression of interest.

16 (c) ADJUSTMENT OF FEES.—The Secretary shall, by
17 regulation at least every 4 years, establish a higher expres-
18 sion of interest fee—

19 (1) to reflect the change in the Consumer Price
20 Index for All Urban Consumers published by the
21 Bureau of Labor Statistics; and

22 (2) as the Secretary determines to be necessary
23 to enhance financial returns to the United States or
24 to promote more efficient management of oil and gas
25 resources on Federal land.

1 **SEC. 13. PROTECTION OF WATER RESOURCES.**

2 (a) MINERAL LEASING ACT REQUIREMENTS.—Sec-
3 tion 17 of the Mineral Leasing Act (30 U.S.C. 226) is
4 amended—

5 (1) in subsection (g) by striking “lands or sur-
6 face waters adversely” and inserting “surface or
7 ground waters or lands adversely”;

8 (2) by redesignating subsection (p) as sub-
9 section (q); and

10 (3) by inserting after subsection (o) the fol-
11 lowing:

12 “(p) WATER REQUIREMENTS.—

13 “(1) An operator producing oil or gas (includ-
14 ing coalbed methane) under a lease issued under this
15 Act shall—

16 “(A) replace the water supply of a water
17 user who obtains all or part of such user’s sup-
18 ply of water from an underground or surface
19 source that has been affected by contamination,
20 diminution, or interruption proximately result-
21 ing from drilling, fracking, or production oper-
22 ations for such production;

23 “(B) ensure that if a surface or ground
24 water source is affected by contamination, dimi-
25 nution, or interruption proximately resulting
26 from such production, best management prac-

1 tices and appropriately available technologies
2 are used to prevent, to the maximum extent
3 possible, the long-term or permanent degrada-
4 tion of the surface or ground water source; and

5 “(C) comply with all applicable require-
6 ments of Federal and State law with respect
7 to—

8 “(i) discharge of any water produced
9 under the lease; and

10 “(ii) activities that would divert or
11 otherwise alter a surface or ground water
12 source or lead to a discharge not covered
13 by clause (i).

14 “(2) An application for a permit to drill under
15 a lease under this Act shall be accompanied by a
16 proposed water management plan including provi-
17 sions to—

18 “(A) protect the quantity and quality of
19 surface and ground water systems, both on-site
20 and off-site, from adverse effects of the explo-
21 ration, development, and reclamation processes
22 or to provide alternative sources of water if
23 such protection cannot be assured;

24 “(B) protect the rights of present users of
25 water that would be affected by operations

1 under the lease, including the discharge of any
2 water produced in connection with such oper-
3 ations that is not reinjected; and

4 “(C) identify any agreements with other
5 parties for the beneficial use of produced waters
6 and the steps that will be taken to comply with
7 State and Federal laws related to such use.

8 “(3) The Secretary may not approve an applica-
9 tion if the Secretary determines that the applicant
10 did not submit a water management plan that meets
11 the requirements described in paragraph (2).”.

12 (b) RELATION TO STATE LAW.—Nothing in this sec-
13 tion or any amendment made by this section shall be con-
14 strued as—

15 (1) impairing or in any manner affecting any
16 right or jurisdiction of any State with respect to the
17 waters of such State; or

18 (2) limiting, altering, modifying, or amending
19 any of the interstate compacts or equitable appor-
20 tionment decrees that apportion water among and
21 between States.

22 **SEC. 14. FRACKING REGULATION ON FEDERAL LANDS.**

23 (a) IN GENERAL.—Not later than 1 year after the
24 date of enactment of this Act, the Secretary of the Inte-
25 rior, acting through the Bureau of Land Management,

1 shall issue regulations governing the use of hydraulic frac-
2 turing under oil and gas leases for Federal lands.

3 (b) INCLUDED PROVISIONS.—The regulations under
4 this section shall require—

5 (1) baseline water testing, the results of which
6 shall be posted on an appropriate internet website;
7 and

8 (2) public disclosure of each chemical used for
9 hydraulic fracturing on an appropriate internet
10 website.

11 (c) INTERIM APPLICATION OF PRIOR RULE.—The
12 final rule entitled “Oil and Gas; Hydraulic Fracturing on
13 Federal and Indian Lands”, as published in the Federal
14 Register March 26, 2015 (80 Fed. Reg. 16128), and cor-
15 rected by the rule published on March 30, 2015 (80 Fed.
16 Reg. 16577), shall apply until the effective date of a final
17 rule under subsection (a).

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