

Top Ten Ways the Federal Government is Preventing Onshore Oil and Natural Gas Production

Regulatory overreach and arbitrary delays are creating a situation in which oil and natural gas production on federal lands is not keeping pace with the huge boom on non-federal lands, thereby preventing investment, job creation and economic development across the West.

1. **Project Approvals:** Companies have proposed oil and natural gas projects on federal lands, but DOI is simply not approving the environmental analyses required before development can proceed. As of January 1, 2014, government delays of over three years on projects in just two states are preventing the creation of 78,987 jobs representing \$5 billion in wages and \$17.8 billion in economic impact annually.
2. **BLM Hydraulic Fracturing Rule:** BLM has proposed redundant fracturing regulations for development on federal and Indian lands. Western Energy Alliance estimates the rule will impose an annual cost to society of \$346 million.
3. **Endangered Species Act:** Per a settlement agreement with environmental groups, FWS must decide whether to list over 750 species over the next few years. Any one of these can prevent significant economic activity and add job-killing regulations, but the sheer volume of species will tie up companies and the government in bureaucracy for years to come.
4. **EPA Overreach:** EPA is imposing excessive regulations on oil and natural gas development and production, introducing high levels of uncertainty and diverting resources into non-productive regulation without commensurate environmental benefit.
5. **Permitting:** BLM takes 228 days on average to approve a drilling permit, compared to about 30 days for corresponding state permits. Depending on the field office, permits can take years. The uncertainty makes it extremely difficult to execute an efficient business plan of development.
6. **Ad Hoc Requirements:** BLM field offices arbitrarily add new requirements to permits and rights of way, and require producers to conduct new and redundant analysis without a basis in law or regulation. These arbitrary requirements can add months to permitting times.
7. **Reduced Leasing:** BLM policies introduced in 2010 have added three additional layers of analysis and regulation on top of the well-established leasing process. Delays have led to anemic lease sales, unissued and deferred leases, and cancelled sales.
8. **Deferred Leases:** DOI continues to defer nominated lease parcels from sale across the West, often for years, adding to the uncertainty of the entire federal onshore process.
9. **Indefinite Delays to Resource Management Plans (RMPs):** BLM will not make development decisions in areas where RMPs are being updated despite the fact that federal law stipulates that decisions be made according to existing RMPs. RMP updates routinely take at least five years, and BLM is currently updating 68 plans.
10. **Increased Taxes and Fees:** President Obama has proposed tax increases, higher royalty rates, and new public lands fees for oil and gas in each of his annual budgets, despite the fact that industry returns \$54.12 for every dollar spent by the government administering the onshore program. Uncertainty on higher costs deters operators from investing on public lands.