

DOC HASTINGS, WA
CHAIRMAN
DON YOUNG, AK
LOUIE GOHMERT, TX
ROB BISHOP, UT
DOUG LAMBORN, CO
ROBERT J. WITTMAN, VA
PAUL C. BROUN, GA
JOHN FLEMING, LA
TOM MCCLINTOCK, CA
GLENN THOMPSON, PA
CYNTHIA LUMMIS, WY
DAN BENISHEK, MI
JEFF DUNCAN, SC
SCOTT R. TIPTON, CO
PAUL A. GOSAR, AZ
RAUL R. LABRADOR, ID
STEVE SOUTHERLAND II, FL
BILL FLORES, TX
JON RUNYAN, NJ
MARKWAYNE MULLIN, OK
STEVE DAINES, MT
KEVIN CRAMER, ND
DOUG LAMALFA, CA
JASON SMITH, MO
VANCE MCALLISTER, LA
BRADLEY BYRNE, AL

TODD YOUNG
CHIEF OF STAFF

U.S. House of Representatives
Committee on Natural Resources
Washington, DC 20515

PETER A. DeFAZIO, OR
RANKING DEMOCRATIC MEMBER
ENI F.H. FALCONE, AS
FRANK PALLONE, JR., NJ
GRACE F. NAPOLITANO, CA
RUSH HOLT, NJ
RAUL M. GRIJALVA, AZ
MADELEINE Z. BORDALLO, GU
JIM COSTA, CA
GREGORIO KILILI CAMACHO SABLON, CNMI
NIKI TSONGAS, MA
PEDRO R. PIERLUISI, PR
COLLEEN W. HANABUSA, HI
TONY CÁRDENAS, CA
STEVEN HORSFORD, NV
JARED HUFFMAN, CA
RAUL RUIZ, CA
CAROL SHEA-PORTER, NH
ALAN LOWENTHAL, CA
JOE GARCIA, FL
MATTHEW CARTWRIGHT, PA
KATHERINE CLARK, MA

PENNY DODGE
DEMOCRATIC STAFF DIRECTOR

October 9, 2014

The Honorable Neil Kornze
Director
Bureau of Land Management
Department of the Interior
1849 C Street NW
Washington, DC 20240

Dear Director Kornze:

As stewards of America's public lands, it is our shared responsibility to ensure that the development of oil and gas resources from these lands is done in a safe and environmentally responsible manner that also provides a fair return to the American taxpayer. A recent report from the Department of the Interior's Office of the Inspector General (OIG) highlighted two illegal activities that threaten each of those goals: trespass and drilling without approval (DWOA).

With the industry's expansion of horizontal drilling techniques, the increasing levels of oil production on federal lands, and the checkerboard nature of land ownership in the West, there are many new opportunities for DWOA and trespass, which occur when companies produce Federal minerals without proper authorization, either intentionally or unintentionally. Both DWOA and trespass result in lost revenue for the taxpayers and potentially incomplete environmental reviews, making it important for BLM to have robust methods to ensure that DWOA and trespass do not take place. Unfortunately, the OIG found that is not the case.


The potential economic and environmental costs of DWOA and trespass can be substantial. The OIG report includes estimates of \$530,000 in lost royalties in North Dakota alone and \$4 million in damages to a wetland in Oklahoma. As you know, the BLM's ability to detect trespass or DWOA is limited, as means for discovery are unreliable and entrust reporting to the drilling entity. Additionally, there are few punitive measures that BLM can pursue for reported trespass or DWOA due to undefined authority and fines that are incommensurate with current well development expenses. Without strong enforcement regulations, there is little deterrent for future instances of trespass or DWOA.

While the OIG report highlights individual BLM field offices that have taken effective and commendable steps in the right direction, a consistent national policy with a robust enforcement mechanism should be strongly considered by BLM as a way to protect taxpayers and environmental resources across the nation.

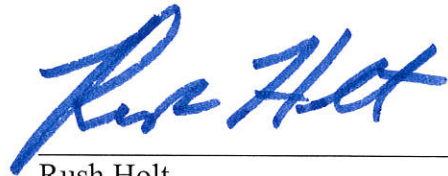
Understandably, your ability to properly guard against trespass and DWOA, while attempting to meet your other obligations related to the federal oil and gas program, such as inspecting all high-risk wells, is dependent on Congress providing adequate funding levels. Unfortunately, the BLM oil and gas program has been chronically underfunded, and the shortsightedness of the Majority in the House has caused them to reject commonsense revenue-raising proposals from your agency such as requiring industry, not taxpayers, to bear the cost of inspecting onshore oil and gas operations.

While we will continue to support your attempts to properly fund a modern and robust oil and gas oversight program, updating the onshore oil and gas management program to include well-defined policies and procedures to deal with trespass and DWOA is essential for maintaining the integrity of and full return on resources from Federal lands. We urge you to take the recommendations of the OIG seriously and enact strong and consistent policies that can help detect and deter trespass and DWOA. We also respectfully ask that you provide us with a copy of the written response to the report that you present to the OIG, as well as the status of any actions that have or will take place to address the OIG's recommendations.

Sincerely,



Peter A. DeFazio
Ranking Member
House Natural Resources Committee



Rush Holt
Ranking Member
Subcommittee on Energy and
Mineral Resources



Alan Lowenthal
Member of Congress



Jared Huffman
Member of Congress