

Congress of the United States
Washington, DC 20515

December 10, 2020

The Honorable David Bernhardt
Secretary of the Interior
1849 C Street, NW
Washington, D.C. 20240

Dear Secretary Bernhardt:

We are writing in regard to recent troubling lease sales by the Bureau of Land Management (BLM) to individuals with no apparent previous experience or history in energy development.¹ We have been deeply concerned that the Department of Interior has prioritized oil and gas lease sales in the middle of the COVID-19 pandemic and at a time when prices and demand have been at record lows. However, these concerns are heightened in light of recent reports that nearly half of the leases sold at recent BLM lease sales have been acquired by individuals who may be unqualified oil and gas speculators.

According to BLM records, beginning in August 2020, over 130 federal oil, gas, and geothermal leases across twelve states have been successfully bid and purchased by individuals in their own name. Several aspects of these recent activities are troubling and potentially unlawful. First and foremost, there is no prior record of these individuals, or a corporation they may be affiliated with, ever purchasing, owning, or operating a federal oil and gas lease. At least one of these individuals has publicly acknowledged that she has “no experience drilling for oil, isn’t working with partners and isn’t yet sure she can ever develop the leases”.² In the past, BLM has refused to issue leases to individuals who were unwilling or unable to develop leased tracts.³ Further, there are indications that some of these individuals may be foreign nationals. The Mineral Leasing Act (MLA) disqualifies non-US citizens from owning federal oil, gas, and geothermal leases in their own name.

It appears that the Department of Interior’s current process is not properly designed to identify and deter potentially unlawful or unqualified bids on federal oil and gas leasing. The Department of Interior must not move forward with future oil and gas lease sales unless it can guarantee that the entities and individuals successfully acquiring federal oil, gas, and geothermal leases are not speculators and are lawfully eligible to do so under the MLA. These lands belong to the American people and they are entitled to a fair return on the sales and development of these lands. Depressed oil prices and growing bankruptcies in the oil and gas industry have resulted in minimal returns to the American taxpayer from recent sales. For these reasons, we would strongly encourage you to reconsider moving forward with upcoming sales.

¹ Brian Maffly, *Who is Levi Sap Nei Thang and why is she buying up hundreds of oil and gas leases in Utah and across the West?*, Salt Lake Trib. (Oct. 12, 2020).

² Bobby Magill, *Desert Wildcatters Dream of Riches After Years of Dry Holes*, Bloomberg Law (Sept. 30, 2020).

³ Brian Maffly, *BLM pulls back oil and gas leases bought by Utah activist, author Terry Tempest Williams*, Salt Lake Trib. (Oct. 20, 2016).

In light of the concerns highlighted above, we request a response to the following questions by Thursday, December 31, 2020:

- What policies and procedures does BLM have in place to evaluate bidders and ensure that they are in compliance with the law, as well as with BLM's rules and policies? Specifically, does BLM have rules and policies in place that require some form of pre-screening of bidders and potential lessees to determine that they are not speculators and are able and willing to develop leased tracts?
- Has BLM independently investigated whether individual bidders who have successfully bid on leases in their own name since August 2020 are technically and economically capable of diligently developing their leases?
- Has BLM determined that all individual bidders who had successfully bid on leases in their own name since August 2020 are US citizens? Has BLM declined to issue leases to any of these individuals?
- Does BLM plan to conduct an audit of leases purchased by individual bidders and/or issued to determine if any or all of those leases should not be issued or cancelled, if already issued?

Thank you for your attention to this matter and your prompt response to these questions.

Sincerely,



Alan Lowenthal
Member of Congress

/s/
Nanette Diaz Barragán
Member of Congress

/s/
Kathy Castor
Member of Congress

/s/
Salud Carbajal
Member of Congress

/s/
Steve Cohen
Member of Congress

/s/
Gerald E. Connolly
Member of Congress

/s/
Diana DeGette
Member of Congress

/s/
Jesús G. "Chuy" García
Member of Congress

/s/
Deb Haaland
Member of Congress

/s/
Jared Huffman
Member of Congress

/s/
Mike Levin
Member of Congress

/s/
A. Donald McEachin
Member of Congress

/s/
James P. McGovern
Member of Congress

/s/
Grace F. Napolitano
Member of Congress

/s/
Katie Porter
Member of Congress

/s/
Nydia M. Velázquez
Member of Congress