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# RESOLUTION TO CONGRESS REGARDING OIL AND GAS DRILLING AND EXPLORATION

2005 GENERAL SESSION STATE OF UTAH

Chief Sponsor: Howard A. Stephenson

**House Sponsor: Bradley T. Johnson** 

Beverly Ann Evans Thomas V. Hatch

### LONG TITLE

# **General Description:**

This joint resolution urges Congress to address problems in the oil and gas drilling and exploration permit process.

# **Highlighted Provisions:**

This resolution:

▶ urges the United States Congress and Utah's congressional delegation to take legislative measures to address the more than 400 oil and gas leases that have been awarded in Utah by the Bureau of Land Management but not issued due to continuing litigation.

## **Special Clauses:**

None

Be it resolved by the Legislature of the state of Utah:

WHEREAS, significant reserves of oil have been discovered in Utah;

WHEREAS, many investors are working through the steps to obtain oil and gas leases from the Utah state office of the Bureau of Land Management;

WHEREAS, for all federal oil and gas leases sold in the state, 50 percent of the proceeds go to the state of Utah;

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WHEREAS, federal oil and gas lease sales for November 2003, totaled \$982,387; for February 2004, \$6,325,314; for June 2004, \$9,951,502; for September 2004, \$28,030,004; and for December 2004, \$521,916;

WHEREAS, although the September 2004 oil and gas lease sales were the largest in Utah in terms of acreage, roughly 190,000 acres were deferred or deleted from the sale when the Bureau of Land Management received new information on wilderness characteristics of the land;

WHEREAS, every parcel available as part of an oil or gas lease is scrutinized prior to the sale to determine if it can be offered in compliance with, among others, the National Environmental Policy Act, the Endangered Species Act, and the National Historic Preservation Act;

WHEREAS, to protect other resources, numerous stipulations and stringent requirements are placed on the oil and gas leases that are issued;

WHEREAS, currently over 400 oil and gas leases have been awarded but not yet issued because of litigation instigated by environmental groups;

WHEREAS, groups suing to halt the issuance of the awarded oil and gas leases are not parties to the sales of the oil and gas leases;

WHEREAS, much of the Bureau of Land Management's time is taken up with addressing protests of the sales of oil and gas leases;

WHEREAS, millions of dollars that could be invested in the state are being held pending the outcome of these lawsuits;

WHEREAS, individuals and companies who have purchased oil and gas leases in Utah or are contemplating a purchase are greatly concerned with how long their funds have remained tied up in a system that is not performing its intended purpose;

WHEREAS, protests should be addressed up to the time that the oil and gas leases are awarded, then should be restricted unless an error was made in the plain language of the lease; and

WHEREAS, unless concerns with the oil and gas lease process are resolved, many potential investors in Utah oil and gas leases will choose to do business in other states, costing

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the state much needed revenues:

NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah urges the United States Congress and the members of Utah's congressional delegation to take legislative steps necessary to address Utah's oil and gas drilling and exploration lease issuance problems.

BE IT FURTHER RESOLVED that the Legislature of the state of Utah urges that Congress and Utah's delegation act decisively to end the legal delays caused by individuals and groups who are not a party to the sale of an oil and gas lease.

BE IT FURTHER RESOLVED that a copy of this resolution be sent to the Majority Leader of the United States Senate, the Speaker of the United States House of Representatives, the Utah office of the Bureau of Land Management, and to the members of Utah's congressional delegation.