

1 **RESOLUTION TO CONGRESS REGARDING**
2 **OIL AND GAS DRILLING AND**
3 **EXPLORATION**

4 2005 GENERAL SESSION

5 STATE OF UTAH

6 **Sponsor: Howard A. Stephenson**

7 Beverly Ann Evans

Thomas V. Hatch

8
9 **LONG TITLE**

10 **General Description:**

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

13 **Highlighted Provisions:**

14 This resolution:

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

19 **Special Clauses:**

20 None

21
22 *Be it resolved by the Legislature of the state of Utah:*

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

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

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



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

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

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

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

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

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

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

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

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

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

55 WHEREAS, unless concerns with the oil and gas lease process are resolved, many
56 potential investors in Utah oil and gas leases will choose to do business in other states, costing
57 the state much needed revenues:

58 NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah

59 urges the United States Congress and the members of Utah's congressional delegation to take
60 legislative steps necessary to address Utah's oil and gas drilling and exploration lease issuance
61 problems.

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

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

Legislative Review Note
as of 1-10-05 10:08 AM

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

Office of Legislative Research and General Counsel

Fiscal Note
Bill Number SJR010

Resolution to Congress Regarding Oil and Gas Drilling and Exploration

27-Jan-05

11:08 AM

State Impact

Mailing requirements of this resolution can be handled within existing budgets.

Individual and Business Impact

No fiscal impact.

Office of the Legislative Fiscal Analyst