

116TH CONGRESS  
1ST SESSION

# H. R. 4346

To amend the Mineral Leasing Act to make certain adjustments to the regulation of surface-disturbing activities and to protect taxpayers from unduly bearing the reclamation costs of oil and gas development, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 17, 2019

Mr. LOWENTHAL introduced the following bill; which was referred to the Committee on Natural Resources

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## A BILL

To amend the Mineral Leasing Act to make certain adjustments to the regulation of surface-disturbing activities and to protect taxpayers from unduly bearing the reclamation costs of oil and gas development, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be referred to as the “Bonding Reform  
5 and Taxpayer Protection Act of 2019”.

1 **SEC. 2. SURFACE DISTURBANCE AND RECLAMATION.**

2 Section 17(g) of the Mineral Leasing Act (30 U.S.C.  
3 226(g)) is amended to read as follows:

4 “(g) BONDING REQUIREMENTS.—

5 “(1) DEFINITIONS.—In this subsection:

6 “(A) INTERIM RECLAMATION PLAN.—The  
7 term ‘Interim Reclamation Plan’ means an on-  
8 going plan specifying reclamation steps to be  
9 taken on all disturbed areas covered by any  
10 lease issued under this Act that are not needed  
11 for active operations.

12 “(B) FINAL RECLAMATION PLAN.—The  
13 term ‘Final Reclamation Plan’ means a plan  
14 describing all reclamation activity to be con-  
15 ducted for all disturbed areas, including loca-  
16 tions, facilities, trenches, rights-of-way, roads,  
17 and any other surface disturbance covered by a  
18 lease issued under this Act prior to final aban-  
19 donment.

20 “(2) IN GENERAL.—The Secretary of the Inte-  
21 rior, or with respect to National Forest lands, the  
22 Secretary of Agriculture, shall regulate all surface-  
23 disturbing activities conducted pursuant to any lease  
24 issued under this Act, and shall determine reclama-  
25 tion and other actions as required in the interest of  
26 conservation of surface resources.

1 “(3) RECLAMATION PLANS REQUIRED.—

2 “(A) ANALYSIS AND APPROVAL RE-  
3 QUIRED.—No permit to drill on an oil and gas  
4 lease issued under this Act may be granted  
5 without the analysis and approval by the Sec-  
6 retary concerned of both an interim reclamation  
7 plan and a final reclamation plan covering pro-  
8 posed surface-disturbing activities within the  
9 lease area.

10 “(B) PLANS OF OPERATIONS.—All Plans  
11 of Operations submitted and approved pursuant  
12 to this Act shall include an Interim Reclama-  
13 tion Plan.

14 “(C) SECRETARIAL REVIEW.—The relevant  
15 Secretary shall review each Interim Reclama-  
16 tion Plan at regular intervals and shall require  
17 such plans to be amended as warranted, subject  
18 to the approval of such Secretary.

19 “(4) BONDING.—

20 “(A) IN GENERAL.—The Secretary con-  
21 cerned shall, by regulation, require that an ade-  
22 quate bond, surety, or other financial arrange-  
23 ment will be established prior to the commence-  
24 ment of surface-disturbing activities on any  
25 lease, to ensure the complete and timely rec-

1           lamation of the lease tract, and the restoration  
2           of any lands or surface waters adversely af-  
3           fected by lease operations after the abandon-  
4           ment or cessation of oil and gas operations on  
5           the lease.

6           “(B) PROHIBITION.—The Secretary shall  
7           not issue or approve the assignment of any  
8           lease under the terms of this section to any per-  
9           son, association, corporation, or any subsidiary,  
10          affiliate, or person controlled by or under com-  
11          mon control with such person, association, or  
12          corporation, during any period in which, as de-  
13          termined by the relevant Secretary, such entity  
14          has failed or refused to comply in any material  
15          respect with the reclamation requirements and  
16          other standards established under this section  
17          for any prior lease to which such requirements  
18          and standards applied.

19          “(C) NOTICE AND OPPORTUNITY FOR COM-  
20          PLIANCE.—Prior to making such determination  
21          with respect to any such entity the concerned  
22          Secretary shall provide such entity with ade-  
23          quate notification and an opportunity to comply  
24          with such reclamation requirements and other  
25          standards and shall consider whether any ad-

1           ministrative or judicial appeal is pending. Once  
2           the entity has complied with the reclamation re-  
3           quirement or other standard concerned an oil or  
4           gas lease may be issued to such entity under  
5           this Act.

6           “(D) LIMITATION ON BONDS.—A bond,  
7           surety, or other financial arrangement described  
8           in subparagraph (A) shall not be adequate if it  
9           is less than—

10                   “(i) \$50,000 in the case of an ar-  
11                   rangement for an individual surface-dis-  
12                   turbing activity of an entity;

13                   “(ii) \$250,000 in the case of an ar-  
14                   rangement for all surface-disturbing activi-  
15                   ties of an entity in a State; or

16                   “(iii) \$1,000,000 in the case of an ar-  
17                   rangement for all surface-disturbing activi-  
18                   ties of an entity in the United States.

19           “(E) ADJUSTMENTS FOR INFLATION.—In  
20           the application of subparagraph (B), the Secre-  
21           taries concerned shall jointly at least once every  
22           three years adjust the dollar amounts in sub-  
23           paragraph (B) to account for inflation based on  
24           the Consumer Price Index for all urban con-  
25           sumer published by the Department of Labor.

1           “(5) STANDARDS.—The Secretary of the Inte-  
2           rior and the Secretary of Agriculture shall, by regu-  
3           lation, establish uniform standards for all Interim  
4           and Final Reclamation Plans. The goal of such  
5           plans shall be the restoration of the affected eco-  
6           system to a condition approximating or equal to that  
7           which existed prior to the surface disturbance. Such  
8           standards shall include restoration of natural vegeta-  
9           tion and hydrology, habitat restoration, salvage,  
10          storage and reuse of topsoils, erosion control, control  
11          of invasive species and noxious weeds and natural  
12          contouring.

13          “(6) MONITORING.—The Secretary concerned  
14          shall not approve final abandonment and shall not  
15          release any bond required by this Act until the  
16          standards and requirement for final reclamation es-  
17          tablished pursuant to this Act have been met.”.

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