



May 23, 2013

Mr. Neil Kornze
Principal Deputy Director
Bureau of Land Management
U.S. Department of the Interior
1849 C Street NW, Room 5665
Washington, DC 20240

RE: Oil and Gas; Hydraulic Fracturing on Federal and Indian Lands, RIN No. 1004-AE26

Dear Mr. Kornze:

I write to request an extension of the public comment period for the Bureau of Land Management's (BLM) draft rule to regulate hydraulic fracturing on federal and Indian Lands. The current 30 day comment period does not provide adequate time for the American people to properly comment on the proposed rule. Furthermore, there is no rush for the federal government to regulate. Hydraulic fracturing is already regulated in the states where it is occurring.

Hydraulic fracturing has been used safely on more than one million wells for over 60 years without one confirmed case of groundwater contamination. Interior Secretary Sally Jewell echoed this point recently when she remarked that "fracking has been done safely for decades."¹

In addition to the excellent safety record of hydraulic fracturing, its use on federal lands is already regulated by the states in which the wells are located. Many of those states require drilling companies to disclose the chemicals used in the extracting process. In 2012 alone, 19 states introduced at least 119 bills to address hydraulic fracturing.² At least nine states—Indiana, Maryland, New Jersey, North Carolina, Pennsylvania, South Dakota, Tennessee, Utah and Vermont—enacted legislation. Adding a federal layer of bureaucracy is unnecessary, duplicative, and will only slow domestic oil and natural gas production.

As you know, technological advances in hydraulic fracturing and horizontal drilling have unlocked previously unavailable energy resources, leading to the greatest boom in oil and gas production in U.S. history. But due to federal regulations, this oil and natural gas boom is not occurring on federal lands, but instead on private and state lands.³ According to a recent report from the Congressional Research Service, from 2007 through 2012, oil production fell 4 percent and natural gas production fell 33 percent on federal lands.⁴ Over the same time period, oil production grew by 35 percent and natural gas production grew by 40 percent.

This increase on production on private and state land is not luck, but the result of federal red tape. For example, in 2012 it took an average of 228 days for the BLM to process a permit to drill on federal lands, compared to 10 days for North Dakota, 14 days for Ohio, and 27 days for Colorado to process similar permits to drill on state lands.⁵ Imposing

duplicative federal mandates on hydraulic fracturing would cause further delays in processing permits and further curtail oil and natural gas development on federal lands.

Instead of erecting regulatory roadblocks to energy development, a recent study by the Institute for Energy Research finds enormous economic benefits to opening federal lands to oil and natural gas exploration.⁶ Specifically, unlocking federal lands would generate \$11.7 billion per year in federal leasing revenue for the first seven years and \$13.5 billion annually after that, for a cumulative \$2.7 trillion increase in federal tax revenues over thirty-seven years. Such a policy would also create 552,000 jobs annually over the next seven years and almost 2 million jobs annually after that for the next thirty years.

Given the impressive safety record of hydraulic fracturing and state-level regulations already in place, it makes little sense to rush duplicative and unnecessary rules. BLM should extend its public comment period to at least 90 days to ensure a thoughtful and fact-based consideration of the proposed rule.

Sincerely,



Thomas J. Pyle
President
Institute for Energy Research

CC: Office of Management and Budget, Desk Officer for Interior

¹ The Hill, "Obama administration unveils fracking rules," May 16, 2013,

<http://thehill.com/blogs/e2-wire/e2-wire/300231-interior-to-unveil-revised-draft-fracking-rules>.

² National Conference of State Legislatures, "Natural Gas Development and Hydraulic Fracturing: A Policymaker's Guide," June 2012, http://www.ncsl.org/documents/energy/frackingguide_060512.pdf.

³ Institute for Energy Research, "U.S. Oil Production Up, But On Whose Lands?," Sept. 24, 2012, <http://www.instituteforenergyresearch.org/2012/09/24/u-s-oil-production-up-but-on-whose-lands-2/>

⁴ Marc Humphries, U.S. Crude Oil and Natural Gas Production in Federal and Non-Federal Areas, Feb. 28, 2013, <http://www.instituteforenergyresearch.org/wp-content/uploads/2013/03/CRS-report-on-oil-and-nat-gas-on-federal-lands.pdf>.

⁵ Department of Interior, Bureau of Land Management, "Oil & Gas Statistics," http://www.blm.gov/wo/st/en/prog/energy/oil_and_gas/statistics.html.

⁶ Institute for Energy Research, "Beyond the Congressional Budget Office: The Additional Economic Effects of Immediately Opening Federal Lands to Oil and Gas Leasing," Feb. 2013, http://www.instituteforenergyresearch.org/wp-content/uploads/2013/02/IER_Mason_ExecSum_V1_NoEMB.pdf.