



# THE COMMITTEE ON ENERGY AND COMMERCE

## MEMORANDUM

July 31, 2012

TO: Members, Subcommittee on Energy and Power

FROM: Committee Staff

RE: Hearing on “The American Energy Initiative”

On Thursday, August 2, 2012, at 9:00 a.m. in room 2123 of the Rayburn House Office Building, the Subcommittee on Energy and Power will hold the twenty-seventh day of a multi-day hearing entitled “The American Energy Initiative.” This day of the hearing will focus on differences for energy development on Federal vs. non-Federal lands, in particular the development of oil and gas resources.

### I. WITNESSES

#### Panel 1

Mr. Michael D. Nedd  
Ass't. Director, Minerals and Realty Management  
Bureau of Land Management

Ms. Mary Wagner  
Associate Chief  
U.S. Forest Service

Mr. Adam Sieminski  
Administrator  
U.S. Energy Information Administration

#### Panel 2

Mr. Thomas Clements  
Owner  
Oilfield CNC Machining, LLC

Mr. Corey Fisher  
Assistant Energy Director  
Sportsmen's Conservation Project  
Trout Unlimited

Ms. Christy Goldfuss  
Director, Public Lands Project  
Center for American Progress

Mr. Lynn D. Helms  
Director  
North Dakota Department of Mineral Resources

Ms. Kathleen M. Sgamma  
Vice President, Government and Public Affairs  
Western Energy Alliance

Mr. Dan Sullivan  
Commissioner  
Alaska Department of Natural Resources

Mr. Reed F. Williams  
President  
WillSource Enterprise, LLC

## **II. BACKGROUND**

According to data provided by the Energy Information Administration, domestic oil production in the U.S. has increased every year since 2008.<sup>1</sup> However, the vast majority of this increase in production has taken place on non-Federal lands. According to an analysis by the Congressional Research Service, since 2007 about 96 percent of the increase in oil production has taken place on non-Federal lands.<sup>2</sup> In 2011 oil production on Federal lands dropped by an average of 275,000 barrels per day from the previous year, a 14 percent decrease.

Former Bureau of Land Management (BLM) Director Bob Abbey acknowledged at a March 2012 Senate hearing that there is an ongoing migration of drill rigs moving from Federal to non-Federal lands. He stated that the decision to move to non-Federal lands was an economic decision based in part on less burdensome regulations and shorter permitting times.<sup>3</sup>

States able to fully develop non-Federal domain oil and gas resources have seen an economic boom. North Dakota, with the development of the Bakken formation, is a prime example of what development can bring. The current unemployment rate in North Dakota is 3 percent, the lowest of all 50 States.

## **III. ISSUES**

The following issues are expected to be examined at the hearing:

- What are the current oil and gas development trends in the U.S. for both Federal and non-Federal lands?
- What are the differences in developing oil and gas resources on Federal vs. non-Federal lands and how are these contributing to production trends?
- What are the economic impacts from developing or not developing domestic oil and gas resources?

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<sup>1</sup> U.S. Production of Crude Oil

(<http://www.eia.gov/dnav/pet/hist/LeafHandler.ashx?n=PET&s=MCRFPUS1&f=A>).

<sup>2</sup> Humphries, M. (March 2004). *U.S. Crude Oil Production in Federal and Non-Federal Areas*. Washington, DC: Congressional Research Service.

<sup>3</sup> <http://www.appropriations.senate.gov/webcasts.cfm?method=webcasts.view&id=b17d74eb-9bda-401a-af96-0058350039d5>.

**IV. STAFF CONTACT**

If you have any questions regarding the hearing, please contact Committee staff Jason Knox at (202) 225-2927.