

Bill Would Push for End to “Squatting” Practices by Oil Companies; DOI Secretary Says He Supports

WASHINGTON (March 3, 2011) – Two Democratic Congressmen will today introduce legislation that would compel oil and gas companies to produce on the drilling leases they already own, instead of continuing the practice by the oil and gas industry to “squat” on their leased lands without producing. The legislation, the United States Exploration on Idle Tracts Act, or USE IT, is authored by Reps. Edward J. Markey (D-Mass.), the top Democrat on the Natural Resources Committee, and Rush Holt (D-N.J.), the Ranking Member on the Subcommittee on Energy and Mineral Resources.

Oil companies currently hold 80 million acres under lease, yet the oil and gas industry is only producing on 19.5 million of those acres. Last year, the Bureau of Land Management issued 4,090 permits to drill, but operations began on only 1,480 of those permits.

The USE IT legislation would impose an escalating fee on the oil and gas companies who continue to squat on these drilling leases without producing. The fees would then be sent back to the U.S. Treasury for deficit reduction purposes.

Today, during a hearing before the Natural Resources Committee, Secretary Ken Salazar of the Department of Interior said the Obama administration would support such legislation. Several states have already instituted such a program for drilling governed by those states.

“Oil companies and their allies in Congress plead for more places to drill, but continue to squat on lands they already own without producing,” said Rep. Markey. “Especially during a time of high prices, oil companies should produce on the lands they already own. It’s like at the dinner table: clean your plate first, then you get dessert.”

“If the House majority is going to continue to insist on ‘drill, baby, drill’ – including on public lands – then we should agree that oil companies should pay for the lands that they are leasing but not producing on. The American people deserve a return on the lands that big oil and gas are holding hostage, and this bill would ensure they do so,” said Rep. Holt.

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