

**Spur Permitting of Underdeveloped Resources  
(SPUR Act)  
Section-by-Section**

**Title I – Oil and Gas Leasing and Permitting**

**Subtitle A – Onshore and Offshore Oil and Gas Leasing**

Section 1101. *Onshore Oil and Gas Leasing.*

Subsection (a) provides definitions for the section.

Subsection (b)(1) declares that it is in the national interest for the Secretary of the Interior to expeditiously resume quarterly onshore oil and gas lease sales.

Subsection (b)(2) requires the Secretary of the Interior to immediately resume quarterly onshore oil and gas lease sales.

Subsection (b)(3) allows the Secretary to lower the royalty rate for a lease sale in the next five years to 12.5% upon a determination that it is in the national interest.

Subsection (b)(4) requires the Secretary to offer no less than 25% of all nominated parcels in each field office at every quarterly sale. This subsection also requires every sale to include parcels from more than one field office in the state.

Subsection (b)(5) requires a replacement sale within 180 days for every sale that is canceled or deferred.

Subsection (c)(1)(A) updates the terms under which the Secretary must lease federal lands and clarifies the effects of pending litigation on oil and gas leases and permits.

Section 1102. *Offshore Oil and Gas Leasing.*

Subsection (a) requires the Secretary to approve a final 2023-2028 offshore oil and gas leasing program no later than September 30, 2023. The final plan shall include no fewer than 11 lease sales in the Central and Western Gulf of Mexico and offshore Alaska. This subsection also allows the Secretary to lower the royalty rate for the next five years to 12.5% upon a determination that it is in the national interest.

Subsection (b) requires the Secretary to begin preparing the 2029-2034 leasing program no later than three years after the first sale is conducted under the 2023-2028 plan. Each

subsequent program shall include no fewer than 5 sales in the Central and Western Gulf of Mexico and offshore Alaska.

Subsection (c)(1) updates the conditions under which the Secretary can cancel an individual lease. It makes clear that pending litigation under NEPA is not one of those conditions.

Subsection (c)(2) issues conforming amendments to the Outer Continental Shelf Lands Act.

Subsection (d) clarifies that pending litigation against an oil and gas lease sale does not impact the validity of individual leases and permits issued pursuant to the results of that sale. This subsection also directs a federal court that finds a lease sale is in violation of NEPA to remand the sale to the Secretary for further environmental review, rather than vacating the sale. This subsection also requires the Secretary to notify leaseholders within 60 days if their leases become subject to litigation.

Section 1103. *Prohibition on delays.* This section prohibits the President from impeding the federal oil and gas leasing process through executive order or regulation without congressional approval.

## **Subtitle B – Permitting of Federal Oil and Gas Minerals**

Section 1201. *Term of application for permit to drill.* This section declares that approved permits are valid for a 4-year period, rather than the current 2-year period.

Section 1202. *Cooperative federalism in oil and gas permitting on available Federal land.*

Subsection (a) amends the Mineral Leasing Act to allow the Secretary to delegate permitting and enforcement authority on federal lands to a state that submits its permitting program for approval; outline the requirements for the permitting program and the Secretary's approval process; allow the applicable state, and not the Secretary, to collect a fee for processing permits; and allow for the termination of the delegated authority and an appeal of a denied application.

Section 1203. *Split estate permitting compliance.* This section exempts some oil and gas operations on state and private surface estate from federal permitting. The operations will be exempt if the federal government holds less than a 50% interest in the subsurface mineral estate.

Section 1204. *Fee-fee-fed permitting compliance.* This section grants a categorical exclusion for wells that are drilled into both non-federal and federal mineral estates from a non-federal surface estate. This section also prohibits the Secretary from imposing mitigation and bonding

requirements for surface disturbance on non-federal lands. It also prohibits the Secretary from entering those lands without landowner consent.

Section 1205. *State and Tribal authority for hydraulic fracturing regulations.* This section grants states and tribes primacy over regulations, guidance, and permitting for hydraulic fracturing.

### **Subtitle C – Liquefied Natural Gas Exports**

Section 1301. *Action on applications to export liquefied natural gas.*

Subsection (a) provides definitions for the section.

Subsections (b) and (c) require the Secretary of Energy to issue a final decision on an application to build or expand a liquefied natural gas (LNG) export facility within 45 days of the Federal Energy Regulatory Commission and/or the United States Maritime Administration issuing their final approval for the project.

Subsection (d) provides that a failure to meet the 45-day deadline results in the project being deemed approved.

Subsection (e) requires expedited judicial review of litigation challenging an approval under this section. This subsection also directs that all such litigation will occur in the appeals court where the project will be or is located.

Section 1302. *Small scale LNG access.* This section deems exports of liquefied natural gas less than 51.75 billion cubic feet per year to be in the public interest.

## **Title II – Mineral Leasing and Permitting**

Section 2001. *Land use plan criteria under the Federal Land Policy and Management Act of 1976.* Requires a review of the minerals present on federal lands in updates of land use plans.

Section 2002. *Congressional approval of withdrawals under the Land Policy and Management Act of 1976.* Requires congressional approval of any mineral withdrawal in excess of 5,000 acres.

Section 2003. *Prohibition of certain moratoria.* Prohibits the Secretary of the Interior from declaring a moratorium on issuing leases, claims, or permits on federal lands and waters for mining or mining related activities. Prohibits the President, the Secretary of the Interior, or the Secretary of Agriculture from rescinding any lease, permit, or claim for the mining and extraction of any mineral on National Forest System or Bureau of Land Management (BLM) land unless authorized specifically by Congress, or the lessee, permittee, or claimant fails to comply with a provision of their lease, permit, or claim.

Section 2004. *Prohibition of the establishment of new categories of Federal land designations by the heads of Federal land management agencies.* Permits only Congress to establish new categories of federal land designations through federal statute.

Section 2005. *Coal leases on Federal land.* Lifts the 2016 leasing moratorium for thermal coal on federal lands by deeming the Bureau of Land Management’s environmental assessment as satisfactory under the National Environmental Policy Act (NEPA) for the issuance of new coal leases. Directs the Secretary to offer lands for coal leasing within 90 days of a request by a qualified applicant and requires the Secretary to complete the fair market value assessment for a coal lease within 45 days.

Section 2006. *Modification to definitions of critical material and critical mineral and critical mineral designation criteria.* Modifies the term “fuel mineral” in the definition of “critical mineral” to allow uranium to be considered as a critical mineral (as long as it meets the other statutory requirements). Directs the U.S. Geological Survey to consider projected declines in U.S. production of a mineral when evaluating whether a mineral should be considered a “critical mineral.”

Section 2007. *Permitting process improvements.* Amends the Infrastructure Investment and Jobs Act to allow all minerals, regardless of their status as a “critical mineral,” to benefit from streamlined permitting provisions. Requires an Environmental Impact Statement (EIS) under NEPA to be completed within 2 years and an Environmental Assessment (EA) under NEPA to be completed within 1 year. Requires all authorizations required under any other federal law to be issued no later than 90 days after an EIS or EA is published in the Federal Register. Allows exploration activities that disturb 5 acres or less of U.S. Forest Service (USFS) land to move forward under a notice-level operation, which would expedite the review to 15 days or less; this change would align USFS with current BLM policy. Allows mining claims on federal lands to be used for ancillary mining activities regardless of whether a mineral deposit has been identified. Requires lawsuits against mining project permits and licenses to be filed within 60 days. Prevents mine permits from being vacated unless a court determines the mining activity will result in imminent and substantial environmental harm.

### **Title III – Federal Energy Regulatory Commission**

Section 3001. *Tariff reforms, rate treatments, and rulemaking to ensure the reliability and security of electric service and interstate natural gas service.* Requires the Federal Energy Regulatory Commission (FERC) to adopt tariff provisions and rate treatments, and establish separately, by rule, additional reforms that are necessary to protect the adequacy, affordability, reliability, and security of the supply and delivery of (i) electricity, including attributes of electric supply that enhance the continuance or prompt resumption of the supply or delivery of electricity, and (ii) natural gas by interstate natural gas pipelines.

Sections 3002 and 3003. *Federal authorizations under the Natural Gas Act and Federal Power Act.* Each section provides for FERC, when conducting reviews under the National Environmental Policy Act (NEPA) relating to any authorization under the Natural Gas Act (NGA) (section 3002) or Federal Power Act (FPA) (section 3003), a definition of “effects.” Each section requires FERC to consider “effects” to mean physical changes to the human environment as the result of a federal action that meet clear criteria. Each section also prohibits FERC from considering in its review “social cost metrics” that purport to estimate monetized damages or benefits associated with incremental increases or decreases in greenhouse gas emissions.

Section 3004. *Promoting interagency coordination for review of natural gas projects.* Reinforces FERC’s role as lead agency for NEPA reviews by allowing FERC to identify and coordinate with relevant agencies and states that have an interest in the project. Also ensures that a state’s concerns with the impacts of a natural gas project on water quality are considered within FERC’s NEPA review.

Section 3005. *Coordination process to protect electric reliability.* Requires the Electric Reliability Organization (ERO) certified by FERC under the FPA (currently the North American Electric Reliability Corporation), at the request of a state, FERC, or the principal officer of a federal agency (agency head) to consider the impact of an “identified agency proposal” that is likely to have a significant negative impact on the reliability or adequacy of the bulk power system in North America. Requires FERC, in consultation with the ERO, to provide comments on the identified agency proposal to the agency head. Finally, requires the agency head to respond in writing to FERC’s comments prior to the time that the identified agency proposal is made final.

Section 3006. *Addressing inaction by Commission on certain electric rate filings.* Restores regulatory certainty in situations where FERC is unable to act on a rate filed under Section 205 of the FPA because of vacancy, incapacity, recusal, or a lack of a quorum. Requires the Secretary of the Commission to issue a notice that the rate change at issue is rejected by operation of law 60 days after filing if any one of the conditions outlined is present. Reforms a recent amendment to section 205 of the FPA adopted as the “Fair Rates Act.”

Section 3007 and Section 3008. *Tolling order reforms for the Natural Gas Act and Federal Power Act.* These sections, which mirror one another, amend the NGA and FPA, respectively. Each section extends the statutory deadline for FERC to issue an order reconsidering (“rehearing”) a prior order from 30 days to 60 days. In a recent case, the United States Court of Appeals for the District of Columbia Circuit ruled that FERC’s practice of going beyond the statutory deadline of 30 days by issuing “tolling orders” violated the FPA. Section 3007 and section 3008 each address FERC’s often well-founded need for more time by extending the deadline for FERC to rule on a request for reconsideration.

Section 3009. *De novo review of civil penalties under the Natural Gas Act.* This section amends the NGA to require that civil penalties for violations of the Act assessed by FERC be subject to judicial review according to the same procedure and under the same standards as are civil penalties for violations of the FPA. Under the FPA, civil penalties are subject to de novo review of the law and facts in federal court.

Section 3010. *Extension of time to commence construction of certain hydropower projects.* Provides FERC with authority to extend the time a licensee of a hydropower project with respect to which FERC issued a license before March 13, 2020, has to start constructing the project by 4 years from the current 8 years.

Section 3011. *Judicial review.* Amends the NGA to require remand of certain orders of administrative agencies other than FERC when such an order is not supported by clear and convincing evidence.

Section 3012. *Approval for border-crossing facilities.* Transfers the approval authority from the U.S. Department of State to FERC for cross-border oil pipelines while retaining FERC authority over cross-border natural gas pipelines. Modifies the Department of Energy's (DOE) authority over cross-border electrical transmission facilities to ensure compliance with electric reliability standards. Also imposes a 90-day time limit on FERC and DOE either to issue a certificate of crossing or deny a project approval following completion of the NEPA process.

## **Title IV – Other Natural Resources**

### Section 4001. *Root and stem projects.*

Subsection (a) defines key terms used in the bill.

Subsection (b) requires the U.S. Forest Service (USFS) and the Bureau of Land Management (BLM) to maintain a list of non-federal third-party contractors that can be hired in each state to complete the National Environmental Policy Act (NEPA) reviews, and also directs the agencies to send this list to Congress within 6 months of enactment and every three years thereafter.

Subsection (c) states that if a person proposes a stewardship contract project on federal land, and that project is developed through a collaborative process, then USFS or BLM may enter into an agreement under which the person provides upfront funding for a third-party contractor to carry out the environmental review for the project. If the relevant agency decides ultimately to proceed with the project, the agency must solicit bids to carry out the project and use any available receipts generated by the project to repay the person who provided the upfront funding for the environmental analysis performed by the third-party contractor.

Subsection (d) states that any receipts generated by the project that are typically deposited into the Treasury will be available, without further appropriation or fiscal year limitation, to reimburse the person who provides upfront funding for the project. This section also states that the Secretary of Agriculture and the Secretary of the Interior may noncompetitively hire third-party contractors included on the list required by subsection (b) to conduct the necessary environmental reviews for the project.

Subsection (e) clarifies that USFS and BLM must still determine the sufficiency of any NEPA documents prepared by the third-party contractor and must still authorize a project to proceed. This subsection also requires the relevant agency to verify that there are no conflicts of interest between the person that submits the project proposal and the third-party contractor that is hired to prepare the NEPA documents. USFS and BLM are prohibited from using any of the funding provided by the person for administrative costs. Lastly, this subsection clarifies that agencies can only provide reimbursement to the person to the extent sufficient receipts are available from the project.

Subsection (f) requires USFS and BLM within 60 days of enactment to provide guidance on the use of this authority to local field offices.

Subsection (g) states that if there is civil action associated with a project, any person that participated in the collaborative process to develop the project may intervene in any subsequent civil action and may participate fully in any settlement negotiation.

Subsection (h) provides that the requirements and authority to enter into agreements expires on January 1, 2033.

Section 4002. *Consultation under certain land and resource management plans and land use plans.* This section amends the Forest and Rangeland Renewable Resources Planning Act of 1974 and the Federal Land Policy and Management Act of 1976 in a manner that reverses the decision by the United States Court of Appeals for the Ninth Circuit in *Cottonwood Environmental Law Center v. U.S. Forest Service* (2015). This decision opened the door to recurring litigation against vital forest management and wildfire mitigation projects.

Section 4003. *Renewal term of grazing permits or leases.* This section would change the current ten-year renewal term and allow for the renewal of grazing permits and leases for up to 20 years, when certain criteria and conditions are met.

Section 4004. *Renewal of grazing permits and leases and certain actions during extreme natural events and disasters.* This section categorically excludes under NEPA the renewal of grazing permits under certain conditions, including if the applicable permittee or lease is in compliance with terms and conditions, and if the permit or lease is consistent or substantially consistent with the use authorized. In addition, this section categorically excludes under NEPA the temporary use of vacant allotments or other minor adjustments in terms and conditions of a permit or lease necessary to respond and adapt to resource conditions during unforeseen events. The use of a categorical exclusion in these instances would apply under certain considerations and factors including whether the permit holder is in compliance with terms and conditions of an original permit.

Section 4005. *Withdrawal of BLM proposed rule.* This section requires the director of BLM to withdraw the proposed rule entitled, “Conservation and Landscape Health” and prohibits the Director from finalizing, implementing, or enforcing the proposed rule or any substantially similar rule.