Current DOI Authority Governing Onshore Oil & Gas Lease Sales

Section 50101 of the budget reconciliation bill passed in July 2025 incorporated changes to both the Mineral Leasing Act, which governs the onshore oil and gas leasing process, and other aspects of the manner in which the Department of the Interior, through the Bureau of Land Management, conducts onshore oil and gas lease sales, including by repealing reforms put in place by the Inflation Reduction Act that were intended to improve returns to taxpayers and reduce speculation.

Most relevant links and information :

- Relevant provisions of Mineral Leasing Act, 30 U.S.C. § 226
    - Address requirements for quarterly lease sales; limits terms of leases to those set out in land use plans; requires parcels be made available within 18 months of nominations; defines eligible (not otherwise exclude) and available (open in land use plan) lands; sets out minimum bids, rentals and royalty rates; competitive and non-competitive sales; prohibition on leasing Forest Service lands over USDA objection; sets term of permits to drill at 4 years.
- BLM oil and gas leasing regulations, 43 C.F.R. § 3100
    - Address minimum bonding levels, requirements for public involvement and scoping, NEPA (including application of preference criteria), protest procedures for oil and gas lease sales.
- BLM Instruction Memorandum No. 2025-028 (Oil and Gas Leasing – Land Use Planning and Lease Parcel Reviews)
    - Incorporates process from oil and gas leasing regulations; provides for deferral; reiterates need to comply with National Historic Preservation Act and Endangered Species Act as part of lease sale process.
- Relevant portions of Section 50101 of the July 2025 budget reconciliation bill

SEC. 50101. ONSHORE OIL AND GAS LEASING.

(a) Repeal of Inflation Reduction Act Provisions.--

(1) Onshore oil and gas royalty rates.--Subsection (a) of section 50262 of Public Law 117-169 (136 Stat. 2056) is repealed, and any provision of law amended or repealed by that subsection is restored or revived as if that subsection had not been enacted into law.

(2) Noncompetitive leasing.--Subsection (e) of section 50262 of Public Law 117-169 (136 Stat. 2057) is repealed, and any provision of law amended or repealed by that subsection is restored or revived as if that subsection had not been enacted into law.

(b) Requirement to Immediately Resume Onshore Oil and Gas Lease Sales.--

(1) In general.--The Secretary of the Interior shall immediately resume quarterly onshore oil and gas lease sales in compliance with the Mineral Leasing Act (30 U.S.C. 181 et seq.).

(2) Requirement.--The Secretary of the Interior shall ensure--

(A) that any oil and gas lease sale required under paragraph (1) is conducted immediately on completion of all applicable scoping, public comment, and environmental analysis requirements under the Mineral Leasing Act (30 U.S.C. 181 et seq.) and the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.); and

(B) that the processes described in subparagraph (A) are conducted in a timely manner to ensure compliance with subsection (b)(1).

(3) Lease of oil and gas lands.--Section 17(b)(1)(A) of the Mineral Leasing Act (30 U.S.C. 226(b)(1)(A)), as amended by subsection (a), is amended by inserting ` `For purposes of the previous sentence, the term `eligible lands' means all lands that are subject to leasing under this Act and are not excluded from leasing by a statutory prohibition, and the term `available', with respect to eligible lands, means those lands that have been designated as open for leasing under a land use plan developed under section 202 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1712) and that have been nominated for leasing through the submission of an expression of interest, are subject to drainage in the absence of leasing, or are otherwise designated as available pursuant to regulations adopted by the Secretary.'' after `sales are necessary.''.

(c) Quarterly Lease Sales.--

(1) In general.--In accordance with the Mineral Leasing Act (30 U.S.C. 181 et seq.), each fiscal year, the Secretary of the Interior shall conduct a minimum of 4 oil and gas lease sales of available land in each of the following States:

(A) Wyoming.

(B) New Mexico.

(C) Colorado.

(D) Utah.

(E) Montana.

(F) North Dakota.

(G) Oklahoma.

(H) Nevada.

(I) Alaska.

(2) Requirement.--In conducting a lease sale under paragraph (1) in a State described in that paragraph, the Secretary of the Interior--

(A) shall offer not less than 50 percent of available parcels nominated for oil and gas development under the applicable resource management plan in effect for relevant Bureau of Land Management resource management areas within the applicable State; and

(B) shall not restrict the parcels offered to 1 Bureau of Land Management field office within the applicable State unless all nominated parcels are located within the same Bureau of Land Management field office.

(3) Replacement sales.--The Secretary of the Interior shall conduct a replacement sale during the same fiscal year if--

(A) a lease sale under paragraph (1) is canceled, delayed, or deferred, including for a lack of eligible parcels; or

(B) during a lease sale under paragraph (1) the percentage of acreage that does not receive a bid is equal to or greater than 25 percent of the acreage offered.

(d) Mineral Leasing Act Reforms.--Section 17 of the Mineral Leasing Act (30 U.S.C. 226), as amended by subsection (a), is amended--

(1) by striking the section designation and all that follows through the end of subsection (a) and inserting the following:

``SEC. 17. LEASING OF OIL AND GAS PARCELS.

``(a) Leasing Authorized.--

``(1) In general.--Any parcel of land subject to disposition under this Act that is known or believed to contain oil or gas deposits shall be made available for leasing, subject to paragraph (2), by the Secretary of the Interior, not later than 18 months after the date of receipt by the Secretary of an expression of interest in leasing the applicable parcel of land available for disposition under this section, if the Secretary determines that the parcel of land is open to oil or gas leasing under the approved resource management plan applicable to the planning area in which the parcel of land is located that is in effect on the date on which the expression of interest was submitted to the Secretary (referred to in this subsection as the `approved resource management plan').

` ` (2) Resource management plans.--

` ` (A) Lease terms and conditions.--A lease issued by the Secretary under this section with respect to an applicable parcel of land made available for leasing under paragraph (1)--

` ` (i) shall be subject to the terms and conditions of the approved resource management plan; and

` ` (ii) may not require any stipulations or mitigation requirements not included in the approved resource management plan.

` ` (B) Effect of amendment.--The initiation of an amendment to an approved resource management plan shall not prevent or delay the Secretary from making the applicable parcel of land available for leasing in accordance with that approved resource management plan if the other requirements of this section have been met, as determined by the Secretary.'';

(2) in subsection (p), by adding at the end the following:

` ` (4) Term.--A permit to drill approved under this subsection shall be valid for a single, non-renewable 4-year period beginning on the date that the permit to drill is approved.''; and . . . .

Framework Governing Oil and Gas Development on Public Lands