



Energy Fact Sheet

The Energy Policy Act of 2005

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- Production Incentive Sections
 - Establishes a 5 percent or lower royalty rate for property production.
 - Requires the Secretary of the Interior to develop a program to remediate, reclaim and close orphaned, abandoned, or idle wells. Provides royalty credit incentives for new oil and gas lessees to perform work.
 - Permits separate leases in the same area for oil and gas and for tar sand.
 - Authorizes grants to be paid to producers who inject carbon dioxide into wells as a way of leading to technical innovation.
- Access to Federal Lands Sections
 - Requires an internal review of current oil and gas leasing and permitting practices and list of recommendations for improvements.
 - Requires the Department of the Interior and Department of Agriculture to enter into a memo of understanding to improve the coordination and consultation on oil and gas activities.
 - Creates a pilot project in seven western BLM offices to improve Federal permit coordination. Pilot offices located in:
 - Glenwood Springs/Grand Junction
 - Miles City, MT
 - Carlsbad, NM
 - Farmington, NM
 - Vernal, UT
 - Buffalo, WY
 - Rawlins, WY
 - Sets deadlines for reviewing and approving Applications for a Permit to Drill.
- Infrastructure Sections
 - Federal agencies must work together to designate corridors in Western States and incorporate the corridors into land use and resource management plans within two years.

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- Solid Hydrocarbons Sections
 - Required the Department of Interior to make lands available within one year for oil shale research and development leasing. Department is now processing 20 such proposals.
 - Requires the Interior to create an environmental impact statement within 18 months of leasing public lands.
 - Requires a report analyzing the potential for leasing oil shale for commercial development.
 - Requires a National Oil Share Assessment report.
- Statutory Categorical Exclusions Sections
 - Sets standards that, if met, limit requirements for an environmental impact review for certain oil and gas activities. For example, drilling an oil and gas well at a location or well pad site at which drilling occurred within the last five years would not require an environment impact review.
- Coal Leasing Sections
 - Repeals the 160-acre limitation for coal leases.
 - Allows the Department of Interior to establish logical mining units of longer than 40 years to ensure maximum economic recovery.
 - Allows the Interior to collect advance royalties in lieu of continued operation.
 - Removes the requirement that lessees must submit an operation and reclamation plan within three years of being issued a lease.
- Renewables Sections
 - Establishes a grant program for transportation, development, and research of biomass.
 - Issues new rules for leasing geothermals.
 - Requires an assessment of geothermal resources.
- Studies Sections
 - Authorizes and funds a number of studies on: coal bed methane; the potential of wind, solar and ocean energy on federal lands; current practices and their effect on privately-owned surfaces; and a review of Federal and State law to resolve conflicts of coal development between Federal and non-Federal entities.
- Budget Sections
 - Energy is the highest priority for the 2006 budget.
 - Three new areas were funded:
 - BLM permit processing improvements (\$19 million)
 - Geothermal receipts management (\$2.5 million)
 - Land transfer dollars program (\$500,000)
- Staffing Sections
 - Authorizes 130 new positions in pilot offices.

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