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**U.S. House of Representatives**  
**Committee on Natural Resources**  
**Washington, DC 20515**

March 15, 2011

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The Honorable Doc Hastings  
Chairman  
Committee on Natural Resources  
1324 Longworth House Office Building  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairman Hastings:

As the Committee on Natural Resources continues its oversight of drilling on public lands, the Committee has a responsibility to also examine the financial return that American taxpayers receive on the oil and gas resources within those lands, as well as the safety of offshore drilling. I commend you for holding the first hearing of the Natural Resources Committee in the 112<sup>th</sup> Congress on the final report of the National Commission on the Deepwater Horizon Oil Spill and Offshore Drilling. However, to date, the Committee has not received testimony from any of the oil companies involved in the disaster. Nor has the Committee heard from the other major integrated oil companies who have significant involvement in offshore drilling.

While I have previously written to you to request that the Committee receive testimony from BP and the other companies directly involved in the Deepwater Horizon disaster, the Commission concluded in its final report that the root causes of the BP spill were "systemic." As deepwater drilling resumes in the Gulf of Mexico and as Congress has still not yet enacted a single reform, it is critical that we hear testimony from the largest oil companies on the measures they are taking to ensure that their offshore drilling operations are safe. I therefore respectfully request that you formally invite the Chief Operating Officers from the five largest oil companies – Exxon Mobil, Chevron, Shell, BP and Conoco Phillips – to testify before the Committee on Natural Resources at the earliest practicable date.

In addition, significant questions remain for oil and gas operators about their use of public lands. Right now, according to the Department of the Interior, oil and gas companies hold 79 million acres under lease but are only producing on 18.5 million acres. The Government Accountability Office (GAO) has recommended establishing fees on nonproducing oil and gas leases as a way to encourage oil companies to actually produce oil in a timely fashion and to increase revenue for American taxpayers. I have introduced legislation, the USE IT Act (H.R. 927), along with Energy and Minerals Subcommittee Ranking Member Holt, that would establish such an

escalating fee. I believe the Committee should seek testimony from these companies regarding the millions of acres they currently have leases on which they are not producing.

Finally, the GAO has released recent analyses that have concluded that American taxpayers may not be getting a fair return on oil and gas resources on public lands. According to the GAO, the federal government is collecting lower levels of revenues for oil and gas production than all but 11 of 104 states and other countries whose revenue collection systems were examined by the GAO. The GAO has also reported on a loophole that allows oil companies to drill on public lands offshore in the Gulf of Mexico without paying royalties, which it estimates will cost American taxpayers up to \$53 billion in foregone revenue. I offered an amendment to H.R. 1 that would have closed this loophole and protected taxpayers and will be introducing stand alone legislation shortly. As we seek to reduce the deficit, I believe it is imperative that we hear from the oil companies who are drilling on public lands without providing proper payment to the American people for the use of the public resources of the United States.

The Committee on Natural Resources has jurisdiction over oil and gas activities on public lands and has a duty to ensure that energy companies are operating safely, diligently developing public resources and providing a fair return to the American people. As we seek to reduce the deficit and ensure that oil and gas activities on public lands are safe, it is imperative that the Committee receive testimony from these five companies that are the leaders of this industry. I therefore urge you to formally request that the CEOs of Exxon Mobil, Chevron, Shell, BP and Conoco Phillips appear before the Committee as soon as possible.

I thank you for your consideration of this request and look forward to your favorable reply.

Sincerely,



Edward J. Markey  
Ranking Democratic Member