

Congress of the United States

Washington, DC 20515

June 27, 2025

The Honorable Secretary Doug Burgum
U.S. Secretary of the Interior
Department of the Interior
1849 C Street NW
Washington, DC 20240

Subject: Removal of the 2012 MOU between CalGEM and BLM

Dear Secretary Burgum,

We write to express our sincere gratitude for rescinding the 2012 Memorandum of Understanding (MOU) between the California Geologic Energy Management Division (CalGEM) and the Bureau of Land Management (BLM). This MOU has historically acted as a significant barrier to oil production in California, compounded by CalGEM's persistent failure to meet its obligations regarding the timely issuance of permits for new well drilling. This dereliction of duty is jeopardizing our energy independence and undermining our economic stability at a time when the demand for reliable energy sources is critical.

The outdated nature of this MOU, in conjunction with CalGEM's current regulatory practices, has stifled energy production on federal lands within California, despite our state's vast untapped oil and gas resources. Prior to Governor Newsom taking office, California operators typically drilled over 3,000 new oil and gas wells per year and produced more than 500,000 barrels of oil in the state each year. Since Governor Newsom took office (and control of CalGEM), just 21 new oil and gas wells were permitted in 2024 and daily production of oil fell to under 325,000 barrels.

As expected, oil revenues in California have decreased by \$9,000,000,000 per year due to a decrease in production. Kern County has lost over \$100,000,000 per year in property tax revenue and California has driven the state budget into massive deficit of \$20-70 billion per year. California could be producing over 600,000 barrels per day, which would reduce the cost of gasoline while stimulating economic activity and job growth.

Extraction from BLM land is a significant part of California's oil production. BLM continues to permit new wells in California; however, CalGEM has asserted that the state must conduct a dual permitting process despite the fact that no statute recognizes their role on federal land. Over the last 15 years, BLM has increasingly granted CalGEM the ability to review, delay, and affect permit applications on federal lands. This was accomplished through informal practices and agreements, not through any statutory changes. As a result, over 100 permits that have been fully approved by BLM languish awaiting CalGEM's contrived permitting process.

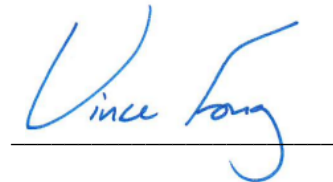
It is unacceptable that CalGEM's inaction and bureaucratic obstacles continue to obstruct the potential for increased domestic production, which could create jobs, increase royalty payments to the federal treasury, and stimulate significant economic growth. The ongoing energy crisis facing our nation requires decisive and effective action. By eliminating this MOU, we will

facilitate a more streamlined permitting process that will enable operators to access federal resources in a responsible manner. This change is vital for advancing drilling operations while ensuring compliance with environmental standards.

Moreover, it is imperative to acknowledge that California's capacity to meet our nation's energy demands is being substantially hindered by the very agency tasked with promoting energy development. The removal of this MOU will restore BLM as the lead agency and the sole authority over federal lands.

Your continued attention to this pressing matter is imperative, and we stand ready to assist with the transition away from CalGEM's failed permitting review process. Californians deserve leadership that prioritizes our energy, future and economic vitality. We thank you for your prompt response and support in creating a more efficient and productive energy environment in California.

Sincerely,

A handwritten signature in blue ink, reading "Vince Fong", written over a horizontal line.

Rep. Vince Fong (CA-20)

A handwritten signature in blue ink, reading "David Valadao", written over a horizontal line.

Rep. David Valadao (CA-22)

A handwritten signature in blue ink, reading "Doug LaMalfa", written over a horizontal line.

Rep. Doug LaMalfa (CA-01)

A handwritten signature in blue ink, reading "Tom McClintock", written over a horizontal line.

Rep. Tom McClintock (CA-05)