Current BLM Leasing Policy

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Energy in the Law
Overview

• Energy Development in Context

• Federal Leasing – Historical Perspective

• The Future

• BLM’s New Leasing Policies
Federal Land Policy and Management Act

- Identifies “mineral exploration and production” as one of the “principle or major uses” of public lands

- Directs BLM to manage the public lands “in a manner which recognizes the Nation’s need for domestic sources of minerals”

- Directs BLM to manage “in a manner that will protect the quality of . . . ecological, environmental values”
Oil and Gas Production Activities on BLM-Managed Mineral Estate

655.5 million acres (93.6%)
mineral estate not affected by oil and gas production

Approximately
472,000 acres (0.07%)
surface disturbance

11.7 million acres (1.7%)
in oil and gas production

44.5 million acres (6.4%)
leased for oil and gas

Total BLM Managed Mineral Estate: 700 Million Acres
Drilling and Production

During Drilling

During Production
Nature Conservancy Report
- Energy Sprawl -

![Bar chart showing land-use intensity in 2030 (km²/TW-hr/yr)]
Energy Development Has Impacts

Wind Farms
32,000 sq. miles

Solar
10,000 sq. miles

Natural Gas
230 sq. miles

WYOMING

~ 280 Miles
New BLM Leases: 1996-2003

New BLM Leases 1996-2004
(Source: BLM Public Land Statistics)
New BLM Leases: 2005-2011

Rockies Federal Leasing Activity (FY05-11)
The Future

• The West is projected to generate 1.3 million barrels of domestic oil and condensate production a day by the year 2020, an amount that exceeds the current daily oil imports from Russia, Iraq and Kuwait combined.

• The West has the potential to produce 6.2 trillion cubic feet (Tcf) of natural gas annual by 2020.

• Combined, western oil and gas has the potential to produce more energy on a daily basis than the total U.S. imports from Saudi Arabia, Iraq, Kuwait, Venezuela, Colombia, Algeria, Nigeria and Russia.
Wilderness?
BLM’s May 17, 2010 Leasing Policy

Background
- Lease Sale Protests and Litigation
- RMP Litigation
- Secretary Salazar’s Policy Initiatives

Goals
- Low resource conflict for leasing and development
- Decrease litigation
- Promote environmentally responsible development
- Increase efficiency
Leasing Procedures

• Field Office Interdisciplinary Parcel Review Team
• Site-Specific Leasing NEPA Document (EA or EIS)
• Review and protest time frames:
  – 30 day public review for leasing EA
  – 90 day final sale notice posting
  – 30 day protest period (concurrent)
  – 60 day protest resolution period (concurrent)
The New Leasing Framework

- DNA
- Site Specific Leasing EA or EIS
- Master Leasing Plan EA or EIS
- Resource Management Plan Environmental Impact Statement (EIS)
How is it working so far?

• **FY 2011 Federal Leasing:** down significantly.

• Lease parcels offered have declined by 70%, acreage by 81% and revenue by 44% since 2008.

• Colorado BLM offered only four parcels in 2011; Utah BLM was close behind with just seventeen.

• In North Dakota, BLM leased just 416 acres more than in 2008.
Master Lease Plans (MLPs)

- Master Leasing Plans will reconsider RMP decisions on leasing

- MLPs will be conducted through National Environmental Policy Act (NEPA) process

- MLPs initiated as a land use plan amendment through the Federal Land Policy and Management (FLPMA) process
Leasing Reform Process

Resource Management Plan

- Master Leasing Plan (Certain Areas)

Permitting

- Expanded Parcel Review
- Individual APD

Master Development Plan
Master Lease Plans - Decisions

- Closing areas to leasing
- Phased leasing (e.g. interim reclamation standard)
- Lease stipulations (NSO, TL, CSU)
- Phased development (e.g. geographic sequence)
- Caps on new surface disturbance
- Planned or required unitization of Federal lands (e.g. single operator)
Master Lease Plans - Impact on Existing Leases

• For pre-existing leases in MLP area, MLP lease stipulations to be applied as Conditions of Approval for permits

• Uncertainty for existing prospects with adjacent un-leased lands
Potential Ramifications

• Regulatory uncertainty; business uncertainty compounded by extensive delays

• Leasing moratoria during MLP preparation

• Three to seven year process for new leasing

• Multiple legal challenges
Thank you for your time!

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