**Guidelines for Evaluating Lease Parcels in Expressions of Interest**

**and Recording Preferential Status in NFLSS**

This attachment provides guidelines for the evaluation of lease parcels identified in Expressions of Interest (EOI). The following provides the process for evaluating parcels based on the highest development potential and least risk to environmental factors, such as important habitats and cultural resources. For convenience, all forms of the word “nominate” used in this attachment include both expressions of interest (EOIs) and formal nominations under 43 CFR 3120.3 through 3120.3-6.

# Applying a Preference to Lease Parcels in EOIs

All Bureau of Land Management (BLM) oil and gas leasing specialists, working together, will evaluate parcels that have been nominated for lease according to the following five steps:

1. Proximity to existing oil and gas development, giving preference to lands upon which a prudent operator would seek to expand existing operations;
2. The presence of important fish and wildlife habitats or connectivity areas, giving preference to lands that would not impair the proper functioning of such habitats or corridors;
3. The presence of historic properties, sacred sites, or other high value cultural resources, giving preference to lands that do not contribute to the cultural significance of such resources;
4. The presence of recreation and other important uses or resources, giving preference to lands that do not contribute to the value of such uses or resources; and
5. Potential for development, giving preference to lands with high potential for development.

If a parcel receives a low preference value for any single criterion, it will receive an overall low preference value regardless of the other criteria. Once a single criterion for a parcel is determined to be low, the evaluation and determination of other criteria are unnecessary. If none of the steps result in a low preference value, then the parcel would receive a high preference value for leasing. If there are other considerations that would warrant a different preference value, this should be justified on the evaluation sheet.

## Step 1: Proximity to existing oil and gas development, giving preference to lands upon which a prudent operator would seek to expand existing operations

Proximity to existing development includes proximity to active wells or other types of oil and gas infrastructure (i.e., development, excluding pipelines and access roads, within five miles of the exterior boundary of the parcel), or where federal mineral estate is potentially being drained of the federal resource. Any nominated parcel subject to immediate drainage or within five miles of existing development will be considered to have a preference value of HIGH for this criterion.

* If the preference determined in this step is LOW, the parcel will have a LOW preference,. The leasing team will not need to review the next step to establish a leasing preference.
* If the preference value determined by this step is HIGH, the leasing team will review Step Two for a preference category.

## Step 2: The presence of important fish and wildlife habitats or connectivity areas, giving preference to lands that would not impair the proper functioning of such habitats or corridors

All EOI lands for which oil and gas development would have a high potential for conflict with important habitats, as well as all nominated lease parcels that are within identified and existing migration areas and connectivity areas, will have a preference value of LOW for this criterion.

* If the preference determined in this step is LOW because the EOI parcel is within important habitat or connectivity areas, this parcel will have a LOW preference. The leasing team will not need to review the next step to establish a leasing preference for the EOI parcel.
* If the preference value for leasing in Step One is HIGH and the preference determined by this step is HIGH because the nominated parcel is NOT within important habitat or connectivity area and there is not a high potential for conflict with important habitats, the leasing team will review Step Three for a preference category.

## Step 3: The presence of historic properties, sacred sites, and other high value cultural resources, giving preference to lands that do not contribute to the cultural significance of such resources

EOI lands for which a parcel contains known cultural resources, such as historic properties protected under the National Historic Preservation Act (NHPA), and/or other cultural resources protected under the American Indian Religious Freedom Act, Native American Graves Protection and Repatriation Act, Executive Order 13007, or other statutes and executive orders, or where Tribes have identified the presence of Traditional Cultural Properties, sacred sites, or other properties of religious or cultural significance, will be evaluated for potential conflict. All parcels that have high potential of conflict with cultural resources will automatically have a preference value of LOW for this criterion.

* If an EOI parcel is within an area of high cultural resource values, the parcel will have a LOW preference. The leasing team will not need to review the next step to establish a leasing preference for the EOI parcel.
* If the preference value in Steps One and Two is HIGH, and the preference value determined by this step is HIGH because the nominated EOI parcel is NOT within an area of high cultural resource values, the leasing team will review Step Four for a preference category.

## Step 4: The presence of recreation and other important uses or resources, giving preference to lands that do not contribute to the value of such uses or resources

EOI lands with existing resources or uses that would not be compatible with oil and gas development automatically will have a preference value of LOW for this criterion.

* If an EOI parcel contains competing uses of the Federal lands that will be curtailed due to the lease issuance, the parcel will have a LOW preference.
* If the preference value in Steps One through Three is HIGH and the preference value determined by this step is HIGH because the nominated parcel does not contain incompatible uses, the leasing team will proceed to Step Five for a preference category.

## Step 5: Potential for development, giving preference to lands with high potential for development

Potential for development is based on the BLM Office’s Reasonably Foreseeable Development (RFD) scenario where the RFD contains projections of the number of possible oil and gas wells that could be drilled and produced within each of the development potential areas specified as Very High, High, Moderate, Low, and Very Low development potential. Any nominated parcel that falls within Very High or High in the RFD will have a preference value of HIGH for this criterion. Specialists may consider site-specific changes that may have occurred since the Resource Management Plan was initiated/signed, and will address and identify the preference value of parcels with Moderate development potential on a case-by-case basis.

* If the preference determined in this step is LOW because of Low or Very Low potential for development, this parcel will have a LOW preference.
* If preference for leasing determined in Steps One through Four and the preference value determined by this step is HIGH because of Very High or High potential for development, the leasing team will assign a HIGH preference for leasing to the nominated parcel.

Once these parcels have been evaluated and assigned preference values, the leasing team will coordinate with the appropriate authorized officer and submit the preference value for each leasing criterion in the following format:

**Example of Leasing preference rating based on the following criteria**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Office | Parcel | 1  Proximity Criteria | 2  Habitat Criteria | 3  Cultural Resources Criteria | 4  Other Resources Criteria | 5  RFD Criteria | High Preference for Leasing | Low Preference for Leasing |
| Buffalo | 0005 | High | High | High | Low | - |  | X |
| Rawlins | 0006 | High | High | Low | - | - |  | X |
| Lander | 0008 | Low | - | - | - | - |  | X |
| Lander | 0009 | Low | - | - | - | - |  | X |
| Casper | 0010 | Low | - | - | - | - |  | X |
| Rock Springs | 0011 | High | High | High | High | High | X |  |
| Rock Springs | 0012 | High | High | High | High | High | X |  |
| Rock Springs | 0013 | High | Low | - | - | - |  | X |

**Total number of parcels brought forward for sale: 2**

**Authorized Officer signature and date:**

The BLM will balance its leasing decisions using the leasing preference established for each EOI parcel. An office may offer LOW preference parcels in a lease sale if the Field Office resources (e.g., staff time) allow. If there are no HIGH preference parcels available for the sale, the office will select one or more LOW preference parcels that present the least conflicts based on the evaluation criteria in these guidelines, including LOW preference parcels deferred from previous sales, to analyze for inclusion in the sale.

# Recording Lease Parcel Preference in NFLSS

Offices will use the National Fluids Lease Sale System (NFLSS) to indicate the low preference value of parcels by using the deferral process and to track parcels that do not move forward on the current sale. It is recommended to upload the evaluation sheet using the Attachments link on the Sale Parcel Worksheet for future reference.

# Definitions

**Conflict (land use):** If the area is already an active fluid minerals area with high or medium potential for further development, the team will need to determine what, if any, problems or conflicts may arise as a result of these multiple resource objectives and uses.

**Important habitat:** Important habitat includes lands that have dominant patterns across the ecoregion, including the extent and condition of habitats for occupation and species connectivity requirements and overall plant and animal species diversity within the analysis