

**To:** Ryan Sutherland[rrsutherland@blm.gov]; blm\_elt@blm.gov[blm\_elt@blm.gov]; blm\_field\_comm@blm.gov[blm\_field\_comm@blm.gov]; BLM\_All\_Managers@blm.gov[BLM\_All\_Managers@blm.gov]; BLM\_WO\_100@blm.gov[BLM\_WO\_100@blm.gov]; Lesli Ellis-Wouters[lellis@blm.gov]; Amber Cargile[acargile@blm.gov]; Martha Maciel[mmaciell@blm.gov]; Donna Hummel[dhummel@blm.gov]; Ronald (Rudy) Evenson[revenson@blm.gov]; Jody Weil[jweil@blm.gov]; Megan Crandall[mcrandal@blm.gov]; Kristen Lenhardt[klenhard@blm.gov]; BLM\_WO\_610[BLM\_WO\_610@blm.gov]; Peter Mali[p mali@blm.gov]; Stephen Clutter[sclutter@blm.gov]; Wilkinson, Patrick[p2wilkin@blm.gov]; Jill Ralston[jralston@blm.gov]; Lola Bird[lbird@blm.gov]; Marjorie Chiles[mdchiles@blm.gov]  
**From:** Black, Meredith  
**Sent:** 2017-12-07T16:15:02-05:00  
**Importance:** Normal  
**Subject:** E&E News Clips—December 7, 2017  
**Received:** 2017-12-07T16:15:14-05:00  
[ee12-7-17.docx](#)

## Contents

1. BLM's Alaska lease sale attracts limited interest
2. Advisory panel member questions Zinke's reorganization plan
3. BLM finalizes delay for methane rule
4. Green groups, Patagonia file lawsuits over Bears Ears
5. Senate confirms land and minerals management pick

### **1. BLM's Alaska lease sale attracts limited interest**

Margaret Kriz Hobson, E&E News reporter

Published: Thursday, December 7, 2017

The Bureau of Land Management received a disappointing seven bids in its National Petroleum Reserve-Alaska oil and gas lease sale yesterday after offering a record 900 tracts for auction in the 22.8-million-acre reserve.

<https://goo.gl/7QkZGH>

### **2. Advisory panel member questions Zinke's reorganization plan**

Michael Doyle, E&E News reporter

Published: Thursday, December 7, 2017

A volunteer energy adviser to the Interior Department cautioned today against some of the more dramatic reorganization proposals floated by Interior Secretary Ryan Zinke.

<https://goo.gl/kxaUbp>

### **3. BLM finalizes delay for methane rule**

Pamela King and Ellen M. Gilmer, E&E News reporters

Published: Thursday, December 7, 2017

The Interior Department revealed a final plan today for giving oil and gas producers more time to comply with methane restrictions for operations on public lands.

<https://goo.gl/BeSN8Y>

#### **4. Green groups, Patagonia file lawsuits over Bears Ears**

Amanda Reilly, E&E News reporter

Published: Thursday, December 7, 2017

A coalition of green groups and outdoor retailer Patagonia have made good on promises to sue the Trump administration over its decision to scale back Utah's Bears Ears National Monument.

<https://goo.gl/vuvr69>

#### **5. Senate confirms land and minerals management pick**

Kellie Lunney, E&E News reporter

Published: Thursday, December 7, 2017

The Senate today confirmed Joe Balash to be Interior's assistant secretary for land and minerals management, moving one of several stalled department nominations.

<https://goo.gl/tuN6cV>

--

Meredith C. Black  
U.S. Department of the Interior  
Division of Public Affairs, Washington Office  
Bureau of Land Management  
M Street Southeast Washington, D.C.  
20003

## Contents

<b>1. BLM's Alaska lease sale attracts limited interest .....</b>	<b>1</b>
<b>2. Advisory panel member questions Zinke's reorganization plan .....</b>	<b>2</b>
<b>3. BLM finalizes delay for methane rule.....</b>	<b>4</b>
<b>Industry's sustained assault.....</b>	<b>5</b>
<b>4. Green groups, Patagonia file lawsuits over Bears Ears .....</b>	<b>5</b>
<b>5. Senate confirms land and minerals management pick .....</b>	<b>6</b>

### **1. BLM's Alaska lease sale attracts limited interest**

Margaret Kriz Hobson, E&E News reporter

Published: Thursday, December 7, 2017

The Bureau of Land Management received a disappointing seven bids in its National Petroleum Reserve-Alaska oil and gas lease sale yesterday after offering a record 900 tracts for auction in the 22.8-million-acre reserve.

The seven successful bids, which totaled \$1.1 million, all came from ConocoPhillips Alaska, which owns the most land in the BLM reserve. Texas oil company Anadarko Petroleum Corp. was the minority partner in those offers.

The companies selected lands located directly southwest of Conoco's Willow oil discovery, which is projected to hold at least 300 million barrels of recoverable oil. That find is located within the company's Greater Mooses Tooth unit in the northeastern corner of the NPR-A.

Conoco took no chances of losing the leases neighboring its Willow unit to another bidder. The company offered more than \$100,000 for each of the seven leases, including a top bid of \$172,760 per acre for a single tract.

The BLM auction, which included all of the available unleased areas of the NPR-A, came as the Interior Department is considering rewriting its integrated activity plan to offer more lands for oil and gas development in the petroleum reserve.

However, regulators say they have not yet developed a schedule for overhauling the NPR-A management plan.

This year's BLM auction drew significantly less interest than last December's NPR-A lease sale, which pulled in \$18.8 million in winning bids for 67 tracts. Many of those offers also came from ConocoPhillips.

The meager demand for NPR-A leases was belittled by the Center for Western Priorities Deputy Director Greg Zimmerman, who called it "a black stain on the administration's 'lease everywhere' approach and a clear indication that there is simply no market for oil leasing in the Arctic."

"You cannot force drilling where no demand exists, even when the government is practically giving leases away," he said.

Meanwhile, the state of Alaska held a separate oil and gas lease sale yesterday which drew \$21.2 million in winning bids.

The state received \$19.9 million in bids for the North Slope lands located between the NPR-A and the Arctic National Wildlife Refuge. The state's offshore Beaufort Sea leases drew \$1.3 million in bids.

Chantal Walsh, director of the Alaska Division of Oil and Gas, said this year's bids represented the state's third-largest sale in the last two decades.

The winning bidders bought up most of the remaining blocks of state-owned lands that had not yet been leased on Alaska's North Slope.

The highest bids targeted tracts located near two major oil and gas discoveries announced this year: ConocoPhillips's Willow prospect and a separate oil discovery by Denver-based Armstrong Energy LLC and Spanish oil operator Repsol SA.

Armstrong and Repsol own the Nanushuk oil field, located just outside of the NPR-A, which is projected to hold more than 1.2 billion barrels of oil.

At yesterday's state auction, Repsol E&P USA, a subsidiary of the Spanish company, was the most successful bidder, spending \$14.8 million for 45 tracts of land.

Ironically, Armstrong and Repsol wound up bidding against each other for some of the some state lands. Repsol came out on top with bids of up to \$293 per acre.

Jason Sebastinas, senior landman for Repsol North America, said that his company had not coordinated bidding strategies with Armstrong. "This was a last-minute management decision," Sebastinas explained after the lease sale.

Sebastinas said he had been working at the Armstrong-Repsol Nanushuk prospect this fall when Repsol decided to place bids on lands located just south of that operation.

He described the Alaska operation as "one of our focus areas for Repsol worldwide."

<https://goo.gl/7QkZGH>

## **2. Advisory panel member questions Zinke's reorganization plan**

Michael Doyle, E&E News reporter

Published: Thursday, December 7, 2017

A volunteer energy adviser to the Interior Department cautioned today against some of the more dramatic reorganization proposals floated by Interior Secretary Ryan Zinke.

While emphatically agreeing that Interior could usefully relocate some operations out West, Western Energy Alliance President Kathleen Sgamma identified potential problems in some concepts that Zinke has aired for the Bureau of Land Management and other agencies.

"We are skeptical of efforts to change BLM from a mostly state-based organization to one based on ecosystems or watersheds," Sgamma advised a House panel in written testimony, adding that "the best structure for the BLM is the current one, based largely on states."

An alternate member of Interior's advisory Royalty Policy Committee, Sgamma said she is also "concerned about potential plans for a rotating command structure, similar to a unified command structure in the military," noting that Interior's bureaus have different missions.

The committee provides advise on policies and regulations related to revenue collection from energy and mineral development on public lands.

"Reorganization can just lead to more bureaucracy and not necessarily greater efficiency," Sgamma said in testimony to the House Natural Resources Subcommittee on Oversight and Investigations (*E&E Daily*, Dec. 4).

Based in Denver, which some posit as a future bureau headquarters site, the Western Energy Alliance represents more than 400 companies involved in the oil and natural gas industry. Generally speaking, many are allies of Zinke and the Trump administration.

The still-mysterious Interior Department reorganization plan, though, has got people from every ideological corner scrambling to figure out crucial details.

"We, the subcommittee with jurisdiction, have not been allowed to see the plan," Rep. Donald McEachin (D-Va.) said today, adding that "this plan has received no input from stakeholders or Congress."

The four witnesses at today's hourlong hearing did not include anyone from the Interior Department, and Zinke has not yet made public his formal reorganization proposal. Instead, lawmakers and career Interior staffers alike must sift through publicly available clues (*Greenwire*, Sept. 26).

In April, speaking about reorganization, Zinke said he would "approach this job like I approached every command I was tasked with in the Navy: Empower the front lines; cut the waste, fraud and abuse; hold people accountable; and do more with less."

The management concepts under consideration include dividing Interior's responsibilities among 13 "joint management agencies" based on regional watersheds, rotating leaders through offices and shrinking D.C. headquarters, according to news accounts relied upon by witnesses today.

McEachin added that a plan has apparently been submitted to the Office of Management and Budget, but said House Republicans "decided not to require that it be released for this hearing."

In July, Zinke further suggested that BLM, the Fish and Wildlife Service and the Bureau of Reclamation could all eventually relocate their headquarters operations to Denver, according to employee notes previously obtained by E&E News (*Greenwire*, Aug. 15).

A number of Westerners support the relocation idea, though not necessarily to Denver, noting that the vast majority of Interior-managed lands are located in Western states.

"The root of the problem is that decisionmaking authority is based not out in the field, but scattered in cubicles thousands of miles away in Washington, D.C.," said Rep. Bruce Westerman (R-Ark.), the chairman of the Oversight panel.

McEachin, the subcommittee's senior Democrat, countered that 91 percent of FWS employees and 96 percent of BLM workers are already based outside of D.C. Overall, 90 percent of Interior's employees are located away from the D.C. headquarters.

"Reorganization itself is not a bad idea," said Denis Galvin, a former National Park Service deputy director and now an adviser to the Coalition to Protect America's National Parks. "[But] it needs to promote effectiveness and efficiency. It needs to have public vetting and support."

The Interior Department can use its existing powers to delegate certain decisionmaking or to plan for relocating bureaus' headquarters, but lawmakers also have a say. A federal law dating to 1947 requires that "all offices attached to the seat of government shall be exercised in the District of Columbia, and not elsewhere," unless Congress authorizes something different.

In May, Rep. Scott Tipton (R-Colo.) introduced **H.R. 2287**, which would direct Interior to prepare a strategy relocating the BLM headquarters to a Western state. The strategy would have to include a timeline and a description of the factors to be considered in choosing a location.

The bill currently has 17 House co-sponsors, including two Western Democrats.

<https://goo.gl/kxaUbp>

### 3. BLM finalizes delay for methane rule

Pamela King and Ellen M. Gilmer, E&E News reporters

Published: Thursday, December 7, 2017

The Interior Department revealed a final plan today for giving oil and gas producers more time to comply with methane restrictions for operations on public lands.

The Bureau of Land Management's **final rule** postpones by one year many of the requirements of the 2016 **Methane and Waste Prevention Rule**. The delay, set for publication in tomorrow's *Federal Register*, doesn't substantively change the earlier rule.

Interior's suspension of the Obama-era rule fits into a broader **review** of regulations that the Trump administration says "potentially burden" domestic energy production.

"As we strengthen America's energy independence, we need to make sure that regulations do not unnecessarily encumber energy production, constrain economic growth, or prevent job creation," Brian Steed, BLM's deputy director for policy and programs, said in a statement. "By holding off on certain requirements, the BLM now has sufficient time to review the 2016 final rule while avoiding any compliance costs on industry that may not be needed after the review."

Trade groups representing the oil and gas firms that would have had to start complying with many parts of the Obama rule by Jan. 17, 2018, welcomed the extension.

"This action is a good step in providing our member companies some much-needed certainty as they plan their capital expenditure budgets for the upcoming year," Independent Petroleum Association of America (IPAA) President and CEO Barry Russell said in a statement. "It is never the desire of any company to waste a valuable product that could otherwise be brought to market and sold to the American consumers."

BLM's delay comes on the heels of the American Petroleum Institute's introduction of a voluntary methane reduction program. The initiative takes effect Jan. 1 (*Energywire*, Dec. 6).

Companies that have signed on to the API program say it is not an attempt to avoid federal regulation. Environmental groups said the voluntary push pales in comparison with methane controls introduced by BLM and U.S. EPA. It's even weaker than Exxon Mobil Corp.'s self-imposed standard, they said (*Climatewire*, Sept. 27).

"The delay of the BLM methane waste rule is unwise and unnecessary," said Wayne Warmack, owner and operator of the Double W Ranch in Colorado and a former oil worker. "In fact, Exxon Mobil has already committed to complying with the BLM rule, and all companies should be held to that same standard."

Groups that backed the Obama rule knocked the suspension for its climate and financial implications.

"Today the Department of the Interior finalized a rule that takes taxpayers back 30 years in the battle to stop the waste of natural gas, and get taxpayers a fair return," Taxpayers for Common Sense President Ryan Alexander said in a statement.

Industry's sustained assault

BLM's delay isn't the first attempt to gut the 2016 rule. Late last year, states and industry groups filed lawsuits to fight the regulation. That litigation is one of several courtroom actions targeting both attempts by former President Obama's BLM to regulate methane leaks and President Trump's BLM to undo those actions.

When Trump took office, lawmakers wielded the little-known **Congressional Review Act** to scrap 15 rules introduced in the twilight of the Obama administration.

In May, a resolution to kill the 2016 BLM methane rule came to a vote on the Senate floor. The measure failed without the support of a simple majority.

Just a month later, BLM **proposed** to indefinitely halt provisions of the rule that had yet to take effect — without engaging in a public notice and comment period.

A California district court struck down that move Oct. 4, the same day BLM first revealed the suspension strategy that takes effect 30 days from tomorrow.

The Trump administration was under the gun to finalize the delay. Oil and gas operators, which have opposed the regulation in court since its 2016 release, have pressured BLM to wrap up its rulemaking process quickly. The first phase of the Obama rule is already in effect, and the next, more costly requirements were set to kick in next month — giving heartburn to drillers unsure of whether they would be required to comply.

Lawyers for the IPAA and Western Energy Alliance have expressed frustration about the long process, noting that they've been on a regulatory roller coaster after multiple failed attempts to sideline the rule through other measures.

In recent court filings in Wyoming, the industry groups asked to fast-track consideration of their case against the Obama rule. The Trump administration pushed back, seeking to avoid continued legal action in light of the ongoing rulemaking process. After BLM promised to complete the delay by Dec. 8, the court sided with the government, agreeing that finalization of the delay "may very well moot the Petitions for Review now before the Court."

Groups supporting the Obama rule are expected to challenge BLM's latest move in court. Environmental lawyers this morning said they were reviewing the decision and coordinating with their partners on next steps.

<https://goo.gl/BeSN8Y>

#### **4. Green groups, Patagonia file lawsuits over Bears Ears**

Amanda Reilly, E&E News reporter

Published: Thursday, December 7, 2017

A coalition of green groups and outdoor retailer Patagonia have made good on promises to sue the Trump administration over its decision to scale back Utah's Bears Ears National Monument.

Patagonia yesterday joined tribal advocates, paleontology groups and others in suing the administration in the U.S. District Court for the District of Columbia. Environmental groups today filed a separate lawsuit in the same court.

The suits challenge President Trump's Monday proclamation that reduced the size of the monument by 1.1 million acres, or 85 percent. Under the proclamation, Bears Ears kept its name but became two disconnected units: the 72,000-acre Indian Creek unit and the 130,000-acre Shash Jaa unit.

"This action is unprecedented and widely unpopular," Patagonia CEO Rose Marcario wrote in *Time* magazine yesterday. "It is also illegal, and Patagonia will be challenging his decision in court."

The new lawsuits add to a growing legal battle over whether a president has authority under the Antiquities Act of 1906 to reduce the size of national monuments created under prior administrations.

Along with shrinking Bears Ears, Trump on Monday signed a proclamation that decreased Grand Staircase-Escalante National Monument by nearly half (*Greenwire*, Dec. 5).

Shortly after the Monday announcement, tribes that had lobbied to create Bears Ears filed the first lawsuit seeking to block the proclamation cutting the site. Environmentalists and nonprofit groups have also separately challenged Trump's decision to decrease Grand Staircase-Escalante, which was shrunk to 1 million acres (*Greenwire*, Dec. 5).

Environmental groups have raised similar legal arguments against both proclamations. In their new **complaint** in the D.C. federal court today, they argue that only Congress, under the Constitution's property clause, has the authority to diminish or dissolve national monuments.

"President Trump's action is contrary to the Antiquities Act, which authorizes presidents to create national monuments, but not to abolish them in whole or in part," the complaint says.

Joining the lawsuit were the Natural Resources Defense Council, the National Parks Conservation Association, the Wilderness Society, the Southern Utah Wilderness Alliance, the Grand Canyon Trust, Great Old Broads for Wilderness, the Western Watersheds Project, the Sierra Club, the Center for Biological Diversity, WildEarth Guardians and Defenders of Wildlife. Earthjustice is representing the groups.

"Nearly three million Americans voiced their support for national monuments during Trump's monument review, but he chose to ignore both the American people and the letter of the law to cater to the extractive industries who would gut our natural wonders," Heidi McIntosh, managing attorney in Earthjustice's Rocky Mountain office, said in a statement. "We stand with Native American Tribes to defend Bears Ears National Monument from this outrageous attack."

In their **complaint**, Patagonia, Utah Diné Bikéyah, Friends of Cedar Mesa, Archaeology Southwest, the Conservation Lands Foundation, the Access Fund, the National Trust for Historic Preservation and the Society of Vertebrate Paleontology similarly argue that Trump overstepped his authority under the Antiquities Act.

Both new suits name Trump and the leaders of the Interior Department, Bureau of Land Management, Agriculture Department and Forest Service as defendants. The D.C. district court will likely consolidate the challenges.

<https://goo.gl/vuvr69>

## 5. Senate confirms land and minerals management pick

Kellie Lunney, E&E News reporter



Published: Thursday, December 7, 2017

The Senate today confirmed Joe Balash to be Interior's assistant secretary for land and minerals management, moving one of several stalled department nominations.

Lawmakers voted 61-38 to install the native of North Pole, Alaska, whose portfolio now includes management of mineral resources in federal lands and waters, as well as regulation of surface coal mining.

Eight Democratic senators, along with independent Sen. Angus King of Maine, voted for Balash: Tom Carper and Chris Coons of Delaware, Joe Donnelly of Indiana, Heidi Heitkamp of North Dakota, Joe Manchin of West Virginia, Claire McCaskill of Missouri, Brian Schatz of Hawaii and Mark Warner of Virginia.

Majority Leader Mitch McConnell (R-Ky.) in floor remarks praised Balash, former chief of staff to Sen. Dan Sullivan (R-Alaska).

"Mr. Balash has shown his talent and passion for affordable sources of energy and environmental protection," McConnell said, citing his career in the Senate as well as his tenure as commissioner of the Alaska Department of Natural Resources (DNR). The Kentucky Republican said he looks forward to working with Balash on issues "important to the coal miners in my home state."

"This is a really, really important position in the U.S. government," said Sullivan, who noted that the assistant secretary job oversees the Bureau of Land Management, Bureau of Ocean Energy Management, and Bureau of Safety and Environmental Enforcement, during remarks today before the vote.

"I don't know anyone who is more qualified" for the job, Sullivan said, citing Balash's "experience, character and integrity." Balash "knows the issues [and] cares about the environment," the Republican said.

But Senate Energy and Natural Resources Committee ranking member Maria Cantwell (D-Wash.) said she couldn't support Balash because of what she called a possible conflict of interest stemming from Balash's days as DNR commissioner in Alaska. At the time, the state wanted to change the boundaries of the Arctic National Wildlife Refuge. BLM rejected the claim, which Alaska appealed, and the appeal is now pending.

"If the Senate confirms Mr. Balash, he will exercise the secretary's discretion and supervisions over [BLM]," Cantwell said. "He will be in a position of reversing [BLM's] decision, which originally denied Alaska's claim."

Cantwell indicated that Balash said he would comply with the current rules surrounding recusal, but she said that might not be enough.

Adam Kolton, executive director of the Alaska Wilderness League, called on Balash to "show he can better consider the cultural and subsistence issues of Native people, the cherished wildlife and wilderness values and the importance of the outdoor economy."

"All Americans count on this position to act responsibly when it comes to drilling, mining and other development decisions on our public lands, which are held in stewardship by the Interior Department for this and future generations," Kolton said in a statement after the vote.

The one-hour debate and vote on the Balash nomination were immediately preceded by Minnesota Democratic Sen. Al Franken's resignation announcement during a farewell speech on the Senate floor ([\*see related story\*](#)).

Balash's nomination had been in limbo since clearing the Energy and Natural Resources Committee more than three months ago, in part because of Democratic holds.

Sullivan took to the floor Monday night to complain about a secret Democratic hold on Balash.

That hold materialized after Minority Whip Dick Durbin (D-Ill.) lifted his holds on some Interior nominees last month once he secured a meeting with Interior Secretary Ryan Zinke and other Democrats about the department's controversial national monuments review. Sullivan said he worked with Durbin to broker the meeting with Zinke, and the minority whip "in good faith" agreed to move on Balash and other nominees.

But then "someone else" decided to place the secret hold on Balash, Sullivan said.

It's still not clear who placed the hold, but the two sides agreed to move forward on the nomination after Sullivan's remarks.

Senators of both parties often place holds on executive branch picks to get concessions on other issues. And even with senators having scrapped the filibuster for nominees, holds mean leaders have to overcome additional hurdles before advancing candidates.

Sullivan today thanked Durbin for being "very helpful" in moving the Balash nomination.

The Senate in November confirmed Brenda Burman as head of the Bureau of Reclamation after more than four months (*E&E Daily*, Nov. 17). Interior solicitor nominee Ryan Nelson and Susan Combs, President Trump's pick for Interior assistant secretary for policy, management and budget, still have holds on their nominations.

Energy and Natural Resources Chairwoman Lisa Murkowski (R-Alaska) earlier this week expressed frustration over the impasse. "There's just no reason to continue holding anybody," she said, adding that her committee had "done our business" by moving the nominations.

<https://goo.gl/tuN6cV>