

Oil and Gas Leasing Reforms

August 25, 2010

CURRENT STATUS

The Bureau of Land Management Colorado has finalized its oil and gas leasing reforms. In mid-August 2010, BLM Colorado issued its initial implementation instructions to its Field Offices for putting the reforms to work. The reforms will ensure that oil and gas leasing on BLM lands will continue with additional public involvement and environmental protection.

BACKGROUND

On October 7, 2009, an interagency review team, initiated by Interior Secretary Ken Salazar, issued the Final Review of 77 Oil and Gas Lease Parcels Offered in BLM-Utah's December 2008 Lease Sale (UT-77 Report). The report presented a number of findings and recommendations for improving oil and gas land use planning and leasing. BLM Instruction Memorandum 2010-117 implemented these policies nationally.

Section 390 CX: On September 30, 2005, the BLM issued guidance on implementing the five Categorical Exclusions (CXs) established by Congress in Section 390 of the Energy Policy Act of 2005. The new WO IM 2010-118 revises the BLM NEPA Handbook Section 390 CX policy to address issues that arose over the categorical exclusions.

Stipulations: The WO has directed each state to form an Interdisciplinary Consistency Review (IDCR) team to ensure that lease stipulations are written in a standard format, that stipulation language is consistent within each state office and stipulations edge-match across administrative boundaries.

Resource Management Plan (RMP) Revisions: The following language will be inserted into all ongoing RMP revisions and oil and gas-related Plan Amendments. "BLM has the discretion to modify surface operations to change or add specific mitigation measures when supported by scientific analysis. All mitigation/conservation measures not already required as stipulations would be analyzed in a site-specific NEPA document, and be incorporated, as appropriate, into Conditions of Approvals to the permit, plan of development, and/or other use authorizations."

Master Leasing Plans (MLPs): BLM Colorado will prepare MLPs when the four criteria outlined in the WO IM are met. These four criteria are:

- A substantial portion of the area to be analyzed in the MLP is not currently leased.
- The majority of mineral interest is Federal.
- The oil and gas industry has expressed a specific interest in leasing, and there is a moderate or high potential for oil and gas confirmed by the discovery of oil and gas in the general area.
- Additional analysis or information is needed to address likely resource or cumulative impacts on air quality, national parks, wilderness areas, wildlife refuges and impacts on other specially designated areas.

Lease Parcel Review and Lease Issuance: When Expressions of Interest (EOIs) for oil and gas leasing are received from industry, the identified lands are reviewed for availability and then parceled for inclusion in the next available quarterly lease sale. The processing time from the receipt of an EOI to the sale of the parcel has been approximately five months. Under these new guidelines, the sale process will take approximately eight months to allow for adequate NEPA analysis, a 30-day public review and comment period, and a 90-day sale posting requirement.

Interdisciplinary Review of Sale Parcels: BLM Colorado will continue to conduct Interdisciplinary Parcel Review (IDPR) team reviews, in accordance with the WO IM, both at the field office and at the state office levels. In addition, prior to every sale, BLM Colorado solicits input from other federal agencies and the Colorado Department of Natural Resources (CDNR), specifically the Colorado Division of Wildlife.

Internal and External Coordination: Under the new guidance, BLM will invite CDNR to participate on the IDPR Team. The BLM Colorado State Office will contact split estate owners and send the field offices a copy of the industry-provided split estate owners list at the same time parcels are sent out for review.

Lease Sale Parcel Protests: The WO IM requires that, when possible, protests be resolved prior to the lease sale. In longstanding BLM practice, a parcel that is protested will not be issued until the protest is resolved.

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