

# 2015 May Lease Sale

March 2015

## ***CURRENT STATUS***

BLM Colorado will offer 42 parcels totaling 10,980 acres within the Royal Gorge Field Office and 44 United States Forest Service parcels totaling 25,215 acres within the Pawnee National Grassland at its quarterly competitive oil and gas lease sale scheduled May 14, 2015. The sale is open to the public and takes place at the Colorado State Office in Lakewood. The public protest period, which is open for 30 days, ends March 16, 2015. The sale results are posted online once the sale is complete.

## ***BACKGROUND***

Oil and gas development has been occurring since the 1950s in the Pawnee National Grassland. The area is currently experiencing a significant drilling boom. The Forest Service analyzed the Pawnee National Grassland parcels in a separate analysis and gave the BLM consent to offer them in this sale. All the Forest Service parcels include a No Surface Occupancy stipulation, which means the lessee will have access to the subsurface minerals and not the surface acreage. Leases with this stipulation are typically accessed by using directional/horizontal drilling methods. The BLM will continue to work with the Forest Service if the parcels are leased and the lessee submits an Application for a Permit to Drill.

Because of the existing patchwork of privately-leased mineral resources in that area, leasing the federal minerals will connect some of those tracts and translate to fewer roads, pipelines and well pads needed for development. Federal mineral resources are also at risk of being depleted or bypassed altogether from future development if the BLM does not offer them for lease. As a result, this could mean lost revenue potential for the public. Most of the companies who have shown interest in developing the federal subsurface minerals within the Pawnee National Grassland are already developing oil and gas resources on adjacent private tracts.

The BLM parcels were analyzed in a separate environmental assessment and underwent a detailed review before being offered in this sale, which includes at least three opportunities for public involvement. The parcels were also opened to leasing through a resource management plan. Site-specific analyses will be conducted if the BLM receives an Application for a Permit to Drill on these leases. Every lease contains standard terms and stipulations designed to protect air, water, wildlife and historic and cultural resources. Reclamation stipulations were also built in to every lease to minimize the footprint left behind by oil and gas activity. As part of leasing reform, lease stipulations may be modified to accommodate site-specific resources. Concerns regarding things like road access and well pad locations would be addressed through a separate environmental analysis that involves another round of public review and input.