



UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
MANUAL TRANSMITTAL SHEET

Release
1-1749

Date
1/28/13

Subject

H – 1624-1 – Planning for Fluid Mineral Resources

- 1. Explanation of Materials Transmitted:** This release inserts Chapter V, Master Leasing Plans and a Glossary, into H-1624-1 – Planning for Fluid Mineral Resources, Rel. No. 1-1583 dated 5/7/1990.
- 2. Reports Required:** None.
- 3. Materials Canceled:** None.
- 4. Filing Instructions:** File as directed below

REMOVE

None

INSERT

Chapter V and the Glossary (11 pages)

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CHAPTER V – MASTER LEASING PLANS

A. Introduction.

The BLM introduced the Master Leasing Plan (MLP) as part of its 2010 Oil and Gas Leasing Reform effort. In some distinct geographic areas, additional planning and analysis may be necessary prior to new or additional oil and gas leasing and development because of changing circumstances, updated policies, and new information. The MLP process takes a more focused look at resource management plan (RMP) decisions pertaining to oil and gas leasing and post-leasing development of the area. The MLP establishes a guiding framework for the development of the area and provides a vision for how future development will proceed.

Through the MLP process, the BLM will reconsider RMP decisions pertaining to oil and gas leasing and will evaluate likely development scenarios and varying mitigation levels. The BLM will conduct the MLP process at a more focused level than the broader level of analysis normally conducted in an RMP, but at a less site-specific level than would typically be conducted for a master development plan where the operator has proposed a fully defined development plan. The geographic area covered by an MLP will ordinarily be a specifically identified portion of the applicable RMP planning area. In most cases, this focused planning and analysis will result in the incorporation into the RMP of new oil and gas leasing decisions as well as development decisions. These decisions would apply to future leasing and development in that geographic area.

The BLM will conduct the MLP process in accordance with the National Environmental Policy Act (NEPA) process, using an interdisciplinary team that will involve the public and stakeholders that may be affected by the BLM's MLP decisions. The BLM will ordinarily initiate an MLP as an RMP amendment. However, if the BLM anticipates that the likely outcome of the MLP will not result in the creation of new lease stipulations or changes to existing RMP decisions warranting a plan amendment, it may not be necessary to initiate the MLP as a plan amendment. The NEPA analysis for the MLP will likely provide a basis for tiering for future leasing or developmental analysis, potentially narrowing the scope of analysis needed for subsequent NEPA review.

An MLP will be prepared when the criteria listed below are met, or at the discretion of the BLM. Preparation of an MLP can occur through the RMP amendment process or as part of an RMP revision. Because MLP analysis is more focused than the broader level of analysis normally conducted in an RMP revision and because the scope of an MLP is narrower than an RMP revision, initiating an MLP through the RMP amendment process may provide the best opportunity for developing MLPs.

B. MLP Criteria.

The preparation of an MLP is required when all four of the following criteria are met:

1. A substantial portion of the Federal lands in the MLP area is not currently leased.

2. There is a majority Federal mineral interest in the MLP area.
3. The oil and gas industry has expressed a specific interest in leasing in the MLP area demonstrated through discussions, expressions of interest, or existing leases in the area, and there is a moderate or high potential for oil or gas confirmed by the discovery of oil or gas in the general area.
4. Additional analysis is needed to address likely resource impacts (including cumulative impacts) if oil and gas development were to occur where there is a potential for:
 - Multiple-use or natural/cultural resource conflicts; or
 - Impacts to air quality; or
 - Impacts on the resources or values of a unit of the National Park System, national wildlife refuge, or National Forest wilderness area, as determined after consultation or coordination with the National Park Service (NPS), Fish and Wildlife Service (FWS), or Forest Service; or
 - Impacts on other specially designated areas.

The BLM may also prepare an MLP under other circumstances at the discretion of the Field Manager, District Manager, or State Director.

C. Elements of an MLP.

The two main elements of master leasing planning for an area are the development of (1) resource condition objectives and (2) resource protection measures.

1. Resource Condition Objectives.

The BLM will develop resource condition objectives to provide standards for subsequent development and reclamation of the MLP analysis area (see also: H-1601-1, *Land Use Planning Handbook*, page 12, Types of Land Use Plan Decisions, Desired Outcomes). The underlying RMP may already include resource condition objectives for all or a portion of the MLP analysis area. If so, an MLP may retain the resource condition objectives in the applicable RMP. Alternatively, the BLM may adopt new resource condition objectives for the MLP area based on new or updated information or policy standards and incorporate these new objectives into the RMP through amendment or revision.

Examples of resource condition objectives could include:

- Sagebrush communities will include native grass and forb cover in balance with open to moderate (5 to 25 percent) shrub canopy cover and within the ecological site potential. Perennial grass components will be at or above 10 percent cover. Native forb composition will be at or above 5 percent cover.

- Visibility-impairing pollutants levels will be managed to achieve the reasonable progress goals and timeframes established within the State of Wyoming’s Regional Haze State Implementation Plan (SIP).
- Riparian areas will be managed for properly functioning condition (PFC); stream channel morphology and functions are appropriate for local soil type, climate, and landform.

The MLP should identify the resource protection measures, such as lease stipulations, that are necessary for achieving the resource condition objectives.

2. Resource Protection Measures.

The term “resource protection measures,” as used in this section of the handbook, means any practice or action that would reduce environmental impacts and help achieve resource condition objectives. Resource protection measures may include management actions, such as phased leasing or unitization of an area; closing lands to leasing; lease stipulations restricting the timing, location, or method of operations; or conditions of approval that incorporate Best Management Practices (BMP) for reducing the environmental impact of operations. Refer to BMP definition in Onshore Oil and Gas Order Number 1 (72 FR 10329, March 7, 2007.)

Land use planning policy for the oil and gas program requires an RMP to identify where the BLM has opened or closed the planning area to leasing. For open areas, the RMP also must identify the constraints (stipulations) that will apply to future leases, such as timing limitations, controlled surface use, or no surface occupancy (H-1601-1, *Land Use Planning Handbook*, Appendix C, II, H, (pages 23–24)). These land use planning-level decisions guide future land management actions and site-specific implementation decisions. Through the MLP process, the BLM may reconsider existing RMP decisions including areas designated in the RMP as open or closed to leasing and existing lease stipulations (e.g., timing limitations, controlled surface use, and no surface occupancy) and their associated exception, waiver, and modification criteria. The BLM may also adopt new management actions in the RMP by identifying specific conditions of approval necessary for achieving the MLP’s resource condition objectives.

The BLM should incorporate resource protection measures, such as unitization requirements or surface disturbance limits (caps) that apply broadly to the development of an entire field, into the RMP as lease stipulations. Similarly, resource protection measures that the BLM has traditionally characterized as BMPs (e.g., emissions controls, liquids gathering systems, extensive interim reclamation, etc.), and applied as conditions of approval at the time of permitting, may also be incorporated into the RMP through controlled surface use stipulations. Incorporating resource protection measures into the RMP as lease stipulations will ensure that the BLM will apply the resource protection measures to new leases and associated development, and enables bidders to better identify the resource protection costs associated with development of the lease parcels.

Field offices are encouraged to utilize adaptive management principles to address uncertainty regarding development and the effectiveness of stipulations in achieving resource condition objectives. (Refer to Adaptive Management: The U.S. Department of the Interior Technical Guide (2009), and any updates thereto, for additional guidance.) The BLM should design lease stipulations and Conditions of Approval to be adaptable to changing resource conditions and development technologies. (Refer to the Lease Stipulation section of this handbook.) The BLM should design the purpose and criteria for exception, waiver, and modification for each stipulation to recognize and accommodate changing environmental protection needs over time. For example, the BLM should write modification criteria to allow for both increasing and decreasing levels of environmental protection as a means for adapting to changing circumstances, such as improving or deteriorating resource conditions, wildlife population movements, or relevant new scientific information, that may warrant less or more protective measures to meet goals, objectives, and outcomes in RMPs.

In limited circumstances, establishing resource condition objectives may provide a sufficient basis for applying resource protection measures as Conditions of Approval without the need for a lease stipulation. For existing leases, these instances will generally be limited to where (1) the new requirements are consistent with rights granted to the holder under the lease; and (2) the resource condition objectives are quantitative, specific, and measurable. With respect to potential new leases, however, field offices are encouraged to include an Information Notice (43 CFR 3101.1-3), also referred to by the BLM as a Lease Notice, in the Notice of Competitive Lease Sale to advise potential lessees of important resource concerns and the possibility of additional constraints at the time of permitting.

MLPs must identify whether the resource protection measures identified in the MLP will also apply to areas currently under lease. The Federal Government retains certain rights when issuing an oil and gas lease. While the BLM may not unilaterally add a new stipulation to an existing lease that it has already issued, the BLM can subject development of existing leases to reasonable conditions, as necessary, through the application of Conditions of Approval at the time of permitting. The new constraints must be consistent with the applicable land use plan and not in conflict with rights granted to the holder under the lease. The Interior Board of Land Appeals has made clear that, when making a decision regarding discrete surface-disturbing oil and gas development activities following site-specific environmental review, the BLM has the authority to impose reasonable protective measures not otherwise provided for in lease stipulations, to minimize adverse impacts on other resource values. See 30 U.S.C. §226(g); 43 CFR 3101.1-2. See *Yates Petroleum Corp.*, 176 IBLA 144 (2008); *National Wildlife Federation*, 169 IBLA 146, 164 (2006).

Examples of Resource Protection Measures.

The following are examples of resource protection measures that the BLM may adopt to reduce environmental impacts and help achieve resource condition objectives within the MLP area.

- Planned or required unitization of Federal lands might be considered in areas where working with only one operator, rather than many, would increase the likelihood of eliminating redundant infrastructure and corridors, thereby reduce habitat fragmentation.
- Phased development may be appropriate where it is important to leave areas of habitat undisturbed by ongoing construction and drilling activity while other areas are developed. Developed areas would be required to undergo interim reclamation before drilling could move on to the next area.
- Limitations on surface disturbance (pending acceptable interim/final reclamation) may be placed on the percentage of bare ground allowed in a developed area at any one time in order to preserve habitat in important wildlife areas or reduce erosion in areas with highly erosive soils.
- Multiple wells per well pad may be required to limit the number of surface locations in scenic areas, fragile soil areas, or important wildlife habitat while still allowing the necessary number of downhole locations.
- Liquids gathering pipeline systems feeding centralized offsite production facilities may greatly reduce year-round fluids haul traffic during the life of the field in areas of important wildlife habitat.
- Newer technologies to reduce/capture emissions may be considered to ensure full field development does not contribute to eventual nonattainment of national ambient air quality standards under the Clean Air Act or adversely impact Air Quality Related Values, such as visibility.
- Practices to protect scenic quality by reducing the visual contrast of development may be considered, such as (1) siting roads to follow the contours of the landscape; (2) siting well locations where they are less visible and where cuts and fills can be minimized; (3) consolidating and using low profile equipment; (4) screening, disguising, or placing equipment offsite; (5) painting equipment to blend with the background; and (6) burying pipelines and powerlines in existing disturbed areas.
- Placement of all linear disturbances (e.g., powerlines, pipelines, roads) in common corridors and development of a comprehensive area wide planned transportation network across jurisdictions might eliminate unnecessary cross-country clearing and resulting fragmentation of habitat.

- Extensive interim reclamation of roadway disturbance up to or including the road surface and reclamation of pads to the well head/production facilities would minimize long-term surface disturbance in order to reduce vegetative loss, reduce opportunity for invasive species, stabilize soils, protect water and air quality, maintain visual resources, and improve and accelerate opportunities for successful final reclamation.
- Final reclamation fully restoring the original landform and re-establishing the native plant community would help to restore important ecosystems, wildlife habitat, hydrologic systems, and scenic resources.
- Phased leasing could aid in protecting important resource values (e.g., visual or sensitive species) in areas where the mineral development potential and the mode of development are presently unknown. Phased leasing could provide the opportunity to lease a limited and less sensitive portion of the area for development in order to determine the area's production potential. Leasing decisions in the RMP could adopt an adaptive management approach so that if oil and gas were successfully discovered and produced, there would then be the opportunity to analyze the impact of additional leasing. (Phased leasing differs from the rest of the examples in this list because it is an approach to decision-making regarding lease issuance, rather than a stipulation applied to a lease. Nevertheless, phased leasing is a management tool that may be considered as part of developing an MLP. However, prior to selecting this tool, the BLM should consider the potential effect on orderly mineral resource development, extraction, and drainage.)

D. Potential Development.

When sufficient information is available, the MLP should include a Reasonably Foreseeable Development (RFD) scenario that projects the anticipated oil and gas exploration and development activity in the MLP area. (Refer to the RFD chapter in this handbook.) This forecasting will provide a basis upon which the BLM may determine the need for additional resource protection measures. The RFD is based primarily on geology (potential for oil and gas resource occurrence), and past and present oil and gas activity (e.g., locations, characteristics, and trends). Other factors should also be considered, such as changing economics, evolving drilling and production technology development, existing or anticipated infrastructure, and transportation. If necessary information is not available, the best available data should be used and analytical assumptions regarding development should be clearly explained in the NEPA document for the MLP. The analysis of the RFD within the MLP should enable field offices to evaluate in-field considerations such as potential development scenarios, desired major transportation and utility corridors, and desired surface spacing.

E. Identifying and Evaluating Potential Resource Conflicts in an MLP.

The following non-exhaustive list of important national and local resource issues should be considered, as applicable, by the interdisciplinary team when developing an MLP:

1. Ambient air quality and potential impacts, including cumulative impacts, to Air Quality or Air Quality Related Values, such as visibility, from development.
2. The effect of oil and gas leasing on special designations such as units within the National Landscape Conservation System, Special Recreation Management Areas, and Areas of Critical Environmental Concern.
3. Inventoried lands with wilderness characteristics.
4. Nearby state, Tribal, or other Federal agency lands, including National Park Service (NPS) and Fish and Wildlife Service (FWS) lands, that could be adversely affected by BLM-authorized oil and gas development.
5. Important cultural resources, including traditional cultural properties of importance to Native American tribes and historic trails.
6. Scientifically significant paleontological resources.
7. Fisheries and wildlife habitat, migration corridors, and rare plants.
8. The status of visual resource inventories and appropriate designations of Visual Resource Management Classes.
9. Watershed conditions, steep slopes, and fragile soils.
10. Surface water and groundwater protection, including municipal watersheds and aquifers.
11. Public health and safety (e.g., management of fluids and emissions).
12. The ability to achieve interim and final reclamation standards (Gold Book, Chapter 6).
13. Other mineral potential and the effect of developing oil and gas on the other mineral resources.

F. Developing an MLP through the RMP Revision or Amendment Process.

The following guidance outlines the general principles for developing an MLP through the RMP revision or amendment process and preparing the supporting NEPA analysis. Given the individual circumstances specific to each planning area in an RMP revision or amendment, it may be necessary to modify the approach outlined below:

1. The MLP should be easily recognizable throughout the RMP document (e.g., discussing master leasing planning in the Executive Summary of the RMP).
2. Field offices should consider incorporating the purpose and need for developing an MLP as a separate and distinct element of the purpose and need statement for the overall RMP.
3. Development of the MLP should be included as part of the discussion of the scoping process and planning issues.
4. The application of the MLP criteria to the area should be described. If an area does not meet the criteria requiring an MLP and the BLM is choosing to exercise its discretion to complete an MLP, the rationale for preparing an MLP should be discussed.
5. The boundaries of any MLP area should be clearly delineated on a map.
6. The MLP information should fall within the Leasable Minerals section of the alternatives, affected environment, and environmental consequences chapters of the RMP's supporting NEPA analysis.
7. The planning document should include alternative ways of implementing the MLP. One way to accomplish this is to develop MLP-specific sub-alternatives within the MLP alternative or alternatives of the overall RMP. For example, if a Draft RMP included an MLP as part of Alternative B, a field office could develop alternatives B-1, B-2, and B-3 within Alternative B that vary the stipulations, Conditions of Approval, and other management actions in the MLP area.
8. In the affected environment chapter, discuss the relevant resource values and uses present in the MLP area that may result in conflicts with oil and gas development (whether actual or reasonably foreseeable).
9. Project the reasonably foreseeable development for the area, identify resource condition objectives, and adopt resource protection measures using the guidance in section C of this chapter.
10. The analysis should demonstrate the effectiveness of resource protection measures for helping to achieve resource objectives.
11. In the environmental consequences chapter, the analysis should include a discussion that is specific to the MLP area and its identified resource values. The MLP analysis will generally address oil and gas development in greater detail than is found in the remainder of the RMP, but in less detail than if a development plan had been submitted by an operator. An analytical discussion of the effects of resource protection measures and other management actions proposed in the MLP-specific sub-alternatives may reach a conclusion similar in scope to the following example: "The management actions (1, 2, 3, etc.) applied in [Name of MLP area] will result in less adverse impacts to the following

resource values (1, 2, 3, etc.), as evidenced by less overall surface disturbance, shorter periods of disturbed surface [etc.]”

12. Decisions in the Record of Decision or other decision document should specify what elements of the MLP alternatives are being selected for adoption in the RMP, if any.
13. Above all, the analytical approach should remain consistent with basic concepts of analysis under NEPA; analysis can only address what is reasonably foreseeable. The level of detail of the analysis should be tailored to support the level and specificity of the decisions being made.

Glossary

Condition of Approval (COA)	A site-specific and enforceable requirement included in an approved Application for Permit to Drill (APD) or Sundry Notice that may limit or amend the specific actions proposed by the operator. Conditions of Approval minimize, mitigate, or prevent impacts to public lands or other resources.
Information Notice (Also referred to as a Lease Notice)	An Information Notice provides notice of existing requirements and may be attached to a lease by the authorized officer at the time of lease issuance to convey certain operational, procedural, or administrative requirements relative to lease management within the terms and conditions of the standard lease form. Information notices may not serve as the basis for denial of lease operations.
Lease Stipulation	A stipulation is an enforceable term of the lease contract, supersedes any inconsistent provisions of the standard lease form, and is attached to and made a part of the lease. Lease stipulations further implement BLM regulatory authority to protect resources or resource values. Lease stipulations are designed to provide a level of protection for other resource values or land uses by restricting lease operations during certain times or in certain locations or to avoid unacceptable impacts, to an extent greater than the lease terms in the standard form approved by the Director.
Lease Stipulation Types	
<ul style="list-style-type: none"> No Surface Occupancy (NSO) 	Use or occupancy of the land surface for fluid mineral exploration or development is prohibited in order to protect identified resource values. The minerals under NSO lands may potentially be developed by directionally or horizontally drilling from nearby lands that do not have the NSO limitation.
<ul style="list-style-type: none"> Timing Limitation (TL) 	Prohibits surface use during a specified time period to protect identified resource values. (Seasonal Restriction)
<ul style="list-style-type: none"> Controlled Surface Use (CSU) 	Use and occupancy is allowed (unless restricted by another stipulation), but identified resource values require special operational constraints that may modify lease rights.
Lease Stipulation and Permit Condition of Approval Exceptions, Waivers, and Modifications.	
<ul style="list-style-type: none"> Exception 	A one-time exemption for a particular site within the leasehold; exceptions are determined on a case-by-case basis; the stipulation continues to apply to all other sites within the leasehold. An exception is a limited type of waiver.
<ul style="list-style-type: none"> Waiver 	A permanent exemption from a lease stipulation. The stipulation no longer applies anywhere within the leasehold.
<ul style="list-style-type: none"> Modification 	A change to the provisions of a lease stipulation, either temporarily or for the term of the lease. May maintain, increase, or decrease the level of environmental protection. Depending on the specific modification, the stipulation may or may not apply to all sites within the leasehold to which the restrictive criteria are applied.

Master Leasing Plan (MLP)	A plan that includes analysis of a distinct geographic area that takes a more closely-focused look at RMP decisions pertaining to leasing and post-leasing development of the area. The MLP also establishes a guiding framework for the development of the area and provides a vision for how future development will proceed.
Reasonably Foreseeable Development Scenario (RFD)	A technical report containing a long-term projection (scenario) of a particular use of the public lands, in this case oil and gas exploration, development, production, and reclamation activity.