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PO Box 1312
309 Main Street, Suite A
Lander, WY 82520
307-335-8633 • Fax: 307-335-8690
www.wyomingwildlife.org

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Date: Sept. 22, 2008 Number of pages including this page: 18

To: Don Simpson, Acting State Director, BLM

Fax Number: 307.775.6203 Telephone Number: _____

From: Wyoming Wildlife Federation

Fax Number: 307.335.8690 Telephone Number: _____



Memo: Protest of 29 parcels in the October 7, 2008 BLM Competitive Oil & Gas Lease Sale.

*Faxed
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September 22, 2008

Via Facsimile 307-775-6203

Don Simpson, Acting State Director
Bureau of Land Management
Wyoming State Office
5353 Yellowstone Road
Cheyenne, Wyoming 82003-1828

Re: Protest of October 7, 2008 Competitive Oil and Gas Lease Sale

Protest of 29 parcels. Specific parcels protested include:

Parcels WY-0810-066, WY-0810-076, WY-0810-087, WY-0810-097, WY-0810-137, WY-0810-167, WY-0810-168, WY-0810-176 and 177, WY-0810-181, WY-0810-186 through 188, WY-0810-198 through 201, WY-0810-207 and 208, WY-0810-212 through 215, WY-0810-218, WY-0810-237, WY-0810-239 and 240, WY-0810-245 and 246

Dear Acting Director Simpson:

The Wyoming and National Wildlife Federations, through undersigned counsel, protest, pursuant to 43 C.F.R. §§ 4.450-2 and 3120.1-3, the Bureau of Land Management's lease sale offerings of the above-listed parcels in Wyoming scheduled to be offered at the October 7, 2008, Competitive Oil and Gas Lease Sale. WWF and NWF request that the protested parcels be withdrawn from sale at this time pending the BLM's completion of adequate analysis of the effects of leasing on greater sage-grouse, big game winter range, and hunting and wildlife recreation opportunities in Wyoming, and the addition of lease stipulations adequate to address these impacts. Members of WWF and NWF visit, hunt, and otherwise use lands on or near the parcels proposed for leasing. Our members' interests in the public lands and the wildlife resources that depend on those lands for habitat will be adversely affected if the sale of these parcels proceed, as proposed, without adequate environmental analysis or safeguards to protect the functionality of critical wildlife habitat.

Offering the protested parcels for lease at this time would be contrary to both Federal law and the policy of the State of Wyoming. Because no separate environmental analysis has been undertaken or completed for the effects of the proposed lease sale, the BLM's leasing decision relies on planning and NEPA documents, none of which address pertinent and significant new information regarding effects of oil and gas development on wildlife, particularly greater sage-grouse and mule deer.

We request the BLM modify or defer the leasing of specified parcels containing significant greater sage-grouse habitat that would be affected by the proposed lease sale. Because mapping and planning efforts to document and protect this species are currently incomplete, the BLM should refrain from issuing leases that will complicate conservation efforts until such time as it has adequately addressed newly-available scientific and conservation policy data and recommendations.

Under the statutory and regulatory provisions authorizing this lease sale, the BLM has full discretion whether or not to offer these lease parcels for sale. The Mineral Leasing Act, 30 U.S.C. § 226(a), provides that “[a]ll lands subject to disposition under this chapter which are known or believed to contain oil and gas deposits may be leased by the Secretary.” (emphasis added). The Supreme Court has concluded that this “left the Secretary discretion to refuse to issue any lease at all on a given tract.” *Udall v. Tallman*, 380 U.S. 1, 4 (1965); *see also Wyoming ex rel. Sullivan v. Lujan*, 969 F.2d 877 (10th Cir. 1992); *McDonald v. Clark*, 771 F.2d 460, 463 (10th Cir. 1985) (“While the [Mineral Leasing Act] gives the Secretary the authority to lease government lands under oil and gas leases, this power is discretionary rather than mandatory.”); *Burglin v. Morton*, 527 F.2d 486, 488 (9th Cir. 1975). As discussed in detail below, exercise of the discretion not to lease lands that support greater sage-grouse habitat and mule deer crucial winter range, pending adequate environmental analysis, is appropriate and necessary:

- Demand for wildlife recreation is increasing and certain wildlife populations, particularly greater sage-grouse, are declining;
- Existing BLM land use plans and proposed lease stipulations and notices are inadequate to address substantial new information and direction regarding greater sage-grouse conservation, including the September 2007 recommendations identified by the Wyoming statewide Sage-Grouse Implementation Team and the recent decision by the United States District Court for the District of Idaho overturning the United States Fish and Wildlife Service’s conclusion that listing of the species under the Endangered Species Act is not warranted.
- BLM has received substantial, new material information regarding sage-grouse populations and habitat conditions, the effects of oil and gas development on sage-grouse and mule deer, and best management practices for minimizing the effects of development on wildlife. Existing NEPA documents, including the 1987 Lander RMP, the 1990 Rawlins RMP and EIS, 1988/1998 Worland RMP, and the 1986 Kemmerer RMP all currently undergoing revision, do not take into account any of this material new information, and are an inadequate basis for new non-NSO leasing.
- The Lander, Kemmerer and Rawlins (formerly Great Divide) Resource Management Plans are currently undergoing revision, and premature leasing could unduly prejudice available alternatives;

About the Protesters

The Wyoming Wildlife Federation (WWF), established in 1937 and with currently standing membership of approximately 5,000, is Wyoming's oldest and largest statewide sportsmen and conservation organization. Our mission is to work for hunters, anglers, and other wildlife enthusiasts to protect and enhance habitat, to perpetuate quality hunting and fishing, to protect citizen's right to use public lands and waters, and to promote ethical hunting and fishing.

The National Wildlife Federation (NWF) is a national member-supported non-profit conservation, education, and advocacy organization. NWF is associated with conservation organizations in 47 states and territories, including WWF in Wyoming. NWF is dedicated to conserving wildlife and other natural resources, and believes that hunting, fishing, and trapping are legitimate recreational pursuits and useful wildlife management practices. NWF works to promote responsible management of wildlife on public lands.

The protesters have well-established histories of participation in BLM planning and management activities. Members of WWF and NWF have visited and used BLM public lands throughout Wyoming for fishing, hunting, wildlife viewing, and other activities, and will continue to use these areas in the future. Mineral development of greater sage-grouse habitat and big game crucial winter range will harm our members' interests in their continued use of those areas and the wildlife they support, especially if development is allowed to proceed, as proposed, absent adequate study and safeguards against loss of wildlife resources.

I. DESCRIPTION OF AFFECTED RESOURCES

A. Greater Sage-Grouse Leks and Occupied Habitat:

Parcels WY-0810-066, WY-0810-076, WY-0810-087, WY-0810-097, WY-0810-137, WY-0810-167, WY-0810-168, WY-0810-181, WY-0810-188, WY-0810-198 through 201, WY-0810-207 and 208, WY-0810-213, WY-0810-215, WY-0810-218, WY-0810-237, WY-0810-239 and 240, WY-0810-245 and 246 (23 parcels)

According to BLM Competitive Lease Sale notice data and analysis of sage grouse density data by the National Audubon Society, these 23 parcels listed above fall within occupied greater sage-grouse habitat (nesting and/or winter habitat) and are of particular concern for grouse population viability due to proximity of lease sale parcels to areas of high sage-grouse lek density. These parcels are subject to timing limitation stipulations which restrict (subject to site-specific exceptions) the timing of initial drilling operations, restricting surface use (excluding "operation and maintenance of production facilities") from March 1 through July 15 to protect nesting sage grouse and from November 15 through March 14 to protect wintering sage-grouse. Unfortunately, these standard stipulations have been repeatedly demonstrated through scientific studies to be ineffective in protecting greater sage-grouse leks (dancing grounds) and nesting success, are not supported by any peer-reviewed scientific studies, and reliance solely on these timing stipulations is inconsistent with the conservation strategies identified in the recommendations of the Wyoming Sage-Grouse Implementation Team

B. Big Game Winter Range and Migration Corridors:

Parcels WY-0810-066, WY-0810-076, WY-0810-087, WY-0810-097, WY-0810-167, WY-0810-168, WY-0810-176 and 177, WY-0810-186 and 187, WY-0810-199 through 201, WY-0810-207 and 208, WY-0810-212 through 215, WY-0810-218, WY-0810-237, WY-0810-239 and 240, WY-0810-245 and 246 (25 parcels)

According to the BLM Competitive Lease Sale Notice data and our review of mule deer, elk and pronghorn range data from WGFD, the 25 parcels listed above fall within or adjacent to elk, mule deer, and pronghorn migration routes and their crucial winter ranges of particular importance for wildlife populations. BLM has specified for these parcels a Timing Limitation Stipulation, which allows no surface use from November 15 through April 30 (subject to site-specific exceptions) to protect big game winter range, but allows operation and maintenance of production facilities during the winter once initial drilling has been completed. BLM also specified a Timing Limitation Stipulation for two of these parcels (WY-0810-215 and WY-0810-218), which allows no surface use from May 1 to June 30 to protect big game during parturition. These standard timing stipulations, while they may help to alleviate disruption of winter big game activity and big game parturition during the year of initial drilling, do not address loss and degradation of habitat caused by development, and recent research, discussed below, suggests they are ineffective at protecting mule deer populations affected by development.

Winter is a critical and stressful time for wild ungulates; therefore, crucial winter range for the most abundant big game species (pronghorn, mule deer, and elk) is often the focus of management and a criterion for analyzing the impacts of resources management on big game. Research has shown that timing limitations may not be achieving their desired results.¹ The lease parcels noted above contain big game crucial winter ranges and migration corridors with timing limitations. These lease parcels, if sold, will be subjected to mineral development that will inevitably have a negative impact on the big game and their crucial ranges. This is of particular concern as associated human activity may negate the effectiveness of timing restrictions on drilling activities as a means of mitigation (Sawyer *et al.* 2006).² Sawyer *et al.* (2006) recommends that mitigation measures seeking to minimize disturbance to mule deer on winter range consider all human activity across the entire project area and not be restricted to the development of wells or to crucial winter ranges. The BLM should not focus solely on timing limitations in crucial winter ranges as the primary mitigation measure for big game.

In addition to skepticism that timing limitations alone are sufficient to conserve big game populations once energy development exceeds a certain level, their effectiveness further decreases when exceptions are granted to industry, allowing them to enter and conduct activities on these crucial lands during restricted seasons. Because BLM regularly grants exceptions to winter stipulations, the effectiveness of timing limitations to mitigate impacts from surface

¹ The Wyoming Game and Fish Department considers anything more than four pads per section in crucial ranges for both mule deer and pronghorn to constitute "high" or "extreme" impacts to these habitats requiring mitigation measures in addition to seasonal restrictions. WGFD Recommendations at 11.

² The RFD projects that spacing in the Moxa Arch/Green River Basin geologic area will range from 4 to 8 wells per section. Spacing for coalbed methane production will be 4 to 6 wells per section. Other unconventional gas resources would require 40-acres spacing (8 wells per section). Kemmerer RFD at 7-10 to 7-11.

disturbing activities is unknown.³

II. THE LEASING OF SAGE-GROUSE AND MULE DEER HABITAT ABSENT FULL EXAMINATION OF THE ENVIRONMENTAL CONSEQUENCES WILL VIOLATE THE NATIONAL ENVIRONMENTAL POLICY ACT

The National Environmental Policy Act, 42 U.S.C. § 4332(C), requires the BLM to take a “hard look” at the environmental consequences of their proposed actions. *Kleppe v. Sierra Club*, 427 U.S. 390, 410 n.21 (1976). When offering oil and gas leases for sale without stipulations prohibiting surface occupancy—leases such as the October protested leases—the agencies must assess the environmental impacts of reasonably foreseeable post-leasing oil and gas development prior to issuance of the lease. See, e.g., *Southern Utah Wilderness Alliance*, 159 IBLA 220, 240-43 (2003); *Pennaco Energy, Inc. v. U.S. Dep’t of the Interior*, 377 F.3d 1147 (10th Cir. 2004); *Conner v. Burford*, 848 F.2d 1441 (9th Cir. 1988); *Sierra Club v. Peterson*, 717 F.2d 1409 (D.C. Cir. 1983).

Moreover, NEPA regulations require that an agency must undertake supplemental analysis when new information is available: “If there remains a ‘major federal action to occur, and if . . . new information is sufficient to show that the remaining action will ‘affect the quality of the human environment’ . . . to a significant extent not already considered, a supplemental EIS must be prepared.” *Marsh v. Oregon Natural Resources Council*, 490 U.S. 360, 371 (1989).

Current RMPs (Rawlins/Great Divide 1990, Worland 1988/1998, Rock Springs 1997, and Lander 1987) do not adequately address substantial new relevant information regarding sage-grouse, mule deer, and the effects on those species from levels of oil and gas development currently being proposed for those areas.

The BLM cannot legally avoid analysis of environmental consequences by insisting that lease issuance is a mere paper transaction without on-the-ground consequences. Regardless of the fact that additional federal actions will precede commercial drilling, the issuance of a lease (particularly without stipulations allowing the BLM to preclude surface disturbance) commits the leased parcel to development and conveys legal rights to the purchaser. See 43 C.F.R. § 3101.1-2. Following lease, land management agencies’ ability to prevent impacts to other resources is limited to those “reasonable measures” that are “consistent with lease rights granted.” *Id.* Where, as here, the lease right allows surface occupancy, a significant commitment of resources is made at the time of lease issuance. This is an action with readily foreseeable on-the-ground consequences. See *Conner*, 848 F.2d 1441; *Sierra Club v. Peterson*, 717 F.2d 1409, 1413 (D.C. Cir. 1983).

As the Tenth Circuit Court of Appeals recently clarified, *Park County Resource Council v. United States Dept. of Agriculture*, 817 F.2d 609 (10th Cir. 1987) does not excuse the BLM

³ Moreover, timing limitations impose no limit on human disturbances once oil and gas development enters the production phase. This further undermines their effectiveness. See comments of A. William Alldredge, Ph.D. on the Pinedale RMP DEIS

from its obligation to analyze these consequences prior to leasing. *Pennaco Energy, Inc. v. United States Dept. of the Interior*, 377 F.3d 1147, 1162 (10th Cir. 2004). *Park County* may allow the agency to forego preparation of an Environmental Impact Statement if and when it has prepared an extensive environmental assessment covering the leases in question. This, however, is not the case; the majority October 2008 parcels have had no NEPA documentation prepared for them save the RMP documents that do not (and cannot) account for significant new developments and information since the date of their respective RMPs, including increased recreational demand, greatly increased levels of mineral development, and declining populations of greater sage-grouse and other sensitive species and, especially, new scientific information regarding the species' vulnerability to adverse effects from mineral development.

With respect to sage-grouse and mule deer, BLM is in possession of new and substantial material information about the current condition of habitat and wildlife populations, the impacts of oil and gas drilling on the habitat, and recommended management measures for reducing the adverse effects of development on wildlife population. It is key that the BLM take this information into account before leasing parcels, as the agency has recently acknowledged in Colorado, by withdrawing sage-grouse habitat within the White River resource area from the February 7, 2007 lease sale for further analysis,⁴ and by amending the November lease sale to defer Gunnison Sage Grouse occupied habitat from leasing, see Colorado BLM Lease Sale Notice of Addendum, October 5, 2007. Most recently, the Colorado BLM deferred substantial portions of its proposed November 2007 lease sale for additional consultation with the Colorado Division of Wildlife, and added additional stipulations to preserve management flexibility with regard to sage-grouse conservation on additional parcels containing grouse habitat. BLM Colorado State Office, Notice of Addendum, October 30, 2007. As discussed below, given the availability of new information, such deferral and consultation is required for sage-grouse habitat in Wyoming as well.

Independent consideration of new information is vital where the data was not taken into account when BLM completed the environmental analysis for the current RMPs. The recent decision of the Interior Board of Land Appeals in Center for Native Ecosystems, has confirmed the need to complete additional analysis before leasing, stating that "whether more NEPA analysis based on new information is required depends on the nature of the NEPA analysis already completed, and the nature of the information available at the time of the agency action." 170 IBLA 331, 346 (2006). Based on the lack of analysis of new information on protection of white-tailed prairie dogs and their role as prey for black-footed ferret reintroduction in the existing RMPs, the IBLA found that the BLM was required to complete NEPA analysis prior to issuing leases.

The EISs for the existing RMPs do not contain any analysis of the substantial post-2000 research and thinking regarding effects of energy development on greater sage-grouse. The various RMP EISs should be updated to take account of new factual developments and new scientific information. Moreover, BLM should analyze the relationship between levels of oil and gas development that have substantially increased since the issuance of documents such as the 1990 Great Divide (Rawlins) RMP, and increased levels of demand for wildlife recreation.

⁴ Bureau of Land Management Colorado State Office, Decision: February 8, 2007 Competitive Oil & Gas Lease Sale Protest of Parcels COC70761 and COC70762 Is Upheld.

NEPA also requires BLM, however, to take into account the substantial new scientific and professional information available regarding energy development impacts to wildlife habitat and effective measures for mitigating those impacts.

A. The BLM Must Analyze New Scientific Information and Legal Developments Not Available at the Time of RMP Adoption or Revision

Sage Grouse

The BLM should take into account recent scientific research regarding impacts of oil and gas development on greater sage-grouse behavior, nesting success, and population viability. A variety of sources – academic researchers, state agencies, interagency task forces and working groups, and wildlife and conservation organizations - have provided BLM with extensive information regarding, and analysis of, the recent scientific literature on sage-grouse conservation and its implications for land management and energy development. In particular, we note the following policy recommendations from the Wyoming Statewide Sage-Grouse Implementation Team, submitted to the Governor in September 2007:

3. Identify undeveloped lands that have high biological value for sage grouse. Protect identified areas through repurchase of valid existing rights, use of No Surface Occupancy lease stipulations, preclusion of leasing, or other appropriate measures as a means to insure high-quality habitat retention in the short-term, until reclamation or mitigation within the home range of the affected population is able to meet the needs of sage grouse in the immediate area.

PRIMARY RESPONSIBILITY: BLM/USFS, State Lands

SECONDARY RESPONSIBILITY: WGFD

START DATE: immediate

COMPLETION DATE: ongoing

RATIONALE: Restoring sagebrush habitats is extremely difficult and expensive. Retaining high quality areas that are important to sage-grouse (as identified by mapping) will contribute to persistence of sage-grouse while allowing for development activities in other areas.

4. Minimize the footprint for energy development, recognizing that all developments are unique, by implementing techniques recommended by local SG working groups, science advisory group, and industry that achieve this objective (e.g. mat drilling, multiple wells). Develop incentives to minimize footprints that may include tax exemptions, streamlined permitting, bond reductions, stipulation exceptions, and other innovative means to achieve conservation of Sage-grouse and their habitats.

PRIMARY RESPONSIBILITY: BLM/USFS, State Lands

SECONDARY RESPONSIBILITY: WGFD, OGCC

START DATE: immediate

COMPLETION DATE: ongoing

RATIONALE: Restoring sagebrush habitats is extremely difficult and expensive. Reducing the footprint of energy development will facilitate retention of local sage-grouse populations, which is critical in re-establishing the birds once development is complete, and will minimize reclamation expenses. Minimization techniques that are appropriate for each ecological area should be implemented.

Sage Grouse Strategies Identified by Implementation Team, Sept. 24, 2007, have not seen these policy recommendations analyzed in any applicable NEPA document, and issuance of the protested leases with their current stipulations (timing stipulations for nesting and winter habitat only), will substantially foreclose the BLM's ability to adopt or even consider these recommendations in resource management plans under revision now or in the future.

The greater sage-grouse is classified as a sensitive species by the Wyoming BLM. BLM sensitive species policy requires the agency to "provide policy and guidance ... for the conservation of [sage grouse] and the ecosystems upon which [it] depend[s]." BLM Manual § 6840.01. The Manual requires "conservation" of sensitive species, where "conservation" is defined as "the use of all methods and procedures which are necessary to improve the condition of special status species and their habitats to a point where their special status recognition is no longer warranted." Manual at 6840.01. Based on current sage-grouse research the proposed October sage-grouse habitat leasing, with only limited timing stipulations and no consideration of comprehensive conservation techniques for high-value habitats, represents a clear failure to use all such methods and procedures.

Although sensitive species do not receive the statutory protections of the Endangered Species Act due listed threatened and endangered species, the Manual sets the minimum level of protection for BLM sensitive species at that of candidate species. To protect candidate species, the BLM is required to implement management plans that conserve candidate species and their habitats and to ensure that actions authorized, funded, or carried out by the BLM do not contribute to the need for the species to become listed. Manual at .12. Therefore, the minimum requirement for the greater sage-grouse is to ensure that they do not become listed under the ESA. Furthermore, the BLM's goal is to improve the status of such species to the point where their special status recognition is no longer warranted. Taking conservation actions before listing is warranted or designation of critical habitat is necessary is considered to be "in the interest of the public." Manual at 6840.22.

Extensive post-1991 research demonstrates the inadequacy of the scientifically-unjustified standard mitigation measures (1/4-mile no surface occupancy, limited seasonal avoidance of nesting habitat) proposed for the October lease sale to protect breeding sage-grouse populations. See Matthew J. Holloran, Greater Sage-Grouse Population Response to Natural Gas Field Development in Western Wyoming 73 (2005); ("Results from scientific research demonstrates that approximately 80% of greater sage-grouse nest within 4 miles of active leks. Gas development within 4 miles of leks may affect sage-grouse nesting success.") In particular, as the U.S. Fish and Wildlife Service has repeatedly noticed, Holloran's research indicates that the standard stipulations BLM relies on (1/4-mile no surface occupancy around leks, seasonal limitations on initial drilling within 2 miles of leks) are insufficient to maintain sage-grouse

breeding populations within gas fields. This new scientific information must be considered both in pre-leasing analysis (and the development of effective mitigation measures) and in the RMP revision process. As the Wyoming Governor has cautioned “[a]s we struggle to address areas in the Powder River Basin that have been identified as having key sage grouse habitat values but have already been leased, it would seem prudent to save ourselves from similar difficulties in the area by simply pulling these parcels from the sale block.”

The Wyoming BLM, analyzing effects on sage-grouse from coalbed methane development in the Atlantic Rim area of the Rawlins Resource Area, has acknowledged the significance of some of this new research:

Naugle et al. (2006) found that leks along the edge of CBNG development had higher lek attendance than leks within the developed area. The hypothesis that sage-grouse avoid developed areas is supported by the finding that active leks and leks with moderate to large numbers of males were often found adjacent to CBNG fields but rarely within CBNG. In contrast, inactive leks and leks with few males were often found within CBNG fields. One of the most striking patterns discovered was that, of leks counted in either 2004 or 2005, no medium or large-sized leks occurred within CBNG development; all remaining leks in CBNG have 20 or fewer males. Summary statistics for well and power line variables calculated from GIS layers around active and inactive leks indicate that active leks typically are twice as far from wells, one-half times as far from power lines, have one-third the density of wells, one-half the density of power lines, and generally have less development (wells and power lines) within 3.2 kilometers (km) of the lek complex. In addition, a significantly higher proportion of lek complexes are inactive in CBNG areas compared to areas on the edge of or outside CBNG (excluding lek complexes of unknown status and those destroyed by agriculture or mining).

BLM Rawlins Field Office, Atlantic Rim Coalbed Methane Development FEIS at 4-76; *see also* David E. Naugle *et al.*, Sage-grouse Population Response to Coal-bed Natural Gas Development in the Powder River Basin: Interim Progress Report on Region-wide Lek-count Analyses 8-9 (2006). Further analysis of the Powder River Basin sage-grouse study, makes clear that the standard BLM sage-grouse measures (prohibiting surface infrastructure within 1/4 mile of leks, timing restrictions on drilling during the breeding season) adopted in the Atlantic Rim ROD are insufficient to protect breeding populations. Brett L. Walker *et al.*, Greater sage-grouse population response to energy development and habitat loss, *Journal of Wildlife Management* (In Press) at 18.

Mule Deer

The current lease sale is being proposed under RMPs that, with regard to energy development and mule deer, fail to take into account, or consider alternatives based on, significant new research demonstrating the effects of natural gas development on mule deer. At the time of RMP development, the BLM lacked concrete data now available demonstrating just how significant that impact is at even moderate levels of development. The Sublette Mule Deer Study, analyzing effects on mule deer from gas development in the area around Pinedale,

Wyoming, has shown that mule deer avoid gas field development, and that mule deer abundance declined 46% (most likely due to reduced survival rates) in areas affected by development. Western Ecosystems Technology 2006 Annual Report, Sublette Mule Deer Study (Phase 2) i-ii. The results of the Sublette Mule Deer Study, assessing development under the standard timing stipulations relied on by BLM in the proposed lease sale indicate that it is inappropriate to rely on prior assumptions that timing limitation stipulations alone will prevent significant changes in big game abundance. See Hall Sawyer *et al.*, *Winter Habitat Selection of Mule Deer Before and During Development of a Natural Gas Field*, *Journal of Wildlife Management* 70(2): 396-403 (2006).

Although BLM may claim there are questions as to the applicability of the Sublette study to other portions of the state, and raised questions as to whether the decline in abundance reflects reduced survival or change in distribution, what is incontrovertible is that no relevant NEPA document addressed this information, which simply did not exist at that time. If there are additional questions to be answered about the meaning of the Sublette results for mule deer populations elsewhere in the State, those questions should be answered before leasing, not after, with full opportunity for consideration of alternative courses of action under NEPA. We believe that the Wyoming BLM should follow the example of its Montana counterpart, given the availability of substantial new information, and defer the leasing of additional mule deer winter range until such time as BLM has the opportunity to complete a comprehensive NEPA analysis of the effects of additional leasing on the species.

B. The BLM Must Take Into Account New Information Regarding Greater Sage-Grouse

Based on the governing resource management plans and stipulations to be attached to the proposed leases, we believe that issuance of the proposed leases would fall far short of the specific recommendations from the Wyoming Game and Fish Department, and the Sage-Grouse Implementation Team regarding development in sage-grouse habitat within Wyoming. In addition to the Governor's December 2007 recommendation that certain areas in the Saratoga region supporting high densities of sage grouse not be leased prior to completion of mapping of seasonal habitats, the Implementation Team has recommended that BLM (a) identify undeveloped lands with high biological value and protect those areas through measures including No Surface Occupancy leasing and/or lease stipulations (Policy Recommendation 3) and (b) adopt techniques and incentives to minimize the footprint of energy development (Policy Recommendation 4). Because these recommendations have been available only since late September, and the BLM has not had the opportunity to consider them prior to leasing.

We would also draw the Wyoming BLM's attention to the recent recommendations of the neighboring State of Colorado's Division of Wildlife regarding mineral leasing within sage-grouse habitat

Since greater sage-grouse are particularly sensitive to disturbance while attending leks, the CDOW is very concerned about impacts at those sites. These should be no surface occupancy within 0.6 mile radius from a known lek site. Most sage-grouse hens nest in close proximity to leks. For instance, recent telemetry data

from Moffat County indicate that approximately 45% of nesting hens are located within 2 miles of the lek with approximately 80% of the birds occurring within 4 miles of a lek. Sage-grouse nest on the ground under sagebrush plants and are susceptible to destruction by ground disturbing construction and to nest abandonment caused by disturbance (including acoustic) during the nesting season. Activities such as timing and drilling restrictions can help minimize impacts to these critical areas. To protect breeding and nesting habitat, CDOW staff recommends that drilling and operation not occur within four miles of sage-grouse leks between March 1 and June 30. If low intensity pre-construction (e.g. surveying and staking) work is necessary in these areas between March 1 and June 30, CDOW recommends that these activities only occur between 10:00 in the morning and 4:00 in the afternoon.⁵

CDOW further noted that “the proposed oil and gas exploration occurs in a diversity of important wildlife habitats. Because of the high wildlife values we recommend that this area not be leased for oil and gas development.” *Id.* at 4. If the area is to be leased, CDOW requested inclusion of an extensive list of generally-applicable as well as species-specific best management practices. *Id.* at 5-15. These BMPs include, for sage-grouse, consideration of the CDOW-recommended 0.6-mile NSO around leks, hour restrictions on well site visits in breeding season, and a recommendation to “retain core areas and limit disturbance to ensure sage-grouse survival.” *Id.* at 13-14. We note that these measures are neither incorporated in the stipulations and lease notices accompanying the proposed Wyoming lease sale nor the governing RMPs. Not only has the BLM not adopted these recommendations, it has never even had the opportunity to consider them, under NEPA, as an alternative. The last applicable NEPA analysis for each affected resource area predates the significant new research showing that the timing and spacing measures it relies on to prevent grouse decline are demonstrably inadequate. Failure to consider this research and its implications for management, prior to leasing, violates the BLM’s NEPA duty to take a “hard look” at the environmental consequences of its actions.

We would also like to draw the BLM’s attention to the December 4, 2007, decision by the United States District Court for the District of Idaho overturning the United States Fish and Wildlife Service’s 2005 12-Month Finding that listing of the greater sage-grouse is not warranted under Section 4 of the Endangered Species Act, 16 U.S.C. § 1533(a)(1). In *Western Watersheds Project v. U.S. Forest Service*, No. CV-07-277-E-BLW (Mem. Decision Dec. 4, 2007), the court invalidated the Service’s January 2005 “12-month finding,” under 16 U.S.C. 1533(b)(6) and implementing regulations, that the petitioned listing of the greater sage-grouse as threatened or endangered is “not warranted.” As a result, the court remanded the listing decision to the Service for further consideration. In the interim, the BLM must consider the sage-grouse as a candidate species, and give due consideration to the implication of land use planning and mineral leasing decisions on the likelihood of the species’ extinction. We would like to draw the BLM’s attention to several aspects of the District Court’s decision that merit particular consideration in oil and gas leasing decisions such as the proposed lease sale at issue. The District Court found the Service’s finding was arbitrary and capricious for four reasons:

First, contrary to 16 U.S.C. 1533(b)(1)(a), the Service failed to base its decision “solely

⁵ Letter from Ron D. Velarde, Colorado Division of Wildlife, to David Stout, Colorado BLM (Aug. 8, 2007)

on the basis of the best scientific and commercial data available.” The Service convened a seven-member expert panel to assist in its listing decision—the court found that the “best science” in the process was represented by this expert panel, but that the Service failed to prepare a transcript or written report of its deliberations and conclusions, failed to preserve the “best science for the record,” and excluded the expert panel from substantively recommending whether or not the species should be listed. Although the court did not specifically mandate a probability-of-extinction standard for listing, it was quite critical of the Service's decision that (what the court found to be the panel's finding of) a 36% chance of (range-wide) extinction within 100 years did not constitute a “likelihood” of “danger of extinction”—suggesting, but not ruling, that a 20% likelihood on extinction within 100 years was significant enough for a “threatened” listing.

Of particular relevance to this pending Wyoming lease sale is the court's characterization of the expert panel as finding that the risk of extinction in the eastern portion of the species' range—where the “principal threat” to the species is energy development—was a remarkable 52%. *WWP v. USFWS*, Mem. Op. at 22. Given the Service's acknowledgment that “the rapidity of [energy] development and the persistent demand for petroleum products” is the primary threat in the east region,” Mem. Op. at 28, and the District Court's conclusion that the Service lacked adequate information regarding the efficacy of BLM measures to protect sage-grouse from energy development, Mem. Op. at 30, the BLM must consider carefully whether the current lease sale at its accompanying stipulations will contribute towards the substantial risk of sage-grouse extinction in the eastern portion of its range.

Second, the court rejected the Service's finding because of its conclusions that “service biologists determined the principal habitat-related threats are not proceeding at a rate that will threaten the continued existence of the species within the foreseeable future.” The court found this conclusion flawed because it was based not on the expert panel's (unrecorded) discussions, but rather off-the record meetings by the Service Director. Of particular interest, the opinion also notes with concern the 2004 Western Association of Fish and Wildlife Agencies Conservation Assessment and its finding that rapid energy development is the principal threat to the species in its eastern region, and finds that the Service failed to explain why it departed from the Conservation Assessment's conclusions.

Third, and of overwhelming importance here, the court found that the Service had failed to “coherently” consider the adequacy of existing regulatory mechanisms. With regard to energy development on BLM land, the Service had concluded that it had no information on (1) how many leases lacked protective stipulations, (2) how often stipulations are waived, and (3) whether BLM Best Management Practices work. Mem. Op. at 30. This, the court found, didn't justify a finding that conservation efforts will moderate the rate and extent of habitat loss. Under the circumstances, protestors believe that it is essential that the BLM conduct an informed review of the efficacy of proposed stipulations and current and pending management plan decisions in stemming sage-grouse habitat loss and population decline, and consider whether or not the proposed leases are likely to contribute to the species' risk of extinction in the region.

C. Executive Order 13443 Requires Consideration of Impacts to Wildlife and Outdoor Recreation

On August 16, 2007, President Bush signed Executive Order 13443, which directs federal agencies to “[m]anage wildlife habitats on public lands in a manner that expands and enhances hunting opportunities, including through the use of hunting in wildlife management planning.” Executive Order 13443, *Facilitation of Hunting Heritage and Wildlife Conservation*, § 2(c) (Aug. 16, 2007). The Executive Order further requires that agencies “[e]valuate the effect of agency actions on trends in hunting participation and, where appropriate to address declining trends, implement actions that expand and enhance hunting opportunities for the public.” *Id.* § 2(a).

If the parcels being offered at the Lease Sale are ultimately explored or developed for fluid mineral production, wildlife, wildlife habitats, and hunting participation will be affected. Impacts associated with oil and gas development on big game habitat (including crucial winter range and parturition areas) and migration, as well as on sage grouse populations are well documented in scientific literature. The BLM has not fully analyzed these and other impacts to wild and native fish in conjunction with the Lease Sale. In fact, the Executive Order directs federal agencies not only to evaluate and consider impacts to wildlife and habitat, but also to “facilitate the expansion and enhancement of hunting opportunities and the management of game species and their habitat.” *Id.* § 1. The record is absent of any evidence that the BLM considered the mandates of Executive Order 13443 in deciding to offer parcels at the Lease Sale. The BLM should nonetheless consider the requirements of the order and perform all review necessary to comply with its mandates prior to offering the parcels at the Lease Sale.

Thus, the BLM will not be upholding the Executive Order if they allow the sale of the lease parcels mentioned above. In fact, instead of expanding and enhancing hunting opportunities, the sale and inevitable development of these leases will substantially reduce the hunting opportunities in specific parts of Wyoming. This reality is happening across the west even while over 50 million U.S. citizens are known to hunt and fish, according to data from state game and fish agencies. In 2006, 87 million Americans enjoyed some variety of recreational outdoor activity relating to fish and wildlife. In Wyoming, during 2006 more than 320,000 people participated in fishing and hunting activities. One of the fastest growing outdoor activities is wildlife watching and according to a US Fish and Wildlife survey, 716,000 people participated in some variety of this (USFWS 2006 National Survey of Fishing, Hunting, and Wildlife Associated Recreation). The total of hunting and fishing recreation days in 2005 was 3,358,523. Based on the number of recreation days and average expenditure per day, hunters, anglers and trappers expended approximately \$350 million in pursuit of their sport (WGFD, 2005).

The review so far by the Sporting Conservation Council, the federal advisory committee convened to address the facilitation of hunting heritage and wildlife conservation, indicates significant concerns: “With energy activities in the West increasing, concerns about maintaining game/wildlife species, populations and habitats at the wildlife-energy interface are also increasing. Given the magnitude of present and anticipated energy development in the West, it is doubtful that game/wildlife species and associated habitat values can be maintained without increased interagency collaboration, reducing on-site habitat impacts, and developing landscape-scale efforts to enhance habitats off-site.” (Sporting Conservation Council, Draft White Paper: Oil and Gas Development and Wildlife Conservation, May 7, 2008). The Sporting Conservation Council identifies a number of goals to promote “improved collaboration and landscape-scale

habitat efforts.” The Draft White Paper recommends that federal land management agencies “use and apply landscape-scale assessment and state wildlife action plans to identify game/wildlife species needs and conservation priorities to conserve game/wildlife species, populations and habitats while assuring access to energy resources,” and that “[t]he BLM should consider temporary deferral of fluid minerals leasing to preserve options for game/wildlife species, populations and habitat conservation in specific areas . . . undergoing active land use planning with legitimate BLM-recognized resource concerns.” The lease parcels identified in this protest represent areas undergoing land-use planning (Lander, Kemmerer and Rawlins resource areas) and significant BLM-recognized resource concerns (big game seasonal habitat and migration routes; sage-grouse conservation).⁶

A 2006 Trout Unlimited survey in the Rocky Mountain states found that 55% of the public valued their hunting and fishing activities away from motorized vehicles and roads. In a different Rocky Mountain survey, from Theodore Roosevelt Conservation Partnership in 2007, showed that 86% of the public favored limiting or banning energy development on certain public lands that are unique and have special fish and wildlife management resources that offer different or unique hunting and fishing opportunities. The Little Mountain/Flaming Gorge, Big Sandy, and Baggs/Battle Mountain leases on the lease sale block specifically fall into this category.

III. LEASING SAGE-GROUSE HABITAT AND MULE DEER WINTER RANGE WITHOUT A NO SURFACE OCCUPANCY STIPULATION WILL IMPROPERLY CONSTRAIN THE ALTERNATIVES AVAILABLE TO BLM IN REVISING THE CASPER, KEMMERER, LANDER, AND RAWLINS RESOURCE MANAGEMENT PLANS

The BLM is currently in the process of amending the Lander, Kemmerer and Rawlins RMPs. An Environmental Impact Statement for the Rawlins resource area has been issued and is currently pending the selection of an alternative, while Lander’s revision is at an earlier stage of the revision process. The Kemmerer Field Office just released the final EIS and proposed RMP in August 2008 with a public comment period over mid-September. The Rawlins revision in particular was prompted in significant part by the need to address levels of current and foreseeable mineral development substantially greater than those analyzed in the RMP.

Council on Environmental Quality NEPA regulations dictate that when, as in the case of the Lander, Kemmerer and Rawlins RMP revisions, a federal agency is in the process of developing an EIS, it may not take actions that would “limit the choice of reasonable alternatives.” 40 C.F.R. § 1506.1; *see also* 40 C.F.R. § 1502.2(f). Although these regulations obviously do not prohibit any activity within a planning area during RMP revision, in this case, given new information, serious potential concerns regarding an important and un-analyzed resource, and an EIS that has not yet seen a public draft and preferred alternative, it would be entirely inappropriate to foreclose alternatives including no surface occupancy (NSO) or limited surface spacing for sage-grouse and mule deer by issuing non-NSO leases at this time. CEQ regulations explain that “[i]nterim action prejudices the ultimate decision on the program when it tends to determine subsequent development or limit alternatives.” 40 C.F.R. § 1506.1(c).

⁶ United States Department of the Interior and United States Department of Agriculture, Sporting Conservation Council, Draft White Papers, pages 1 – 84, June 2008

Leasing within the Lander, Kemmerer and Rawlins resource areas without NSO stipulations would improperly prejudice any ultimate decision on the RMP by effectively foreclosing the consideration of the Implementation Team's recommendations or the preservation of some or all high-value sage-grouse habitat areas and/or mule deer winter range without surface-disturbing oil and gas development.

By approving oil and gas leasing while considering their impacts on other resources, including alternatives to protect those resources from the potential damage caused by oil and gas development, the BLM will foreclose the selection of alternatives, including important mitigation measures. Such action undermines the efforts of both the agency and the public in participating in the lengthy planning process for amendment or revision of a resource management plan.

In granting a protest of the February 8, 2007 lease sale as it pertained to parcels within the Colorado White River Field Office, the BLM stated:

BLM is currently developing management alternatives to amend the 1997 White River Resource Management Plan (RMP) to address proposed oil and gas development activity within the planning area. **The management alternatives will analyze impacts to wildlife, including sage-grouse.** The White River field Office has decided to **defer these parcels from the lease sale during the RMP Amendment process.** (emphasis added).

As confirmed by this decision, there are potential impacts to other resources, including wildlife (and specifically sage-grouse), from oil and gas development and an ongoing RMP Amendment, such as that occurring in Colorado's White River Field Office is an important opportunity to consider new information on impacts and ways to protect other resources. Similarly, revisions of RMPs, such as those occurring in the Lander, Kemmerer, and Rawlins Field Offices, which reassess all decisions in the existing plan, consider impacts from oil and gas development and management alternatives, including mitigation measures, to protect them. These opportunities should be preserved.

We are particularly concerned that the BLM's proposed leasing of minerals underlying lands containing densely populated sage-grouse habitat, without mapping of seasonal habitats or prior analysis of what remaining habitat is of greatest value for the continued viability of the species throughout the State, will undermine BLM's ability to adopt, for the Lander, Kemmerer and Rawlins resource areas, resource management plans that could incorporate the sage-grouse conservation strategies supported by current science and recommended by the State of Wyoming and various collaborative grouse conservation efforts. Leasing under the currently-proposed stipulations could also constrain BLM's ability to take effective measures to preserve high-value grouse habitat and minimize drilling footprints in other resource management areas. The availability of substantial new information supports not only a need for comprehensive analysis, but a need to retain management flexibility in planning and plan revision: Holloran's research demonstrating that lek attendance declines with increased development, eventually leading to lek abandonment; Naugle's research from the Powder River Basin supporting Holloran's conclusions and providing specific findings regarding lek attendance and surface density of

energy development; and additional research from Naugle showing that current BLM stipulations are inadequate to protect greater sage-grouse in the Powder River Basin where wells are spaced at relatively close densities.

The BLM has a duty to protect the diversity of all native wildlife on public lands.⁷ Habitat fragmentation, connectivity and other factors affecting biological diversity are inherently landscape-level considerations. Protecting biological diversity can only be dealt with appropriately at the programmatic or planning level. This is the only way to ensure biological diversity is preserved and that ecosystem attributes are not "nickel and dimed" to death by individually small but cumulatively significant site-specific projects. The project level is simply too small a scale for adequate exploration of impacts to the health of large ecosystems.

The BLM is ignoring an Executive Order, BLM Resource Management Plans, and State of Wyoming conservation plans in order to sell leases that will inevitably be developed for mineral extraction. The consequences of the BLM's actions fall on the people of Wyoming and the nation as a whole as the BLM unethically moves ahead with an agency-wide agenda of leasing away public lands for private use. In the words of a Department of Interior legend, Gifford Pinchot, "The purpose of conservation: The greatest good to the greatest number of people for the longest time." Please withdraw the lease parcels mentioned in this document so the public land can be utilized as they are today: for the wildlife, families, recreation, hunting, and fishing.

Wyoming Wildlife Federation and the National Wildlife Federation respectfully requests the leases mentioned in this document be withdrawn from the BLM Competitive Oil and Gas Lease Sale of October 7, 2008 indefinitely. Thank you for your consideration and time as you decide on these matters and review the public comments received.

⁷ FLPMA requires public land management to protect ecological and other values, and also requires that they be managed for multiple use and sustained yield. 43 U.S.C. §§ 1701(a)(7)-(8). NEPA requires BLM to fulfill its trustee obligation for future generations, assure productive surroundings, avoid environmental degradation, preserve important natural aspects of our national heritage, and enhance the quality of renewable resources. 42 U.S.C. §§ 4331(b)(1)-(6). CWA establishes the objective of restoring and maintaining the chemical, physical, and biological integrity of the Nation's waters. 33 U.S.C. § 1251. ESA establishes the purpose of conserving the ecosystems upon which threatened and endangered species depend. 16 U.S.C. § 1531(b). BLM's livestock grazing standards and guidelines establish measures of ecological health applicable not only to livestock grazing, but to resource management generally. See 43 C.F.R. subpt. 4180. Read together, these and other legal standards establish that BLM must ensure the ecosystems it manages are fully protected so as to enhance biological diversity.

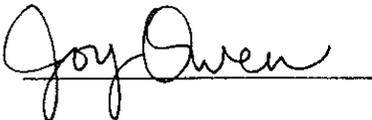
REQUEST FOR RELIEF

For the foregoing reasons, we request that you withdraw the protested oil and gas leases located within sage-grouse habitat and mule deer crucial winter range from the October 7, 2008 lease sale. We also request an opportunity to meet with you and agency staff to discuss this matter further.

Respectfully submitted on this 22nd of September 2008,

On Behalf of the Wyoming Wildlife Federation and National Wildlife Federation

BY:

A handwritten signature in cursive script that reads "Joy Owen". The signature is written in black ink and is positioned above a horizontal line.

Joy Owen
Wyoming Wildlife Federation
P.O. Box 1312
Lander, Wyoming 82520
(307) 335-8633 (telephone)
(307) 335-8690 (fax)
joyowen@wyomingwildlife.org

and Counsel for
National Wildlife Federation
2260 Baseline Road, Suite 100
Boulder, CO 80302
(303) 441-5166 (telephone)
(303) 786-8911 (fax)



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WORKING FOR WILDLIFE & SPORTSMEN SINCE 1937

PO Box 1312
309 Main Street, Suite A
Lander, WY 82520
307-335-8633 • Fax: 307-335-8690
www.wyomingwildlife.org

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Date: Sept. 22, 2008 Number of pages including this page: 18

To: Don Simpson, Acting State Director, BLM

Fax Number: 307.775.6203 Telephone Number: _____

From: Wyoming Wildlife Federation

Fax Number: 307.335.8690 Telephone Number: _____



Memo: Protest of 29 parcels in the October 7,
2008 BLM Competitive Oil & Gas Lease Sale.



WYOMING
WILDLIFE
FEDERATION



NATIONAL
WILDLIFE
FEDERATION

September 22, 2008

Via Facsimile 307-775-6203

Don Simpson, Acting State Director
Bureau of Land Management
Wyoming State Office
5353 Yellowstone Road
Cheyenne, Wyoming 82003-1828

Re: Protest of October 7, 2008 Competitive Oil and Gas Lease Sale

Protest of 29 parcels. Specific parcels protested include:

Parcels WY-0810-066, WY-0810-076, WY-0810-087, WY-0810-097, WY-0810-137, WY-0810-167, WY-0810-168, WY-0810-176 and 177, WY-0810-181, WY-0810-186 through 188, WY-0810-198 through 201, WY-0810-207 and 208, WY-0810-212 through 215, WY-0810-218, WY-0810-237, WY-0810-239 and 240, WY-0810-245 and 246

Dear Acting Director Simpson:

The Wyoming and National Wildlife Federations, through undersigned counsel, protest, pursuant to 43 C.F.R. §§ 4.450-2 and 3120.1-3, the Bureau of Land Management's lease sale offerings of the above-listed parcels in Wyoming scheduled to be offered at the October 7, 2008, Competitive Oil and Gas Lease Sale. WWF and NWF request that the protested parcels be withdrawn from sale at this time pending the BLM's completion of adequate analysis of the effects of leasing on greater sage-grouse, big game winter range, and hunting and wildlife recreation opportunities in Wyoming, and the addition of lease stipulations adequate to address these impacts. Members of WWF and NWF visit, hunt, and otherwise use lands on or near the parcels proposed for leasing. Our members' interests in the public lands and the wildlife resources that depend on those lands for habitat will be adversely affected if the sale of these parcels proceed, as proposed, without adequate environmental analysis or safeguards to protect the functionality of critical wildlife habitat.

Offering the protested parcels for lease at this time would be contrary to both Federal law and the policy of the State of Wyoming. Because no separate environmental analysis has been undertaken or completed for the effects of the proposed lease sale, the BLM's leasing decision relies on planning and NEPA documents, none of which address pertinent and significant new information regarding effects of oil and gas development on wildlife, particularly greater sage-grouse and mule deer.

We request the BLM modify or defer the leasing of specified parcels containing significant greater sage-grouse habitat that would be affected by the proposed lease sale. Because mapping and planning efforts to document and protect this species are currently incomplete, the BLM should refrain from issuing leases that will complicate conservation efforts until such time as it has adequately addressed newly-available scientific and conservation policy data and recommendations.

Under the statutory and regulatory provisions authorizing this lease sale, the BLM has full discretion whether or not to offer these lease parcels for sale. The Mineral Leasing Act, 30 U.S.C. § 226(a), provides that “[a]ll lands subject to disposition under this chapter which are known or believed to contain oil and gas deposits may be leased by the Secretary.” (emphasis added). The Supreme Court has concluded that this “left the Secretary discretion to refuse to issue any lease at all on a given tract.” *Udall v. Tallman*, 380 U.S. 1, 4 (1965); *see also Wyoming ex rel. Sullivan v. Lujan*, 969 F.2d 877 (10th Cir. 1992); *McDonald v. Clark*, 771 F.2d 460, 463 (10th Cir. 1985) (“While the [Mineral Leasing Act] gives the Secretary the authority to lease government lands under oil and gas leases, this power is discretionary rather than mandatory.”); *Burglin v. Morton*, 527 F.2d 486, 488 (9th Cir. 1975). As discussed in detail below, exercise of the discretion not to lease lands that support greater sage-grouse habitat and mule deer crucial winter range, pending adequate environmental analysis, is appropriate and necessary:

- Demand for wildlife recreation is increasing and certain wildlife populations, particularly greater sage-grouse, are declining;
- Existing BLM land use plans and proposed lease stipulations and notices are inadequate to address substantial new information and direction regarding greater sage-grouse conservation, including the September 2007 recommendations identified by the Wyoming statewide Sage-Grouse Implementation Team and the recent decision by the United States District Court for the District of Idaho overturning the United States Fish and Wildlife Service’s conclusion that listing of the species under the Endangered Species Act is not warranted.
- BLM has received substantial, new material information regarding sage-grouse populations and habitat conditions, the effects of oil and gas development on sage-grouse and mule deer, and best management practices for minimizing the effects of development on wildlife. Existing NEPA documents, including the 1987 Lander RMP, the 1990 Rawlins RMP and EIS, 1988/1998 Worland RMP, and the 1986 Kemmerer RMP all currently undergoing revision, do not take into account any of this material new information, and are an inadequate basis for new non-NSO leasing.
- The Lander, Kemmerer and Rawlins (formerly Great Divide) Resource Management Plans are currently undergoing revision, and premature leasing could unduly prejudice available alternatives;

About the Protesters

The Wyoming Wildlife Federation (WWF), established in 1937 and with currently standing membership of approximately 5,000, is Wyoming's oldest and largest statewide sportsmen and conservation organization. Our mission is to work for hunters, anglers, and other wildlife enthusiasts to protect and enhance habitat, to perpetuate quality hunting and fishing, to protect citizen's right to use public lands and waters, and to promote ethical hunting and fishing.

The National Wildlife Federation (NWF) is a national member-supported non-profit conservation, education, and advocacy organization. NWF is associated with conservation organizations in 47 states and territories, including WWF in Wyoming. NWF is dedicated to conserving wildlife and other natural resources, and believes that hunting, fishing, and trapping are legitimate recreational pursuits and useful wildlife management practices. NWF works to promote responsible management of wildlife on public lands.

The protesters have well-established histories of participation in BLM planning and management activities. Members of WWF and NWF have visited and used BLM public lands throughout Wyoming for fishing, hunting, wildlife viewing, and other activities, and will continue to use these areas in the future. Mineral development of greater sage-grouse habitat and big game crucial winter range will harm our members' interests in their continued use of those areas and the wildlife they support, especially if development is allowed to proceed, as proposed, absent adequate study and safeguards against loss of wildlife resources.

I. DESCRIPTION OF AFFECTED RESOURCES

A. Greater Sage-Grouse Leks and Occupied Habitat:

Parcels WY-0810-066, WY-0810-076, WY-0810-087, WY-0810-097, WY-0810-137, WY-0810-167, WY-0810-168, WY-0810-181, WY-0810-188, WY-0810-198 through 201, WY-0810-207 and 208, WY-0810-213, WY-0810-215, WY-0810-218, WY-0810-237, WY-0810-239 and 240, WY-0810-245 and 246 (23 parcels)

According to BLM Competitive Lease Sale notice data and analysis of sage grouse density data by the National Audubon Society, these 23 parcels listed above fall within occupied greater sage-grouse habitat (nesting and/or winter habitat) and are of particular concern for grouse population viability due to proximity of lease sale parcels to areas of high sage-grouse lek density. These parcels are subject to timing limitation stipulations which restrict (subject to site-specific exceptions) the timing of initial drilling operations, restricting surface use (excluding "operation and maintenance of production facilities") from March 1 through July 15 to protect nesting sage grouse and from November 15 through March 14 to protect wintering sage-grouse. Unfortunately, these standard stipulations have been repeatedly demonstrated through scientific studies to be ineffective in protecting greater sage-grouse leks (dancing grounds) and nesting success, are not supported by any peer-reviewed scientific studies, and reliance solely on these timing stipulations is inconsistent with the conservation strategies identified in the recommendations of the Wyoming Sage-Grouse Implementation Team

B. Big Game Winter Range and Migration Corridors:

Parcels WY-0810-066, WY-0810-076, WY-0810-087, WY-0810-097, WY-0810-167, WY-0810-168, WY-0810-176 and 177, WY-0810-186 and 187, WY-0810-199 through 201, WY-0810-207 and 208, WY-0810-212 through 215, WY-0810-218, WY-0810-237, WY-0810-239 and 240, WY-0810-245 and 246 (25 parcels)

According to the BLM Competitive Lease Sale Notice data and our review of mule deer, elk and pronghorn range data from WGFD, the 25 parcels listed above fall within or adjacent to elk, mule deer, and pronghorn migration routes and their crucial winter ranges of particular importance for wildlife populations. BLM has specified for these parcels a Timing Limitation Stipulation, which allows no surface use from November 15 through April 30 (subject to site-specific exceptions) to protect big game winter range, but allows operation and maintenance of production facilities during the winter once initial drilling has been completed. BLM also specified a Timing Limitation Stipulation for two of these parcels (WY-0810-215 and WY-0810-218), which allows no surface use from May 1 to June 30 to protect big game during parturition. These standard timing stipulations, while they may help to alleviate disruption of winter big game activity and big game parturition during the year of initial drilling, do not address loss and degradation of habitat caused by development, and recent research, discussed below, suggests they are ineffective at protecting mule deer populations affected by development.

Winter is a critical and stressful time for wild ungulates; therefore, crucial winter range for the most abundant big game species (pronghorn, mule deer, and elk) is often the focus of management and a criterion for analyzing the impacts of resources management on big game. Research has shown that timing limitations may not be achieving their desired results.¹ The lease parcels noted above contain big game crucial winter ranges and migration corridors with timing limitations. These lease parcels, if sold, will be subjected to mineral development that will inevitably have a negative impact on the big game and their crucial ranges. This is of particular concern as associated human activity may negate the effectiveness of timing restrictions on drilling activities as a means of mitigation (Sawyer *et al.* 2006).² Sawyer *et al.* (2006) recommends that mitigation measures seeking to minimize disturbance to mule deer on winter range consider all human activity across the entire project area and not be restricted to the development of wells or to crucial winter ranges. The BLM should not focus solely on timing limitations in crucial winter ranges as the primary mitigation measure for big game.

In addition to skepticism that timing limitations alone are sufficient to conserve big game populations once energy development exceeds a certain level, their effectiveness further decreases when exceptions are granted to industry, allowing them to enter and conduct activities on these crucial lands during restricted seasons. Because BLM regularly grants exceptions to winter stipulations, the effectiveness of timing limitations to mitigate impacts from surface

¹ The Wyoming Game and Fish Department considers anything more than four pads per section in crucial ranges for both mule deer and pronghorn to constitute "high" or "extreme" impacts to these habitats requiring mitigation measures in addition to seasonal restrictions. WGFD Recommendations at 11.

² The RFD projects that spacing in the Moxa Arch/Green River Basin geologic area will range from 4 to 8 wells per section. Spacing for coalbed methane production will be 4 to 6 wells per section. Other unconventional gas resources would require 40-acres spacing (8 wells per section). Kemmerer RFD at 7-10 to 7-11.

disturbing activities is unknown.³

II. THE LEASING OF SAGE-GROUSE AND MULE DEER HABITAT ABSENT FULL EXAMINATION OF THE ENVIRONMENTAL CONSEQUENCES WILL VIOLATE THE NATIONAL ENVIRONMENTAL POLICY ACT

The National Environmental Policy Act, 42 U.S.C. § 4332(C), requires the BLM to take a “hard look” at the environmental consequences of their proposed actions. *Kleppe v. Sierra Club*, 427 U.S. 390, 410 n.21 (1976). When offering oil and gas leases for sale without stipulations prohibiting surface occupancy—leases such as the October protested leases—the agencies must assess the environmental impacts of reasonably foreseeable post-leasing oil and gas development prior to issuance of the lease. *See, e.g., Southern Utah Wilderness Alliance*, 159 IBLA 220, 240-43 (2003); *Pennaco Energy, Inc. v. U.S. Dep’t of the Interior*, 377 F.3d 1147 (10th Cir. 2004); *Conner v. Burford*, 848 F.2d 1441 (9th Cir. 1988); *Sierra Club v. Peterson*, 717 F.2d 1409 (D.C. Cir. 1983).

Moreover, NEPA regulations require that an agency must undertake supplemental analysis when new information is available: “If there remains a ‘major federal action to occur, and if . . . new information is sufficient to show that the remaining action will ‘affect the quality of the human environment’ . . . to a significant extent not already considered, a supplemental EIS must be prepared.” *Marsh v. Oregon Natural Resources Council*, 490 U.S. 360, 371 (1989).

Current RMPs (Rawlins/Great Divide 1990, Worland 1988/1998, Rock Springs 1997, and Lander 1987) do not adequately address substantial new relevant information regarding sage-grouse, mule deer, and the effects on those species from levels of oil and gas development currently being proposed for those areas.

The BLM cannot legally avoid analysis of environmental consequences by insisting that lease issuance is a mere paper transaction without on-the-ground consequences. Regardless of the fact that additional federal actions will precede commercial drilling, the issuance of a lease (particularly without stipulations allowing the BLM to preclude surface disturbance) commits the leased parcel to development and conveys legal rights to the purchaser. *See* 43 C.F.R. § 3101.1-2. Following lease, land management agencies’ ability to prevent impacts to other resources is limited to those “reasonable measures” that are “consistent with lease rights granted.” *Id.* Where, as here, the lease right allows surface occupancy, a significant commitment of resources is made at the time of lease issuance. This is an action with readily foreseeable on-the-ground consequences. *See Conner*, 848 F.2d 1441; *Sierra Club v. Peterson*, 717 F.2d 1409, 1413 (D.C. Cir. 1983).

As the Tenth Circuit Court of Appeals recently clarified, *Park County Resource Council v. United States Dept. of Agriculture*, 817 F.2d 609 (10th Cir. 1987) does not excuse the BLM

³ Moreover, timing limitations impose no limit on human disturbances once oil and gas development enters the production phase. This further undermines their effectiveness. *See* comments of A. William Alldredge, Ph.D. on the Pinedale RMP DEIS

from its obligation to analyze these consequences prior to leasing. *Pennaco Energy, Inc. v. United States Dept. of the Interior*, 377 F.3d 1147, 1162 (10th Cir. 2004). *Park County* may allow the agency to forego preparation of an Environmental Impact Statement if and when it has prepared an extensive environmental assessment covering the leases in question. This, however, is not the case; the majority October 2008 parcels have had no NEPA documentation prepared for them save the RMP documents that do not (and cannot) account for significant new developments and information since the date of their respective RMPs, including increased recreational demand, greatly increased levels of mineral development, and declining populations of greater sage-grouse and other sensitive species and, especially, new scientific information regarding the species' vulnerability to adverse effects from mineral development.

With respect to sage-grouse and mule deer, BLM is in possession of new and substantial material information about the current condition of habitat and wildlife populations, the impacts of oil and gas drilling on the habitat, and recommended management measures for reducing the adverse effects of development on wildlife population. It is key that the BLM take this information into account before leasing parcels, as the agency has recently acknowledged in Colorado, by withdrawing sage-grouse habitat within the White River resource area from the February 7, 2007 lease sale for further analysis,⁴ and by amending the November lease sale to defer Gunnison Sage Grouse occupied habitat from leasing, see Colorado BLM Lease Sale Notice of Addendum, October 5, 2007. Most recently, the Colorado BLM deferred substantial portions of its proposed November 2007 lease sale for additional consultation with the Colorado Division of Wildlife, and added additional stipulations to preserve management flexibility with regard to sage-grouse conservation on additional parcels containing grouse habitat. BLM Colorado State Office, Notice of Addendum, October 30, 2007. As discussed below, given the availability of new information, such deferral and consultation is required for sage-grouse habitat in Wyoming as well.

Independent consideration of new information is vital where the data was not taken into account when BLM completed the environmental analysis for the current RMPs. The recent decision of the Interior Board of Land Appeals in Center for Native Ecosystems, has confirmed the need to complete additional analysis before leasing, stating that "whether more NEPA analysis based on new information is required depends on the nature of the NEPA analysis already completed, and the nature of the information available at the time of the agency action." 170 IBLA 331, 346 (2006). Based on the lack of analysis of new information on protection of white-tailed prairie dogs and their role as prey for black-footed ferret reintroduction in the existing RMPs, the IBLA found that the BLM was required to complete NEPA analysis prior to issuing leases.

The EISs for the existing RMPs do not contain any analysis of the substantial post-2000 research and thinking regarding effects of energy development on greater sage-grouse. The various RMP EISs should be updated to take account of new factual developments and new scientific information. Moreover, BLM should analyze the relationship between levels of oil and gas development that have substantially increased since the issuance of documents such as the 1990 Great Divide (Rawlins) RMP, and increased levels of demand for wildlife recreation.

⁴ Bureau of Land Management Colorado State Office, Decision: February 8, 2007 Competitive Oil & Gas Lease Sale Protest of Parcels COC70761 and COC70762 Is Upheld.

NEPA also requires BLM, however, to take into account the substantial new scientific and professional information available regarding energy development impacts to wildlife habitat and effective measures for mitigating those impacts.

A. The BLM Must Analyze New Scientific Information and Legal Developments Not Available at the Time of RMP Adoption or Revision

Sage Grouse

The BLM should take into account recent scientific research regarding impacts of oil and gas development on greater sage-grouse behavior, nesting success, and population viability. A variety of sources – academic researchers, state agencies, interagency task forces and working groups, and wildlife and conservation organizations - have provided BLM with extensive information regarding, and analysis of, the recent scientific literature on sage-grouse conservation and its implications for land management and energy development. In particular, we note the following policy recommendations from the Wyoming Statewide Sage-Grouse Implementation Team, submitted to the Governor in September 2007:

3. Identify undeveloped lands that have high biological value for sage grouse. Protect identified areas through repurchase of valid existing rights, use of No Surface Occupancy lease stipulations, preclusion of leasing, or other appropriate measures as a means to insure high-quality habitat retention in the short-term, until reclamation or mitigation within the home range of the affected population is able to meet the needs of sage grouse in the immediate area.

PRIMARY RESPONSIBILITY: BLM/USFS, State Lands

SECONDARY RESPONSIBILITY: WGFD

START DATE: immediate

COMPLETION DATE: ongoing

RATIONALE: Restoring sagebrush habitats is extremely difficult and expensive. Retaining high quality areas that are important to sage-grouse (as identified by mapping) will contribute to persistence of sage-grouse while allowing for development activities in other areas.

4. Minimize the footprint for energy development, recognizing that all developments are unique, by implementing techniques recommended by local SG working groups, science advisory group, and industry that achieve this objective (e.g. mat drilling, multiple wells). Develop incentives to minimize footprints that may include tax exemptions, streamlined permitting, bond reductions, stipulation exceptions, and other innovative means to achieve conservation of Sage-grouse and their habitats.

PRIMARY RESPONSIBILITY: BLM/USFS, State Lands

SECONDARY RESPONSIBILITY: WGFD, OGCC

START DATE: immediate

COMPLETION DATE: ongoing

RATIONALE: Restoring sagebrush habitats is extremely difficult and expensive. Reducing the footprint of energy development will facilitate retention of local sage-grouse populations, which is critical in re-establishing the birds once development is complete, and will minimize reclamation expenses. Minimization techniques that are appropriate for each ecological area should be implemented.

Sage Grouse Strategies Identified by Implementation Team, Sept. 24, 2007, have not seen these policy recommendations analyzed in any applicable NEPA document, and issuance of the protested leases with their current stipulations (timing stipulations for nesting and winter habitat only), will substantially foreclose the BLM's ability to adopt or even consider these recommendations in resource management plans under revision now or in the future.

The greater sage-grouse is classified as a sensitive species by the Wyoming BLM. BLM sensitive species policy requires the agency to "provide policy and guidance ... for the conservation of [sage grouse] and the ecosystems upon which [it] depend[s]." BLM Manual § 6840.01. The Manual requires "conservation" of sensitive species, where "conservation" is defined as "the use of all methods and procedures which are necessary to improve the condition of special status species and their habitats to a point where their special status recognition is no longer warranted." Manual at 6840.01. Based on current sage-grouse research the proposed October sage-grouse habitat leasing, with only limited timing stipulations and no consideration of comprehensive conservation techniques for high-value habitats, represents a clear failure to use all such methods and procedures.

Although sensitive species do not receive the statutory protections of the Endangered Species Act due listed threatened and endangered species, the Manual sets the minimum level of protection for BLM sensitive species at that of candidate species. To protect candidate species, the BLM is required to implement management plans that conserve candidate species and their habitats and to ensure that actions authorized, funded, or carried out by the BLM do not contribute to the need for the species to become listed. Manual at .12. Therefore, the minimum requirement for the greater sage-grouse is to ensure that they do not become listed under the ESA. Furthermore, the BLM's goal is to improve the status of such species to the point where their special status recognition is no longer warranted. Taking conservation actions before listing is warranted or designation of critical habitat is necessary is considered to be "in the interest of the public." Manual at 6840.22.

Extensive post-1991 research demonstrates the inadequacy of the scientifically-unjustified standard mitigation measures (1/4-mile no surface occupancy, limited seasonal avoidance of nesting habitat) proposed for the October lease sale to protect breeding sage-grouse populations. See Matthew J. Holloran, *Greater Sage-Grouse Population Response to Natural Gas Field Development in Western Wyoming* 73 (2005); ("Results from scientific research demonstrates that approximately 80% of greater sage-grouse nest within 4 miles of active leks. Gas development within 4 miles of leks may affect sage-grouse nesting success.") In particular, as the U.S. Fish and Wildlife Service has repeatedly noticed, Holloran's research indicates that the standard stipulations BLM relies on (1/4-mile no surface occupancy around leks, seasonal limitations on initial drilling within 2 miles of leks) are insufficient to maintain sage-grouse

breeding populations within gas fields. This new scientific information must be considered both in pre-leasing analysis (and the development of effective mitigation measures) and in the RMP revision process. As the Wyoming Governor has cautioned “[a]s we struggle to address areas in the Powder River Basin that have been identified as having key sage grouse habitat values but have already been leased, it would seem prudent to save ourselves from similar difficulties in the area by simply pulling these parcels from the sale block.”

The Wyoming BLM, analyzing effects on sage-grouse from coalbed methane development in the Atlantic Rim area of the Rawlins Resource Area, has acknowledged the significance of some of this new research:

Naugle et al. (2006) found that leks along the edge of CBNG development had higher lek attendance than leks within the developed area. The hypothesis that sage-grouse avoid developed areas is supported by the finding that active leks and leks with moderate to large numbers of males were often found adjacent to CBNG fields but rarely within CBNG. In contrast, inactive leks and leks with few males were often found within CBNG fields. One of the most striking patterns discovered was that, of leks counted in either 2004 or 2005, no medium or large-sized leks occurred within CBNG development; all remaining leks in CBNG have 20 or fewer males. Summary statistics for well and power line variables calculated from GIS layers around active and inactive leks indicate that active leks typically are twice as far from wells, one-half times as far from power lines, have one-third the density of wells, one-half the density of power lines, and generally have less development (wells and power lines) within 3.2 kilometers (km) of the lek complex. In addition, a significantly higher proportion of lek complexes are inactive in CBNG areas compared to areas on the edge of or outside CBNG (excluding lek complexes of unknown status and those destroyed by agriculture or mining).

BLM Rawlins Field Office, Atlantic Rim Coalbed Methane Development FEIS at 4-76; *see also* David E. Naugle *et al.*, Sage-grouse Population Response to Coal-bed Natural Gas Development in the Powder River Basin: Interim Progress Report on Region-wide Lek-count Analyses 8-9 (2006). Further analysis of the Powder River Basin sage-grouse study, makes clear that the standard BLM sage-grouse measures (prohibiting surface infrastructure within 1/4 mile of leks, timing restrictions on drilling during the breeding season) adopted in the Atlantic Rim ROD are insufficient to protect breeding populations. Brett L. Walker *et al.*, Greater sage-grouse population response to energy development and habitat loss, *Journal of Wildlife Management* (In Press) at 18.

Mule Deer

The current lease sale is being proposed under RMPs that, with regard to energy development and mule deer, fail to take into account, or consider alternatives based on, significant new research demonstrating the effects of natural gas development on mule deer. At the time of RMP development, the BLM lacked concrete data now available demonstrating just how significant that impact is at even moderate levels of development. The Sublette Mule Deer Study, analyzing effects on mule deer from gas development in the area around Pinedale,

Wyoming, has shown that mule deer avoid gas field development, and that mule deer abundance declined 46% (most likely due to reduced survival rates) in areas affected by development. Western Ecosystems Technology 2006 Annual Report, Sublette Mule Deer Study (Phase 2) i-ii. The results of the Sublette Mule Deer Study, assessing development under the standard timing stipulations relied on by BLM in the proposed lease sale indicate that it is inappropriate to rely on prior assumptions that timing limitation stipulations alone will prevent significant changes in big game abundance. See Hall Sawyer *et al.*, *Winter Habitat Selection of Mule Deer Before and During Development of a Natural Gas Field*, *Journal of Wildlife Management* 70(2): 396-403 (2006).

Although BLM may claim there are questions as to the applicability of the Sublette study to other portions of the state, and raised questions as to whether the decline in abundance reflects reduced survival or change in distribution, what is incontrovertible is that no relevant NEPA document addressed this information, which simply did not exist at that time. If there are additional questions to be answered about the meaning of the Sublette results for mule deer populations elsewhere in the State, those questions should be answered before leasing, not after, with full opportunity for consideration of alternative courses of action under NEPA. We believe that the Wyoming BLM should follow the example of its Montana counterpart, given the availability of substantial new information, and defer the leasing of additional mule deer winter range until such time as BLM has the opportunity to complete a comprehensive NEPA analysis of the effects of additional leasing on the species.

B. The BLM Must Take Into Account New Information Regarding Greater Sage-Grouse

Based on the governing resource management plans and stipulations to be attached to the proposed leases, we believe that issuance of the proposed leases would fall far short of the specific recommendations from the Wyoming Game and Fish Department, and the Sage-Grouse Implementation Team regarding development in sage-grouse habitat within Wyoming. In addition to the Governor's December 2007 recommendation that certain areas in the Saratoga region supporting high densities of sage grouse not be leased prior to completion of mapping of seasonal habitats, the Implementation Team has recommended that BLM (a) identify undeveloped lands with high biological value and protect those areas through measures including No Surface Occupancy leasing and/or lease stipulations (Policy Recommendation 3) and (b) adopt techniques and incentives to minimize the footprint of energy development (Policy Recommendation 4). Because these recommendations have been available only since late September, and the BLM has not had the opportunity to consider them prior to leasing.

We would also draw the Wyoming BLM's attention to the recent recommendations of the neighboring State of Colorado's Division of Wildlife regarding mineral leasing within sage-grouse habitat

Since greater sage-grouse are particularly sensitive to disturbance while attending leks, the CDOW is very concerned about impacts at those sites. These should be no surface occupancy within 0.6 mile radius from a known lek site. Most sage-grouse hens nest in close proximity to leks. For instance, recent telemetry data

from Moffat County indicate that approximately 45% of nesting hens are located within 2 miles of the lek with approximately 80% of the birds occurring within 4 miles of a lek. Sage-grouse nest on the ground under sagebrush plants and are susceptible to destruction by ground disturbing construction and to nest abandonment caused by disturbance (including acoustic) during the nesting season. Activities such as timing and drilling restrictions can help minimize impacts to these critical areas. To protect breeding and nesting habitat, CDOW staff recommends that drilling and operation not occur within four miles of sage-grouse leks between March 1 and June 30. If low intensity pre-construction (e.g. surveying and staking) work is necessary in these areas between March 1 and June 30, CDOW recommends that these activities only occur between 10:00 in the morning and 4:00 in the afternoon.⁵

CDOW further noted that “the proposed oil and gas exploration occurs in a diversity of important wildlife habitats. Because of the high wildlife values we recommend that this area not be leased for oil and gas development.” *Id.* at 4. If the area is to be leased, CDOW requested inclusion of an extensive list of generally-applicable as well as species-specific best management practices. *Id.* at 5-15. These BMPs include, for sage-grouse, consideration of the CDOW-recommended 0.6-mile NSO around leks, hour restrictions on well site visits in breeding season, and a recommendation to “retain core areas and limit disturbance to ensure sage-grouse survival.” *Id.* at 13-14. We note that these measures are neither incorporated in the stipulations and lease notices accompanying the proposed Wyoming lease sale nor the governing RMPs. Not only has the BLM not adopted these recommendations, it has never even had the opportunity to consider them, under NEPA, as an alternative. The last applicable NEPA analysis for each affected resource area predates the significant new research showing that the timing and spacing measures it relies on to prevent grouse decline are demonstrably inadequate. Failure to consider this research and its implications for management, prior to leasing, violates the BLM’s NEPA duty to take a “hard look” at the environmental consequences of its actions.

We would also like to draw the BLM’s attention to the December 4, 2007, decision by the United States District Court for the District of Idaho overturning the United States Fish and Wildlife Service’s 2005 12-Month Finding that listing of the greater sage-grouse is not warranted under Section 4 of the Endangered Species Act, 16 U.S.C. § 1533(a)(1). In *Western Watersheds Project v. U.S. Forest Service*, No. CV-07-277-E-BLW (Mem. Decision Dec. 4, 2007), the court invalidated the Service’s January 2005 “12-month finding,” under 16 U.S.C. 1533(b)(6) and implementing regulations, that the petitioned listing of the greater sage-grouse as threatened or endangered is “not warranted.” As a result, the court remanded the listing decision to the Service for further consideration. In the interim, the BLM must consider the sage-grouse as a candidate species, and give due consideration to the implication of land use planning and mineral leasing decisions on the likelihood of the species’ extinction. We would like to draw the BLM’s attention to several aspects of the District Court’s decision that merit particular consideration in oil and gas leasing decisions such as the proposed lease sale at issue. The District Court found the Service’s finding was arbitrary and capricious for four reasons:

First, contrary to 16 U.S.C. 1533(b)(1)(a), the Service failed to base its decision “solely

⁵ Letter from Ron D. Velarde, Colorado Division of Wildlife, to David Stout, Colorado BLM (Aug. 8, 2007)

on the basis of the best scientific and commercial data available.” The Service convened a seven-member expert panel to assist in its listing decision—the court found that the “best science” in the process was represented by this expert panel, but that the Service failed to prepare a transcript or written report of its deliberations and conclusions, failed to preserve the “best science for the record,” and excluded the expert panel from substantively recommending whether or not the species should be listed. Although the court did not specifically mandate a probability-of-extinction standard for listing, it was quite critical of the Service's decision that (what the court found to be the panel's finding of) a 36% chance of (range-wide) extinction within 100 years did not constitute a “likelihood” of “danger of extinction”—suggesting, but not ruling, that a 20% likelihood on extinction within 100 years was significant enough for a “threatened” listing.

Of particular relevance to this pending Wyoming lease sale is the court's characterization of the expert panel as finding that the risk of extinction in the eastern portion of the species' range—where the “principal threat” to the species is energy development—was a remarkable 52%. *WWP v. USFWS*, Mem. Op. at 22. Given the Service's acknowledgment that “the rapidity of [energy] development and the persistent demand for petroleum products” is the primary threat in the east region,” Mem. Op. at 28, and the District Court's conclusion that the Service lacked adequate information regarding the efficacy of BLM measures to protect sage-grouse from energy development, Mem. Op. at 30, the BLM must consider carefully whether the current lease sale at its accompanying stipulations will contribute towards the substantial risk of sage-grouse extinction in the eastern portion of its range.

Second, the court rejected the Service's finding because of its conclusions that “service biologists determined the principal habitat-related threats are not proceeding at a rate that will threaten the continued existence of the species within the foreseeable future.” The court found this conclusion flawed because it was based not on the expert panel's (unrecorded) discussions, but rather off-the-record meetings by the Service Director. Of particular interest, the opinion also notes with concern the 2004 Western Association of Fish and Wildlife Agencies Conservation Assessment and its finding that rapid energy development is the principal threat to the species in its eastern region, and finds that the Service failed to explain why it departed from the Conservation Assessment's conclusions.

Third, and of overwhelming importance here, the court found that the Service had failed to “coherently” consider the adequacy of existing regulatory mechanisms. With regard to energy development on BLM land, the Service had concluded that it had no information on (1) how many leases lacked protective stipulations, (2) how often stipulations are waived, and (3) whether BLM Best Management Practices work. Mem. Op. at 30. This, the court found, didn't justify a finding that conservation efforts will moderate the rate and extent of habitat loss. Under the circumstances, protestors believe that it is essential that the BLM conduct an informed review of the efficacy of proposed stipulations and current and pending management plan decisions in stemming sage-grouse habitat loss and population decline, and consider whether or not the proposed leases are likely to contribute to the species' risk of extinction in the region.

C. Executive Order 13443 Requires Consideration of Impacts to Wildlife and Outdoor Recreation

On August 16, 2007, President Bush signed Executive Order 13443, which directs federal agencies to “[m]anage wildlife habitats on public lands in a manner that expands and enhances hunting opportunities, including through the use of hunting in wildlife management planning.” Executive Order 13443, *Facilitation of Hunting Heritage and Wildlife Conservation*, § 2(c) (Aug. 16, 2007). The Executive Order further requires that agencies “[e]valuate the effect of agency actions on trends in hunting participation and, where appropriate to address declining trends, implement actions that expand and enhance hunting opportunities for the public.” *Id.* § 2(a).

If the parcels being offered at the Lease Sale are ultimately explored or developed for fluid mineral production, wildlife, wildlife habitats, and hunting participation will be affected. Impacts associated with oil and gas development on big game habitat (including crucial winter range and parturition areas) and migration, as well as on sage grouse populations are well documented in scientific literature. The BLM has not fully analyzed these and other impacts to wild and native fish in conjunction with the Lease Sale. In fact, the Executive Order directs federal agencies not only to evaluate and consider impacts to wildlife and habitat, but also to “facilitate the expansion and enhancement of hunting opportunities and the management of game species and their habitat.” *Id.* § 1. The record is absent of any evidence that the BLM considered the mandates of Executive Order 13443 in deciding to offer parcels at the Lease Sale. The BLM should nonetheless consider the requirements of the order and perform all review necessary to comply with its mandates prior to offering the parcels at the Lease Sale.

Thus, the BLM will not be upholding the Executive Order if they allow the sale of the lease parcels mentioned above. In fact, instead of expanding and enhancing hunting opportunities, the sale and inevitable development of these leases will substantially reduce the hunting opportunities in specific parts of Wyoming. This reality is happening across the west even while over 50 million U.S. citizens are known to hunt and fish, according to data from state game and fish agencies. In 2006, 87 million Americans enjoyed some variety of recreational outdoor activity relating to fish and wildlife. In Wyoming, during 2006 more than 320,000 people participated in fishing and hunting activities. One of the fastest growing outdoor activities is wildlife watching and according to a US Fish and Wildlife survey, 716,000 people participated in some variety of this (USFWS 2006 National Survey of Fishing, Hunting, and Wildlife Associated Recreation). The total of hunting and fishing recreation days in 2005 was 3,358,523. Based on the number of recreation days and average expenditure per day, hunters, anglers and trappers expended approximately \$350 million in pursuit of their sport (WGFD, 2005).

The review so far by the Sporting Conservation Council, the federal advisory committee convened to address the facilitation of hunting heritage and wildlife conservation, indicates significant concerns: “With energy activities in the West increasing, concerns about maintaining game/wildlife species, populations and habitats at the wildlife-energy interface are also increasing. Given the magnitude of present and anticipated energy development in the West, it is doubtful that game/wildlife species and associated habitat values can be maintained without increased interagency collaboration, reducing on-site habitat impacts, and developing landscape-scale efforts to enhance habitats off-site.” (Sporting Conservation Council, Draft White Paper: Oil and Gas Development and Wildlife Conservation, May 7, 2008). The Sporting Conservation Council identifies a number of goals to promote “improved collaboration and landscape-scale

habitat efforts.” The Draft White Paper recommends that federal land management agencies “use and apply landscape-scale assessment and state wildlife action plans to identify game/wildlife species needs and conservation priorities to conserve game/wildlife species, populations and habitats while assuring access to energy resources,” and that “[t]he BLM should consider temporary deferral of fluid minerals leasing to preserve options for game/wildlife species, populations and habitat conservation in specific areas . . . undergoing active land use planning with legitimate BLM-recognized resource concerns.” The lease parcels identified in this protest represent areas undergoing land-use planning (Lander, Kemmerer and Rawlins resource areas) and significant BLM-recognized resource concerns (big game seasonal habitat and migration routes; sage-grouse conservation).⁶

A 2006 Trout Unlimited survey in the Rocky Mountain states found that 55% of the public valued their hunting and fishing activities away from motorized vehicles and roads. In a different Rocky Mountain survey, from Theodore Roosevelt Conservation Partnership in 2007, showed that 86% of the public favored limiting or banning energy development on certain public lands that are unique and have special fish and wildlife management resources that offer different or unique hunting and fishing opportunities. The Little Mountain/Flaming Gorge, Big Sandy, and Baggs/Battle Mountain leases on the lease sale block specifically fall into this category.

III. LEASING SAGE-GROUSE HABITAT AND MULE DEER WINTER RANGE WITHOUT A NO SURFACE OCCUPANCY STIPULATION WILL IMPROPERLY CONSTRAIN THE ALTERNATIVES AVAILABLE TO BLM IN REVISING THE CASPER, KEMMERER, LANDER, AND RAWLINS RESOURCE MANAGEMENT PLANS

The BLM is currently in the process of amending the Lander, Kemmerer and Rawlins RMPs. An Environmental Impact Statement for the Rawlins resource area has been issued and is currently pending the selection of an alternative, while Lander’s revision is at an earlier stage of the revision process. The Kemmerer Field Office just released the final EIS and proposed RMP in August 2008 with a public comment period over mid-September. The Rawlins revision in particular was prompted in significant part by the need to address levels of current and foreseeable mineral development substantially greater than those analyzed in the RMP.

Council on Environmental Quality NEPA regulations dictate that when, as in the case of the Lander, Kemmerer and Rawlins RMP revisions, a federal agency is in the process of developing an EIS, it may not take actions that would “limit the choice of reasonable alternatives.” 40 C.F.R. § 1506.1; *see also* 40 C.F.R. § 1502.2(f). Although these regulations obviously do not prohibit any activity within a planning area during RMP revision, in this case, given new information, serious potential concerns regarding an important and un-analyzed resource, and an EIS that has not yet seen a public draft and preferred alternative, it would be entirely inappropriate to foreclose alternatives including no surface occupancy (NSO) or limited surface spacing for sage-grouse and mule deer by issuing non-NSO leases at this time. CEQ regulations explain that “[i]nterim action prejudices the ultimate decision on the program when it tends to determine subsequent development or limit alternatives.” 40 C.F.R. § 1506.1(c).

⁶ United States Department of the Interior and United States Department of Agriculture, Sporting Conservation Council, Draft White Papers, pages 1 – 84, June 2008

Leasing within the Lander, Kemmerer and Rawlins resource areas without NSO stipulations would improperly prejudice any ultimate decision on the RMP by effectively foreclosing the consideration of the Implementation Team's recommendations or the preservation of some or all high-value sage-grouse habitat areas and/or mule deer winter range without surface-disturbing oil and gas development.

By approving oil and gas leasing while considering their impacts on other resources, including alternatives to protect those resources from the potential damage caused by oil and gas development, the BLM will foreclose the selection of alternatives, including important mitigation measures. Such action undermines the efforts of both the agency and the public in participating in the lengthy planning process for amendment or revision of a resource management plan.

In granting a protest of the February 8, 2007 lease sale as it pertained to parcels within the Colorado White River Field Office, the BLM stated:

BLM is currently developing management alternatives to amend the 1997 White River Resource Management Plan (RMP) to address proposed oil and gas development activity within the planning area. **The management alternatives will analyze impacts to wildlife, including sage-grouse.** The White River field Office has decided to **defer these parcels from the lease sale during the RMP Amendment process.** (emphasis added).

As confirmed by this decision, there are potential impacts to other resources, including wildlife (and specifically sage-grouse), from oil and gas development and an ongoing RMP Amendment, such as that occurring in Colorado's White River Field Office is an important opportunity to consider new information on impacts and ways to protect other resources. Similarly, revisions of RMPs, such as those occurring in the Lander, Kemmerer, and Rawlins Field Offices, which reassess all decisions in the existing plan, consider impacts from oil and gas development and management alternatives, including mitigation measures, to protect them. These opportunities should be preserved.

We are particularly concerned that the BLM's proposed leasing of minerals underlying lands containing densely populated sage-grouse habitat, without mapping of seasonal habitats or prior analysis of what remaining habitat is of greatest value for the continued viability of the species throughout the State, will undermine BLM's ability to adopt, for the Lander, Kemmerer and Rawlins resource areas, resource management plans that could incorporate the sage-grouse conservation strategies supported by current science and recommended by the State of Wyoming and various collaborative grouse conservation efforts. Leasing under the currently-proposed stipulations could also constrain BLM's ability to take effective measures to preserve high-value grouse habitat and minimize drilling footprints in other resource management areas. The availability of substantial new information supports not only a need for comprehensive analysis, but a need to retain management flexibility in planning and plan revision: Holloran's research demonstrating that lek attendance declines with increased development, eventually leading to lek abandonment; Naugle's research from the Powder River Basin supporting Holloran's conclusions and providing specific findings regarding lek attendance and surface density of

energy development, and additional research from Naugle showing that current BLM stipulations are inadequate to protect greater sage-grouse in the Powder River Basin where wells are spaced at relatively close densities.

The BLM has a duty to protect the diversity of all native wildlife on public lands.⁷ Habitat fragmentation, connectivity and other factors affecting biological diversity are inherently landscape-level considerations. Protecting biological diversity can only be dealt with appropriately at the programmatic or planning level. This is the only way to ensure biological diversity is preserved and that ecosystem attributes are not "nickel and dimed" to death by individually small but cumulatively significant site-specific projects. The project level is simply too small a scale for adequate exploration of impacts to the health of large ecosystems.

The BLM is ignoring an Executive Order, BLM Resource Management Plans, and State of Wyoming conservation plans in order to sell leases that will inevitably be developed for mineral extraction. The consequences of the BLM's actions fall on the people of Wyoming and the nation as a whole as the BLM unethically moves ahead with an agency-wide agenda of leasing away public lands for private use. In the words of a Department of Interior legend, Gifford Pinchot, "The purpose of conservation: The greatest good to the greatest number of people for the longest time." Please withdraw the lease parcels mentioned in this document so the public land can be utilized as they are today: for the wildlife, families, recreation, hunting, and fishing.

Wyoming Wildlife Federation and the National Wildlife Federation respectfully requests the leases mentioned in this document be withdrawn from the BLM Competitive Oil and Gas Lease Sale of October 7, 2008 indefinitely. Thank you for your consideration and time as you decide on these matters and review the public comments received.

⁷ FLPMA requires public land management to protect ecological and other values, and also requires that they be managed for multiple use and sustained yield. 43 U.S.C. §§ 1701(a)(7)-(8). NEPA requires BLM to fulfill its trustee obligation for future generations, assure productive surroundings, avoid environmental degradation, preserve important natural aspects of our national heritage, and enhance the quality of renewable resources. 42 U.S.C. §§ 4331(b)(1)-(6). CWA establishes the objective of restoring and maintaining the chemical, physical, and biological integrity of the Nation's waters. 33 U.S.C. § 1251. ESA establishes the purpose of conserving the ecosystems upon which threatened and endangered species depend. 16 U.S.C. § 1531(b). BLM's livestock grazing standards and guidelines establish measures of ecological health applicable not only to livestock grazing, but to resource management generally. See 43 C.F.R. subpt. 4180. Read together, these and other legal standards establish that BLM must ensure the ecosystems it manages are fully protected so as to enhance biological diversity.

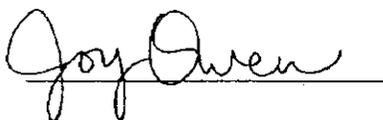
REQUEST FOR RELIEF

For the foregoing reasons, we request that you withdraw the protested oil and gas leases located within sage-grouse habitat and mule deer crucial winter range from the October 7, 2008 lease sale. We also request an opportunity to meet with you and agency staff to discuss this matter further.

Respectfully submitted on this 22nd of September 2008,

On Behalf of the Wyoming Wildlife Federation and National Wildlife Federation

BY:



Joy Owen
Wyoming Wildlife Federation
P.O. Box 1312
Lander, Wyoming 82520
(307) 335-8633 (telephone)
(307) 335-8690 (fax)
joyowen@wyomingwildlife.org

and Counsel for
National Wildlife Federation
2260 Baseline Road, Suite 100
Boulder, CO 80302
(303) 441-5166 (telephone)
(303) 786-8911 (fax)

Bidders:

Alicia J. Burke, 614 S. Greeley Hwy., Cheyenne, WY 82007
Baseline Minerals Inc, 518 17th St., #950, Denver, CO 80127
Bear Oil & Gas Co, 730 17th St, #450, Denver, CO 80202
CBM Properties LLC, 2100 West Fifth Street, Sheridan, WY 82801
Contex Energy Co, 621 17th St., #1020, Denver, CO 80293-2501
Danny Oliver, 41 Oliver Lane, Alzada, MT 59311
Davis Petroleum Corp, 555 17th St., #1400, Denver, CO 80202
DND Land Services LLC, P O Box 35001, Westminster, CO 80035
Energy West Corporation, P O Box 1441, Denver, CO 80202-4110
Exterra Resources LLC, 4929 Riverwind Pointe, #103, Evansville, IN 47715
Fairway Oil & Gas LLC, 191 University Blvd, #880, Denver, CO 80206-4613
Finley Resources Inc, 1308 Lake St, Fort Worth, TX 76102
Freeman Investments, 3415 S. Clayton Blvd, Englewood, CO 80113-7611
Gadeco LLC, 5299 DTC Blvd, #500, Greenwood Village, CO 80111-3321
Gas Ventures LLC, P O Box 726, Thermopolis, WY 82443
Gregory P. Braus, 2 Bratenahl Pl, #3F, Cleveland, Ohio 44108
Hoover & Stacy Inc, P O Box 2328, Cheyenne, WY 82003-2328
Jeanne Barton, 1019 Surrey Ct., Casper, WY 82609
Marshall & Winston, Inc, P. O. Box 50880, Midland, TX 79710-0880
Maurice W Brown, 614 Greeley Hwy, Cheyenne, WY 82007-1855
Pacer Energy LLC, P O Box 1714, Gillette, WY 82717-1714
Over The Hill Land SVCS LLC, 1580 Lincoln St, #650, Denver, CO 80203
Robert L. Bayless Producer LLC, 621 17th St, #2300, Denver, CO 80293-2023
Shadco, P O Box 541, Worland, WY 82401
Strachan Exploration Inc, 383 Inverness Pkwy, #360, Englewood, CO 80112
Strider Resources Co, 1641 California St., #402, Denver, Colo 80202
Thomas Boyd, 1501 Stampede Ave, Unit 9016, Cody, WY 82414
T S Dudley Land Co Inc, 5925 N. Robinson Ave, Oklahoma City, OK 73118
Tye Production Company LLC, 7430 E Caley Ave, #310, Centennial, CO 80111-4456
Wellstar Corp, 11990 Grant St, #550, Northglenn, CO 80233
Yates Petroleum Corp, 105 S. 4th St, Artesia, NM 88210-2123

Bidders:

Alicia J. Burke, 614 S. Greeley Hwy., Cheyenne, WY 82007
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Bear Oil & Gas Co, 730 17th St., #450, Denver, CO 80202
CBM Properties LLC, 2100 West Fifth Street, Sheridan, WY 82801
Contex Energy Co, 621 17th St., #1020, Denver, CO 80293-2501
Danny Oliver, 41 Oliver Lane, Alzada, MT 59311
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Tyce Production Company LLC, 7430 E Caley Ave, #310, Centennial, CO 80111-4456
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