



In Reply To:

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Montana State Office
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<http://www.mt.blm.gov/>



3100 (920)

July 12, 2007

This letter was sent to 17 groups in response to their letter containing 14 questions:

We received a letter from you and several others regarding our upcoming oil and gas lease sale scheduled later this month. Our agency welcomes your inquiries and will do our best to provide the information you are seeking.

Your letter included a series of questions related to how the public can be engaged in land management decisions, the lease sale process, how the BLM balances multiple uses, what could be expected if development occurs, mitigation measures, and how we are working with Montana Fish, Wildlife, and Parks (FWP). (A representative letter containing a complete list of the questions is enclosed for reference.)

The Bureau of Land Management encourages public involvement in land management actions and activities. There are many opportunities for the public to be engaged during the development of new and/or revised resource management plans and as new actions are proposed to take place. Currently there are several planning efforts in progress throughout Montana.

Regarding oil and gas lease sales, industry representatives nominate areas where they have an interest in leasing. If areas are available for leasing as per the appropriate land use plan, the BLM reviews the proposed parcels and decides which ones can be offered for lease. The public and all other interested parties are welcome to review and comment on the nominated parcels, which are available on our web site. This is an important part of our process to ensure we are aware of concerns and any significant new information relevant to specific parcels. We also work concurrently with the Montana FWP to ensure that their recommendations are considered before a sale list is finalized. Based on information received from the public or from other sources, some parcels may be deferred for further review and study.

After leasing, the next action that would offer an opportunity for public involvement would be during our review of an Application for Permit to Drill (APD). At that stage, site specific mitigation measures would be developed and applied as Conditions of Approval before any ground-disturbing activity would be authorized to proceed.

The BLM develops land use plans through a public process and in accordance with the Federal Land Policy and Management Act of 1976, often referred to as "FLMPA" (43 USC 1701 *et*

seq.), and other applicable laws and regulations. BLM manages public lands with the principles of sustained yield and multiple uses. We recognize the need to protect sensitive resources while also providing the nation with domestic sources of minerals, energy, and fiber. Additionally, the Department of the Interior launched The Healthy Lands Initiative earlier this year to address the growing pressures affecting the health of the land including community expansion, wildland fire, demand for energy, and expanding recreation uses. BLM plans to incorporate this initiative in all of our planning efforts.

Leasing decisions contained within our land use plans are evaluated with consideration to a variety of other uses and management activities including livestock grazing, recreation, wildlife habitat, and protection of natural and cultural resources. Based on these and other considerations, areas are identified that are either open or closed to leasing. In addition, all leasing decisions, including stipulations, are made within the context of a Reasonable Foreseeable Development (RFD) scenario for the planning area. The RFD is based on the potential for occurrence of oil and/or gas resources and is a prediction of the number of wells and associated infrastructure that could occur during development.

In areas open to leasing and where development actually occurs, there may be short and long-term impacts to how the land is currently used. Exploration and development may result in some localized displacement of wildlife from the immediate and possibly surrounding area of activity. It's a constant balancing act, because virtually every activity on the land creates some level of change to soil, plant and animal life and historic uses. Mitigation measures, including lease stipulations, will be in place to minimize impacts. Additionally, while there is no program in place to compensate other land users impacted by another authorized use in an area, we will continue to work with Montana FWP to open up more hunting acreage by encouraging participation in the Block Management Program and improving access to public lands.

If a drilling proposal - Application for Permit to Drill - is submitted, the BLM would ensure the oil and gas lease stipulations are followed through an aggressive inspection, enforcement and monitoring program. Site-specific conditions of approval developed when the drilling permit is reviewed would be designed to mitigate impacts from the drilling proposal and potentially long term production activity. One example of a condition of approval is requiring the operator to locate roads, wells, or powerlines outside of crucial wildlife habitat.

Following the APD approval process, if initial drilling proves unsuccessful, abandonment of the area would occur after a very short time and reclamation efforts would take place. If on the other hand, production appears to be viable in the area, exploration, further development, and reclamation activities may take longer, from a few to a number of years.

At this time, there is a minimal level of development predicted for the Garfield and McCone counties. This is based on the geologic characteristics of the area, the historical and existing level of activity, and the lack of producing wells in the area. No new information is available to suggest a different RFD. While we do not anticipate major impacts to other land uses from oil and gas activity in areas managed by the BLM, if a significant level of activity is proposed, further environmental review would occur.

Regarding revenues received from oil and gas leasing, these are divided in several ways depending on whether the land is public domain or acquired. In the case of public domain land, 50 percent of the receipts from oil and gas activity in Montana are returned to the state which then manages the funds based on state law. The remaining 50 percent is retained by the federal government.

As far as working with FWP, BLM believes Montana Fish, Wildlife and Parks is an important partner in wildlife conservation planning. Serving as the managers of Montana's wildlife, FWP's input is crucial during land use plan development and implementation. Recognizing the importance of their role, we now have a full-time FWP position in the BLM-Miles City Field Office funded through the federal Energy Act Pilot Office. Statewide, the BLM is working with FWP in several areas that overlap with oil and gas planning, leasing, and development. The BLM is a signatory to the Montana Sage Grouse Conservation Strategy and we incorporate the goals and objectives of the Strategy in our land use plans and on-the-ground decisions.

We hope this letter addresses your concerns. If you have specific reasons to question parcels identified in the final list proposed for the July lease sale, we would welcome this information. Also, you have the right to file a protest (43 CFR 3120.1-3). To do so, send us a letter clearly marked "Protest." In your correspondence, include a statement of reasons to support the protest and your interest. All protests must be in writing either by mail or by fax to (406) 896-5292 and received by BLM no later than July 16.

Your interests are important to us and we encourage you to become involved in the development of our land use plans. Visit our web site at www.blm.gov/mt/ to learn more about the oil and gas program and to see a list of parcels available for the upcoming lease sale. For information on the Miles City and other planning efforts visit www.blm.gov/mt/st/en/prog/planning.1.html.

With your help we can ensure that Americans will benefit from an increased supply of domestic energy sources while keeping other public land values intact and undiminished for future use and enjoyment.

Sincerely,



Howard A. Lemm
Acting State Director