

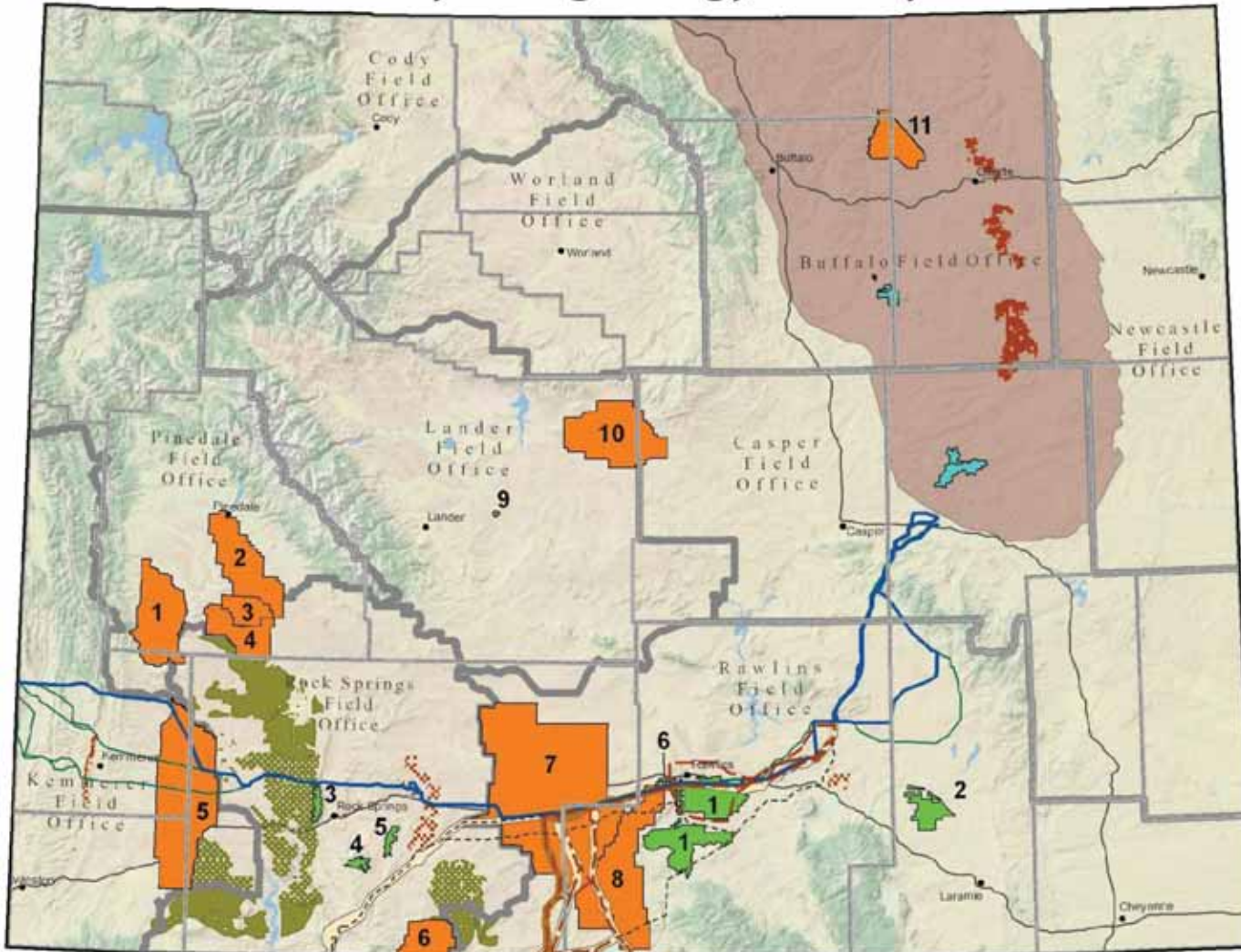
# BLM Wyoming Oil and Gas Leasing 101



July 10, 2013

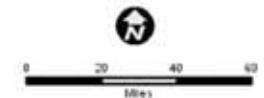


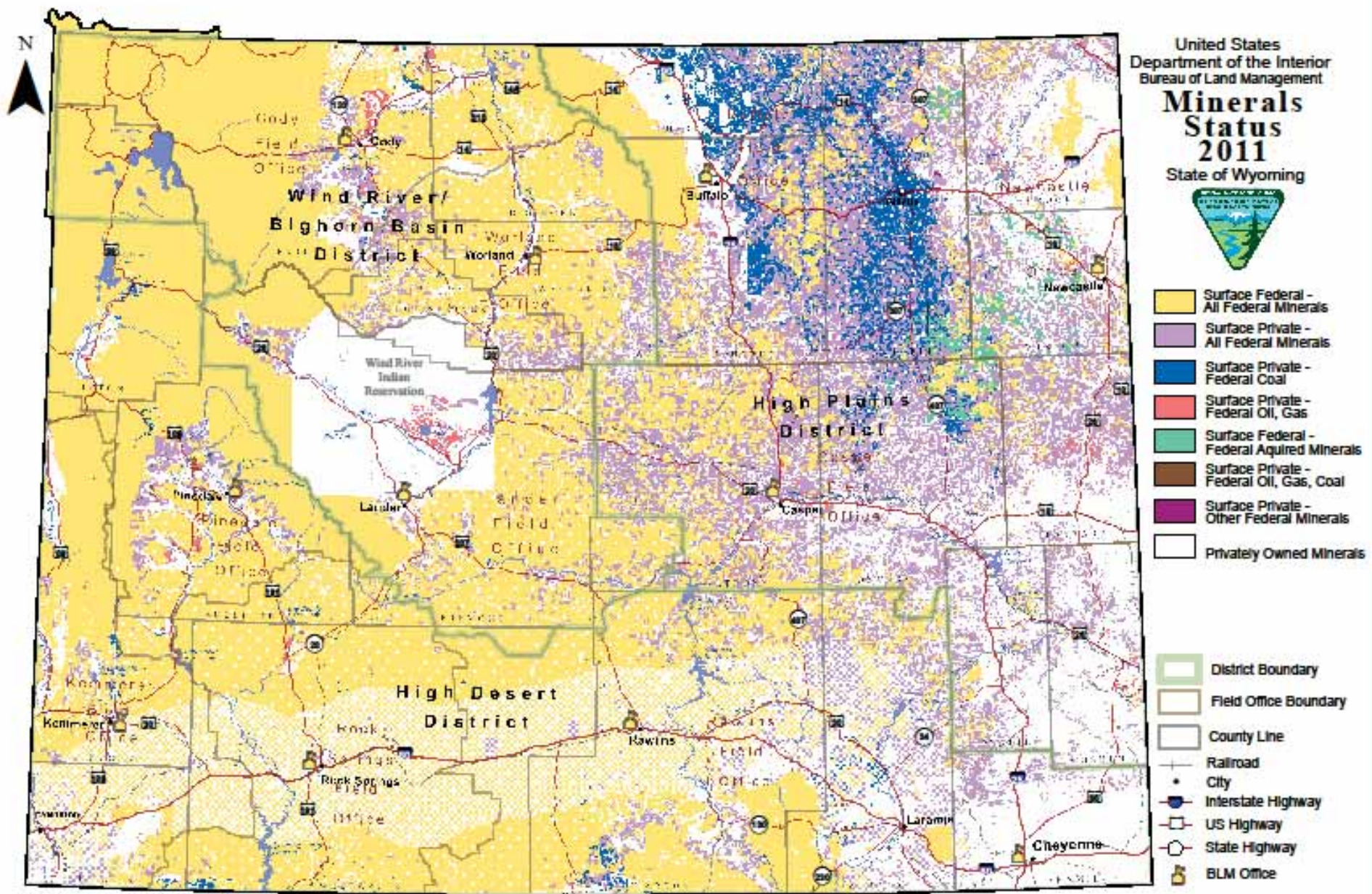
# BLM Wyoming Energy Activity



	Field Office Boundary
	County Boundary
	Powder River Basin
	Active Coal Lease
	Leasable Oil Shale Area
	Active Uranium Mine
<b>Transmission Line Projects</b>	
	Energy Gateway South (EGS) Proposed
	EGS Alternative
	Gateway West Proposed
	Gateway West Alternative
	Transwest Express Proposed Corridor
	Transwest Express Alternative Corridor
<b>NEPA Projects</b>	
	<b>Oil &amp; Gas Development Projects</b>
1	Labarge Platform Exploration and Development
2	Pinedale Anticline
3	Jonah
4	Normally-Pressurized Lance Natural Gas
5	Moxa Arch Infill Gas Development
6	Hiawatha Field
7	Continental Divide/Creston Natural Gas
8	Atlantic Rim
9	Beaver Creek Natural Gas
10	Moneta Divide Natural Gas and Oil Development
11	Fortification Creek SMA
	<b>Wind Energy Projects</b>
1	Chokecherry/Sierra Madre Wind Farm
2	Sand Hills Ranch Wind Energy
3	White Mountain Wind Farm
4	Quaking Aspen Mountain Wind Farm
5	Sweeney Ranch Wind Energy Facility
6	Hogback Ridge Wind Energy

Map # 10294 Map NEPA needs analysis stations & other facilities Jan 2011/2012





United States  
Department of the Interior  
Bureau of Land Management

# Minerals Status 2011

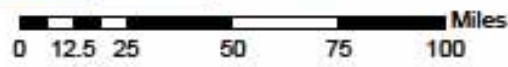
State of Wyoming



- Surface Federal - All Federal Minerals
- Surface Private - All Federal Minerals
- Surface Private - Federal Coal
- Surface Private - Federal Oil, Gas
- Surface Federal - Federal Acquired Minerals
- Surface Private - Federal Oil, Gas, Coal
- Surface Private - Other Federal Minerals
- Privately Owned Minerals

- District Boundary
- Field Office Boundary
- County Line
- Railroad
- City
- Interstate Highway
- US Highway
- State Highway
- BLM Office

No warranty is made by the Bureau of Land Management for use of the data for purposes not intended by BLM.



# BLM Wyoming

62.34 million acres of land in the state

- 41.6 million acres of Federal minerals
  - 30.0 million acres of Federal surface
  - 11.6 million acres of split estate with Federal minerals
- 18.3 million acres BLM Public Lands (surface and minerals)
- 1.9 million acres of Indian Trust Minerals

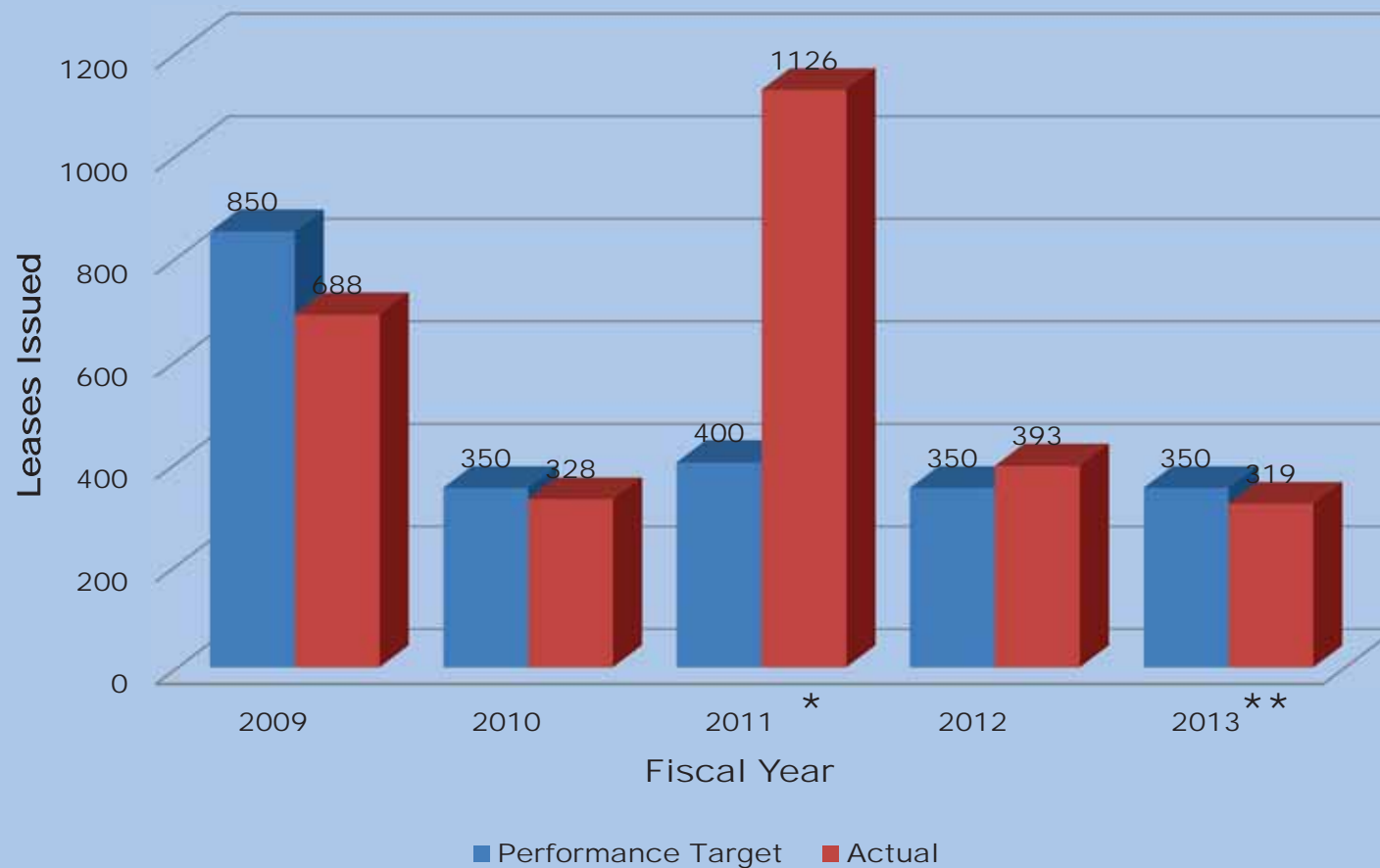
# BLM Wyoming Oil and Gas Leasing Today

- 15,807 authorized leases
- 11.2 million acres
- 7,791 producing leases
- 4.2 million acres of land held by production



# State Office Leasing Targets

Develop and Issue Federal Fluid Mineral Leases



\* Includes parcels from June 2008 to May 2010 that were addressed in protest responses

\*\* Does not include parcels from upcoming August 2013 lease sale

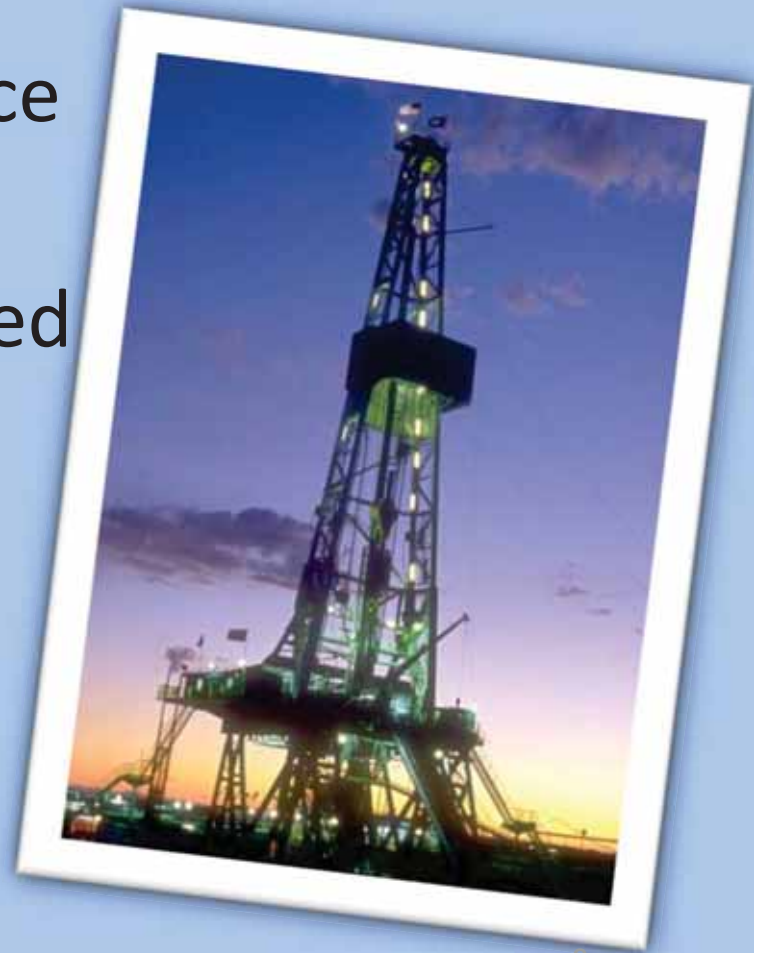
# Leasing Reform

Process for orderly, effective, timely and environmentally responsible oil and gas leasing on Federal lands



# BLM Wyoming Implementation Plan

- Rotate sales by district; each field office offers parcels twice per year
- Number of parcels determined by number of Expressions of Interest (EOI) received
- Each district prepares environmental assessment (EA) for each rotated sale





# Before and After Leasing Reform

<b>BEFORE</b> <i>January 2008 to May 2010</i>	<b>AFTER</b> <i>June 2010 to May 2013</i>
Six sales per year—statewide parcels	Four sales per year—each field office included in two sales on a rotating basis
14 Sales	13 Sales
Offered 1,842 parcels covering 2.06 million acres	Offered 1,205 parcels covering 1.23 million acres
378 individual protest documents	50 individual protest documents
Number of parcels protested: 1,734 parcels covering 1,978,947.59 acres	Number of parcels protested: 475 parcels covering 549,508 acres
Number of parcels deferred/deleted during NEPA Review: 381 parcels covering 431,491.21 acres	Number of parcels deferred/deleted during NEPA Review: 1,649 parcels covering 2.335 million acres
DNA prepared by field office for each sale	District-wide EA prepared for each sale
Revenue from 14 sales: \$122,629,422.50	Revenue from 13 sales: \$156,350,571.00
Time from EOI to Sale: 3 -6 months	12 to 14 months

# Positive Aspects of Leasing Reform

- Public involvement and public comment
- Coordination with State/Local/Tribal governments
- More split estate owner involvement
- Identify issues during EA process
- Expanded State Office Stipulations Committee role
- Transparency—posting all documents online
- Leasing Reform process incorporated in new 3120 Handbook
- Protest resolution more defensible
- Sign NEPA document and resolve protests prior to offering parcels
- Issue leases within 60-days of lease sale

## Issues for Consideration Due to Leasing Reform

- Backlog of deferrals due to RMP revisions and amendments
- Consistency of stipulations – edge-matching
- Leasing reform is constantly evolving; looking for streamlining opportunities
- Incorporate all leasing reform aspects into the National Fluid Minerals Lease Sale System when developed

# Public Notification of Lease Sales Under Leasing Reform

- NEPA compliance documentation posted on BLM WY oil and gas leasing website and made available upon request in public room
- Lease Sale Notice posted on BLM Wyoming oil and gas leasing website, made available in public room, and announced in press release at least 90 days prior to sale date
- Split estate surface owners notified a second time if affected by parcels listed in Lease Sale Notice

## Opportunities for Public Participation

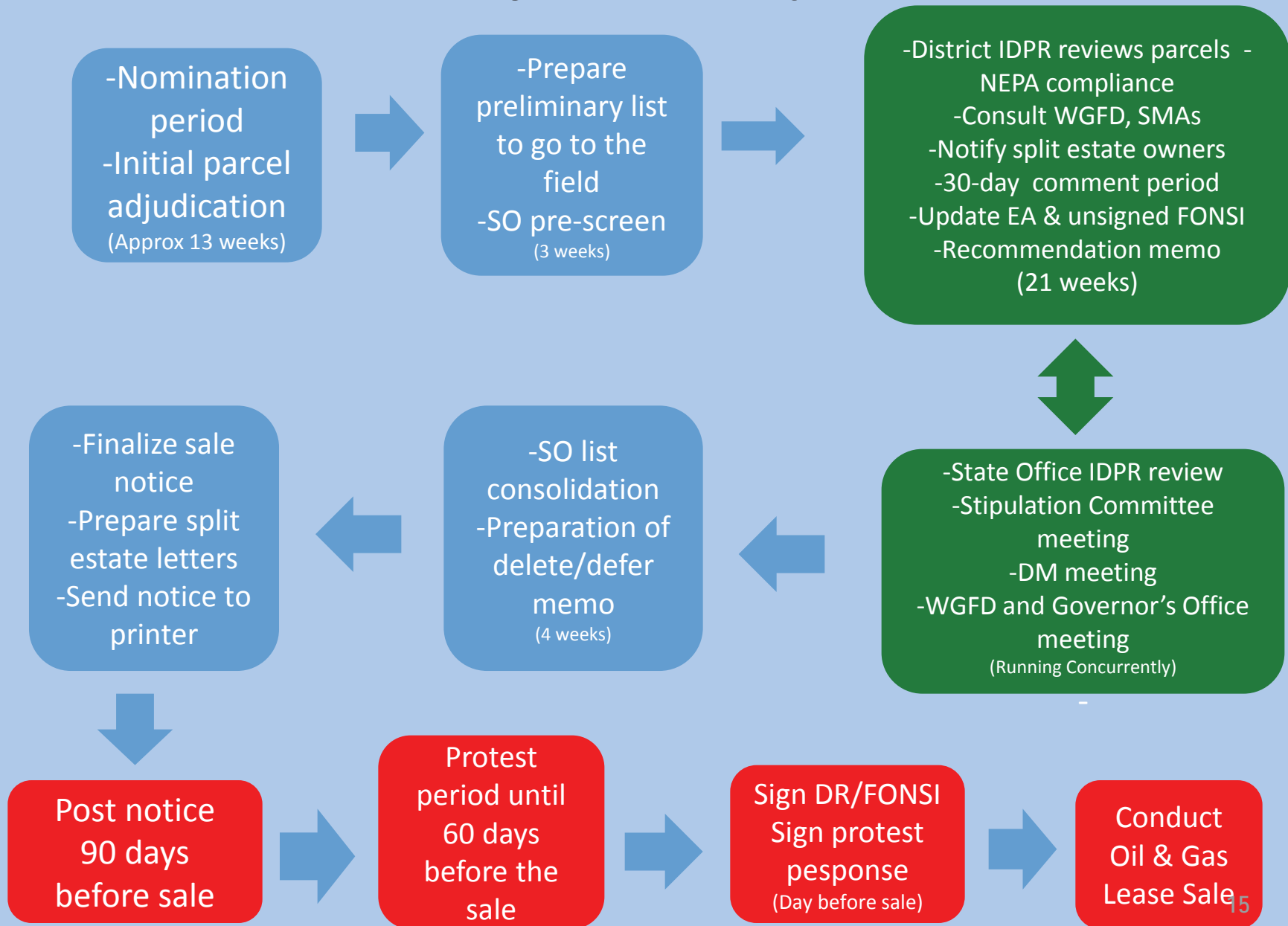
- Notify split estate surface owners (two times if land included in final Competitive Sale Notice)
- Notify other Federal surface managers within nominated areas
- NEPA compliance (30-day public review and comment period)
- Lease Sale Notice posted 90 days before each sale
- 30-day protest period after posting of Notice

# The Competitive Oil & Gas Lease Sale Process



# Oil & Gas Leasing Process Under Leasing Reform

Processing Time: 378 days (56 weeks)



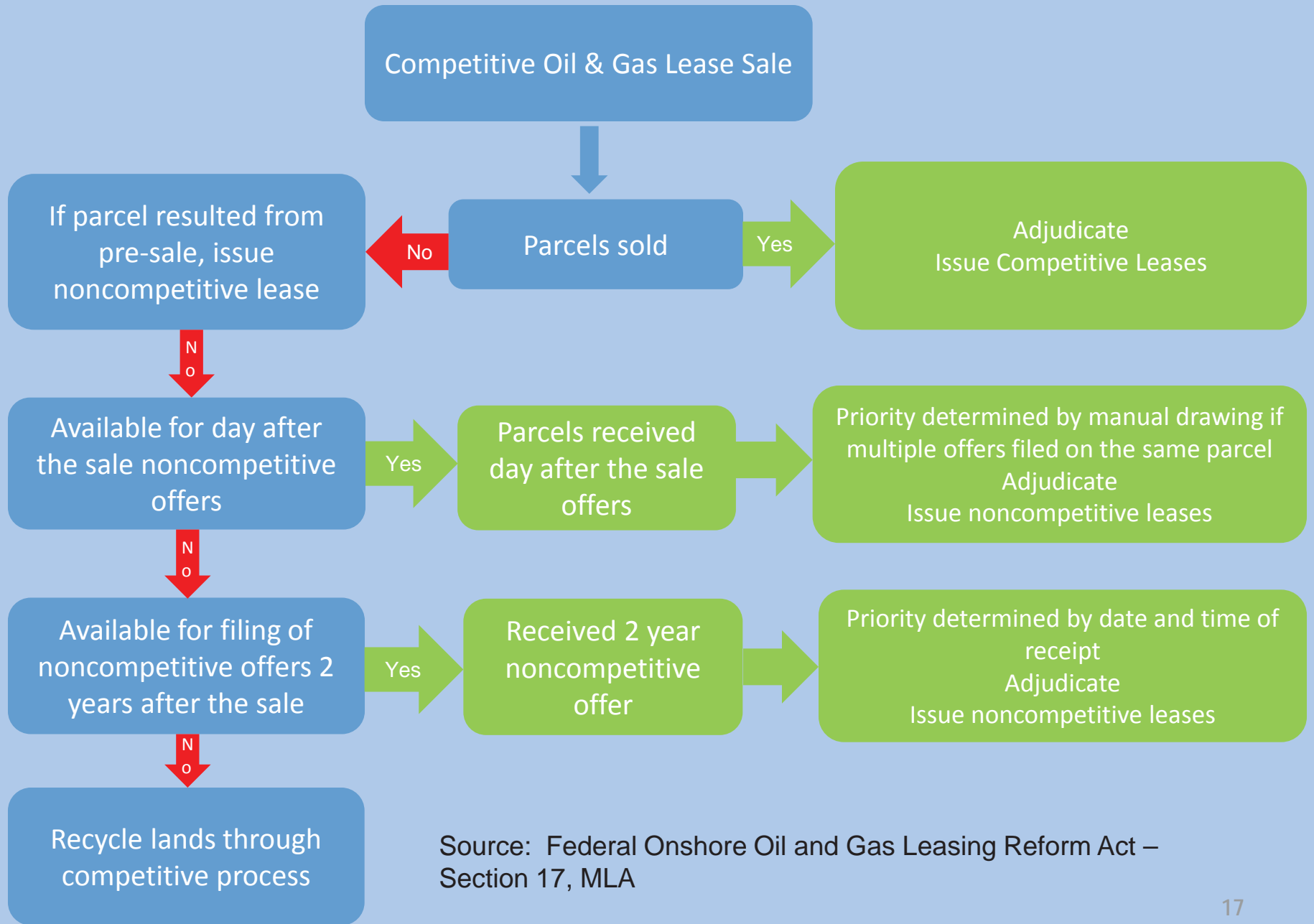
# BLM Wyoming Oil & Gas Leasing Process

From Expression of Interest  
(EOI)  
to Lease Issuance





# Leasing Process Flowchart



Source: Federal Onshore Oil and Gas Leasing Reform Act – Section 17, MLA

# Major Mineral Leasing Acts

- Mineral Leasing Act of 1920
- Right of Way Leasing Act of 1930
- Acquired Lands Leasing Act of 1947
- Federal Onshore Oil & Gas Leasing Reform Act (FOOGLRA) of 1987
- Energy Act of 1992
- Energy Policy Act of 2005

# Federal Mineral Leasing

- Promotes orderly development of oil & gas resources
- Must comply with various Acts including:
  - National Environmental Policy Act (NEPA) (1970)
  - Federal Land Policy Management Act (FLPMA) (1976)
  - Endangered Species Act
  - National Historic Preservation Act, etc.
- Ensures environmental protection through land use planning & NEPA analysis

# What Land Can Be Leased?

- Identified in Land Use Plan as eligible and available for leasing
- Lands otherwise unavailable for leasing, but which are subject to drainage (protective leasing)
- Lands selected by other government agencies, i.e., General Services Agency (GSA)
- Lands included in an expression of interest (EOI) or a noncompetitive offer (pre-sale)

# Leasing

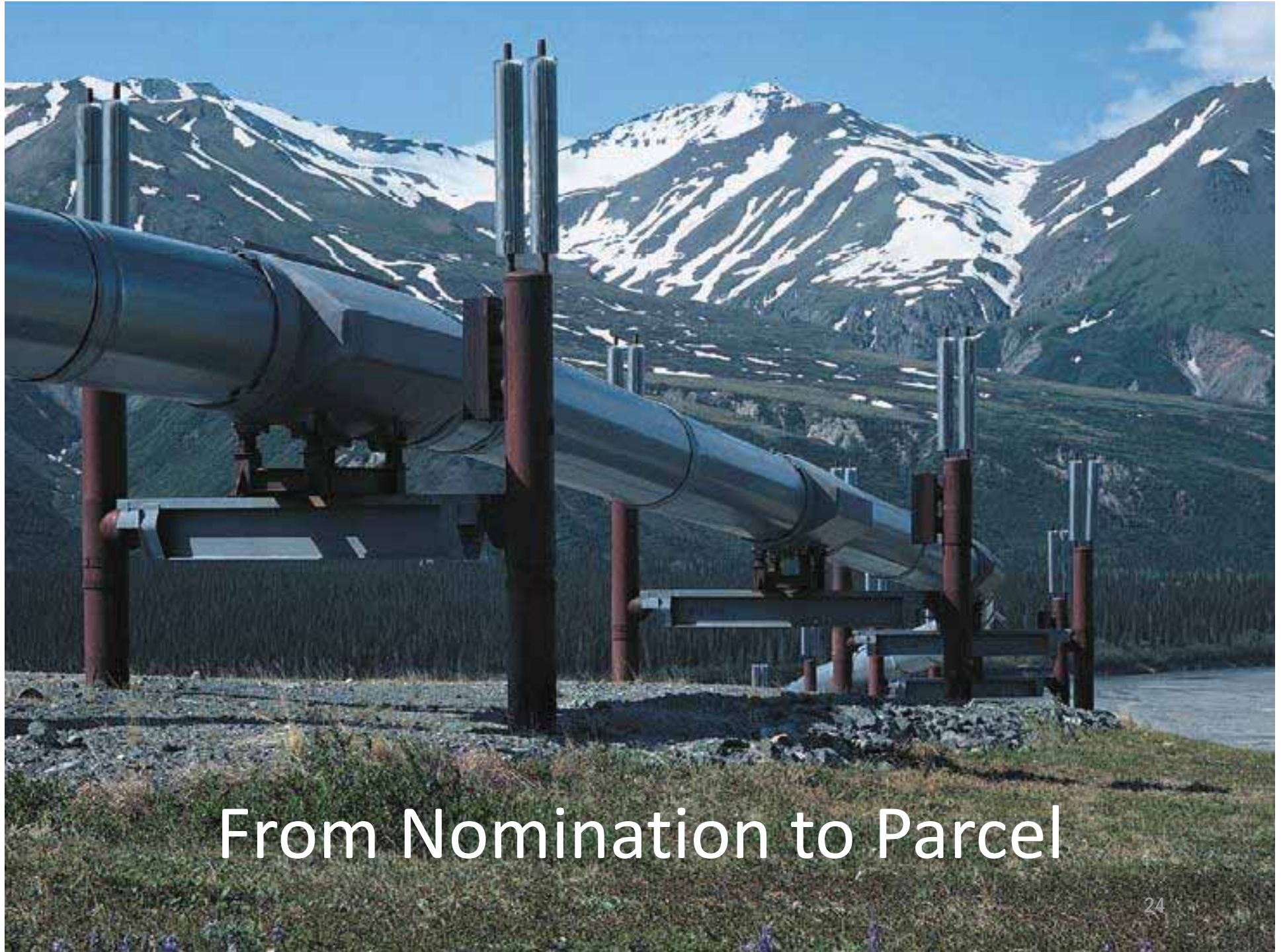
- Prior to June 1996, lands that were in expired, terminated, relinquished or cancelled leases were automatically recycled through the sale process
- After June 1996, only lands requested by industry, selected by Bureau motion or selected by other government agencies were offered for lease

# Leasing

- Oil and Gas Leasing is a discretionary action
- Please Be Aware:
  - All land available for leasing shall be offered for competitive bidding under 43 CFR 3120.

# Areas Closed to Leasing

- Incorporated towns/cities/villages
- Wilderness Areas (Designated Wilderness Areas (DWA) & Wilderness Study Areas (WSA))
- National Parks and Monuments
- Wildlife Refuges
- Withdrawn areas closed to leasing, i.e., Military Withdrawals (see Resource Management Plan)
- Lands where the U.S. does not own the mineral rights (patented or state)



# From Nomination to Parcel



# How are Parcels Created?

- BLM receives an Expression of Interest (EOI) from:
  - Industry or public (competitive offer)
  - Noncompetitive presale offer
- Land was selected by other government agency
- Land selected by bureau motion for protective leasing

BLM maintains the configuration as requested, but retains the right to adjust the parcel size as needed

# EOI Checklist

- There is no BLM form for an EOI—BLM accepts a letter
- EOIs may be faxed or mailed—e-mails are not accepted
- Land must be described using the public land rectangular survey system—legal subdivision (aliquot part, lot, tract), section, township, range, and if needed meridian (exceptions noted in 43 CFR 3110.5-2)

# EOI Components

- If the land was previously leased, that lease number may be used in the nomination
- The name and address of the nominator
- The name and address of the surface owner if the land is split estate

# Parcel Preparation Guidelines

- Maximum acreage for a competitive parcel is 2,560 acres
- Smallest parcel is based on legal land description, i.e., Lot 1 is .01 acres.
- Maximum acreage for a noncompetitive parcel is 10,240 acres
- Land in parcel must lie within 6 square miles
- Do not combine public domain and acquired land
- Do not combine unitized and non-unitized land

# Parcel Preparation Guidelines

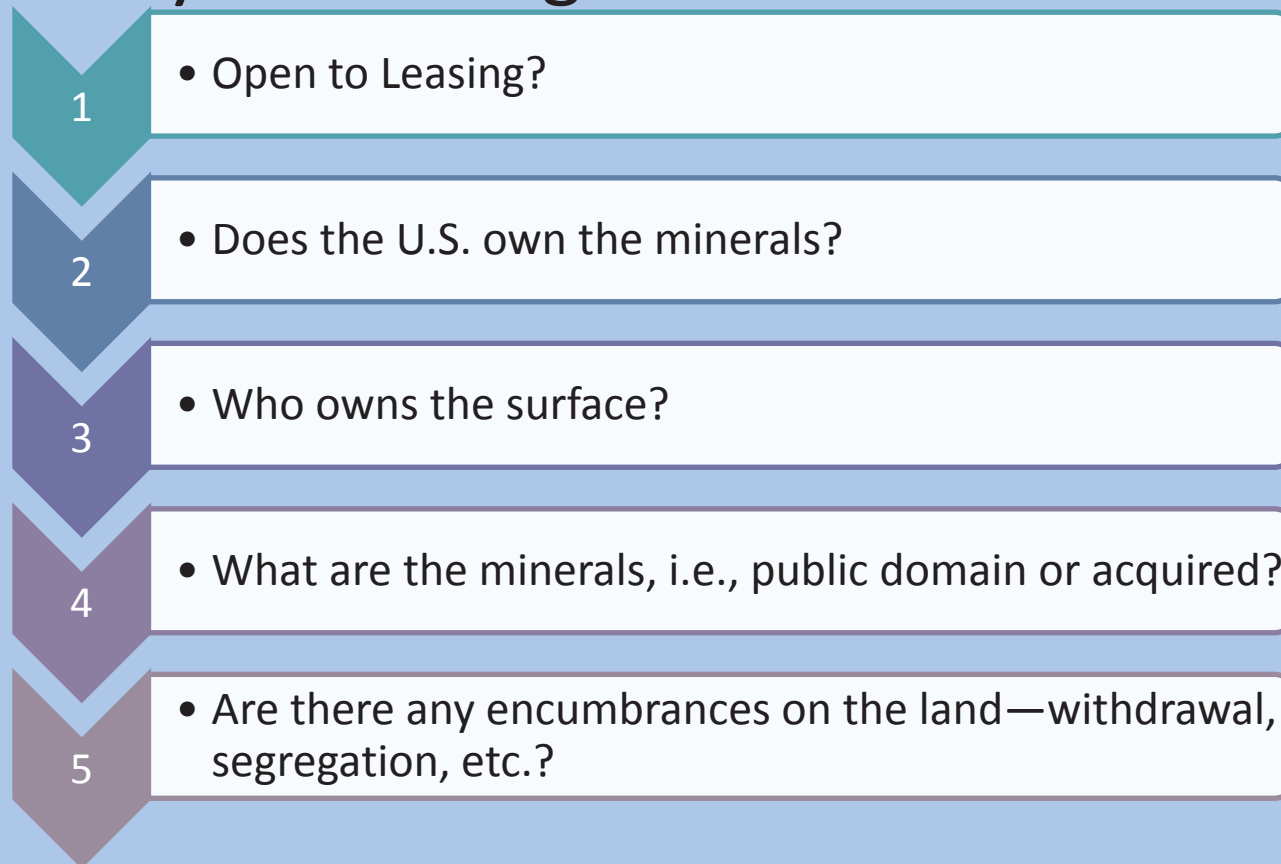
- Presale non-competitive offers cannot contain land which has terminated, expired, cancelled or relinquished within one year
- Multiple counties must have separate total acreages
- If surface is administered by another Surface Management Agency (SMA), i.e., Forest Service (FS) or Bureau of Reclamation (BOR), BLM must obtain consent before listing/offering

# Parcel Preparation Guidelines

- Land within railroad rights-of-way are excluded from competitive and non-competitive parcels. These lands may be leased under Special Acts (43 CFR 3109).
- Do not combine land under BLM jurisdiction and land administered by another agency/SMA
- If U.S. interest is less than 100%, do not combine with lands in which U.S. owns 100% (varies from state to state)

# Adjudicate EOI

- Check current sale for duplicate nomination
- Perform land status check to determine availability for leasing



# Adjudicate EOI

- Tools to perform land status check:
  - Master Title and Oil and Gas Plats
  - LR2000—Case Recordation
    - LLD
    - Case Scan by MTRS
    - Serial Register Pages for former leases
  - Control Document Index (CDI) documents:
    - Conveyance documents, i.e., patents
    - Land Status documents, i.e., withdrawals
- Plot land to be parceled on OG Plat
- Prepare DI-10
- Second Check



# Adjudicate EOI

- Handouts
  - Explanatory plat and legend
  - Serial register page
  - Sample DI-10s

# Adjudicate EOI

- If the land is acquired or the surface is under the jurisdiction of another SMA– request title report from SMA
  - Memo (BOR) or Letter (FS)
  - Title Report
  - DI-10
  - Marked O&G plat

# Adjudicate EOI

- FOOGLRA requires consent prior to leasing public domain minerals under the FS surface
- The FS parcels sent for Title Report do not contain any stipulations from BLM
- BOR & FS provide their own stipulations

# Adjudicate EOI

- If part or all of the land in the nomination is not available:
  - Note which land and why it is not available on the original nomination letter
  - Original letter is attached to DI-10
  - Highlight the land that is available for posting
  - Prepare a return letter with the reason to the nominator with a clean copy of their nomination letter
  - File a copy of the return letter attached to a copy of the original nomination in our “RETURN EOI” folder

# Preparing the Preliminary List

- Prepare Administrative File Sale Folder
- Using the DI-10s, enter parcels into Lease Sale System
- Notify the GIS specialist that the list is being prepared
- Run a Duplicate Report for the previous six months—verify and make corrections
- Prior to finalizing preliminary list, send the DI-10s to Plat Drafting to have the O&G plats noted with the sale information

# Preparing the Preliminary List

- Compare the Preliminary List to the DI-10s
  - Ensure legal descriptions are correctly entered and all information is included from the D-10s:
    - Mineral interest
    - Unit/CA
    - FS, BOR, USAF
    - Acquired
    - Fish & Wildlife
    - Drainage
    - Pre-Sale Offer
  - If the parcel is split estate, flag the DI-10 with colored tab

# Preparing the Preliminary List

- Write the parcel number in pencil at the top of the DI-10s
- Mark corrections in red and flag the page on the Preliminary List
- Cleanup the Preliminary List making corrections and deletions, etc.
- Once the Preliminary List is corrected, then it is run through the GIS data to create the Stipulations

# Preparing the Preliminary List

- GIS stipulation coverage is applied to each parcel to produce the appropriate stipulation
- The field office reviews each parcel to confirm the appropriate stipulations are applied
- A report is run to identify conflicts with Field Offices between GIS and the DI-10s
- Corrections are made and verified
- A GIS Text File is received and used to prepare Preliminary List for transmittal



# Distributing the Preliminary List

- E-mail Preliminary List to:
  - WY921—for Sage-grouse Screen—w/stips
  - Resource Advisors for NEPA process
    - Coordination with Field Offices—w/stips
  - cc for the District Managers
  - Wyoming Game and Fish Department (WGFD)(Field Offices)—w/o stips
  - WGFD in Cheyenne—w/stips
  - Fish and Wildlife—w/o stips
  - Governor’s Office— w/stips

# Rotational Sale Schedule

## – February and August Sales

- High Plains District
  - Buffalo
  - Casper
  - Newcastle
- Wind River/Big Horn Basin District
  - Cody
  - Lander
  - Worland

## – May and November Sales

- High Desert District
  - Kemmerer
  - Pinedale
  - Rawlins
  - Rock Springs

# 2013-2014 Nomination & Lease Sale Schedule

SALE DATE	NOMINATION PERIOD	POSTING DATE	PROTEST DATE
February 5, 2013	January 9, 2012 through March 23, 2012	November 7, 2012	December 7, 2012
May 7, 2013	March 26, 2012 through June 22, 2012	February 6, 2013	March 8, 2013
August 6, 2013	June 25, 2012 through September 21, 2012	May 8, 2013	June 7, 2013
November 5, 2013	September 24, 2012 through December 21, 2012	August 7, 2013	September 6, 2013
February 11, 2014	December 24, 2012 through March 29, 2013	November 13, 2013	December 13, 2013
May 6, 2014	April 1, 2013 through June 21, 2013	February 5, 2014	March 7, 2014
August 5, 2014	June 24, 2013 through September 20, 2013	May 7, 2014	June 6, 2014
November 4, 2014	September 23, 2013 through December 20, 2013	August 6, 2014	September 5, 2014

# Chris Hite

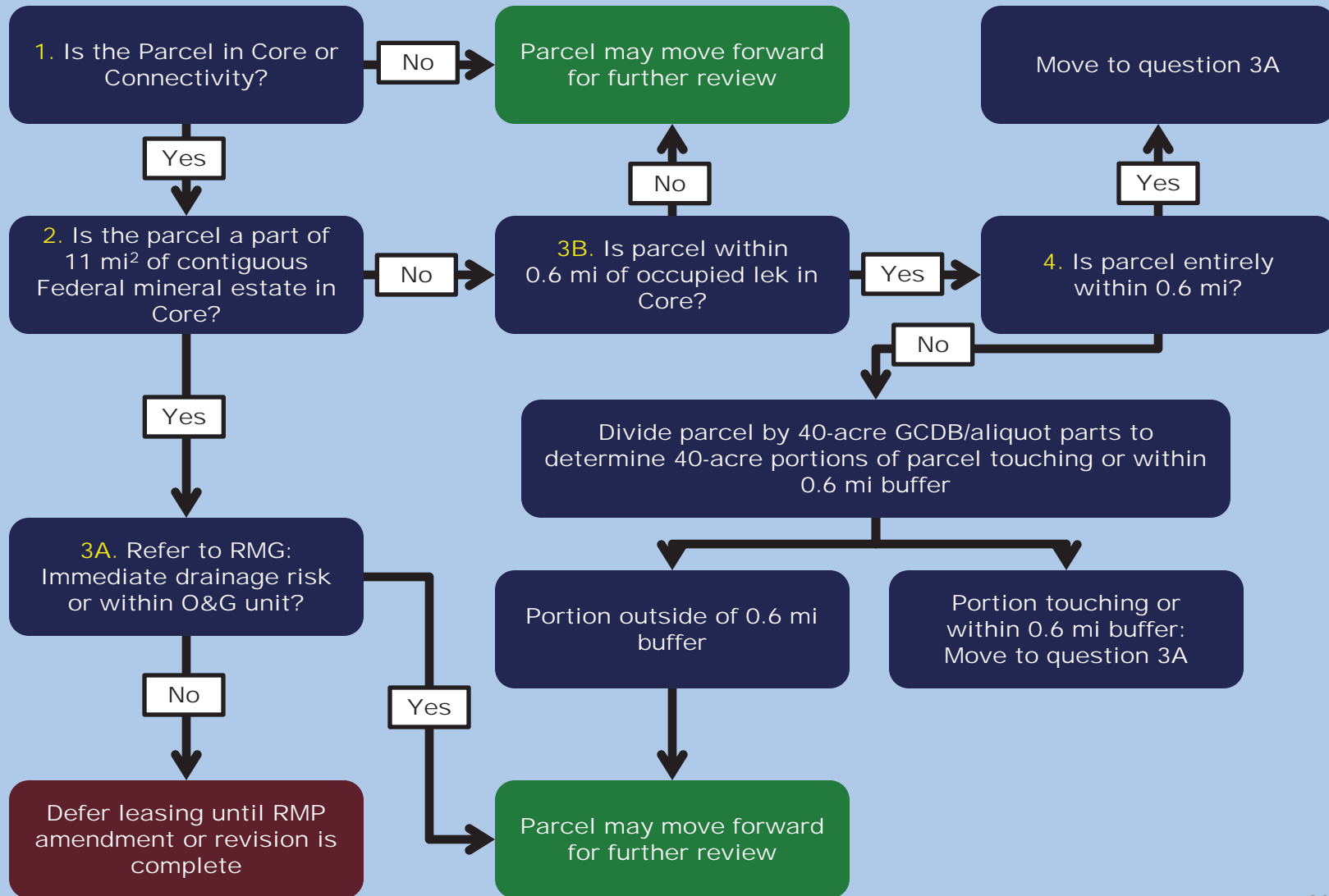
Physical Scientist  
Branch of Fluid Minerals, Lands and Appraisal  
Wyoming State Office



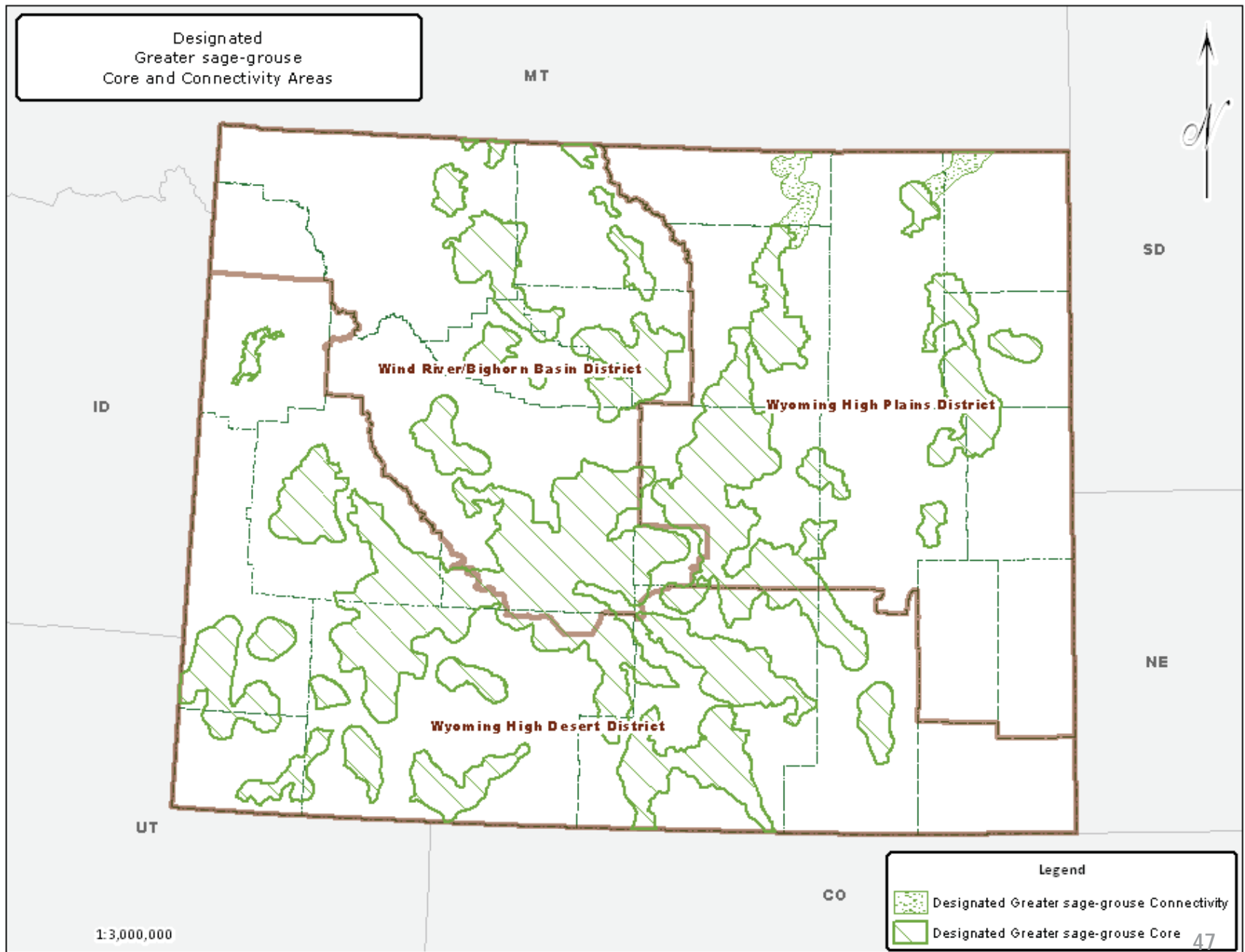
# State Office Pre-Screen of Preliminary Parcel List



# Greater Sage-Grouse Lease Screen



Designated  
Greater sage-grouse  
Core and Connectivity Areas

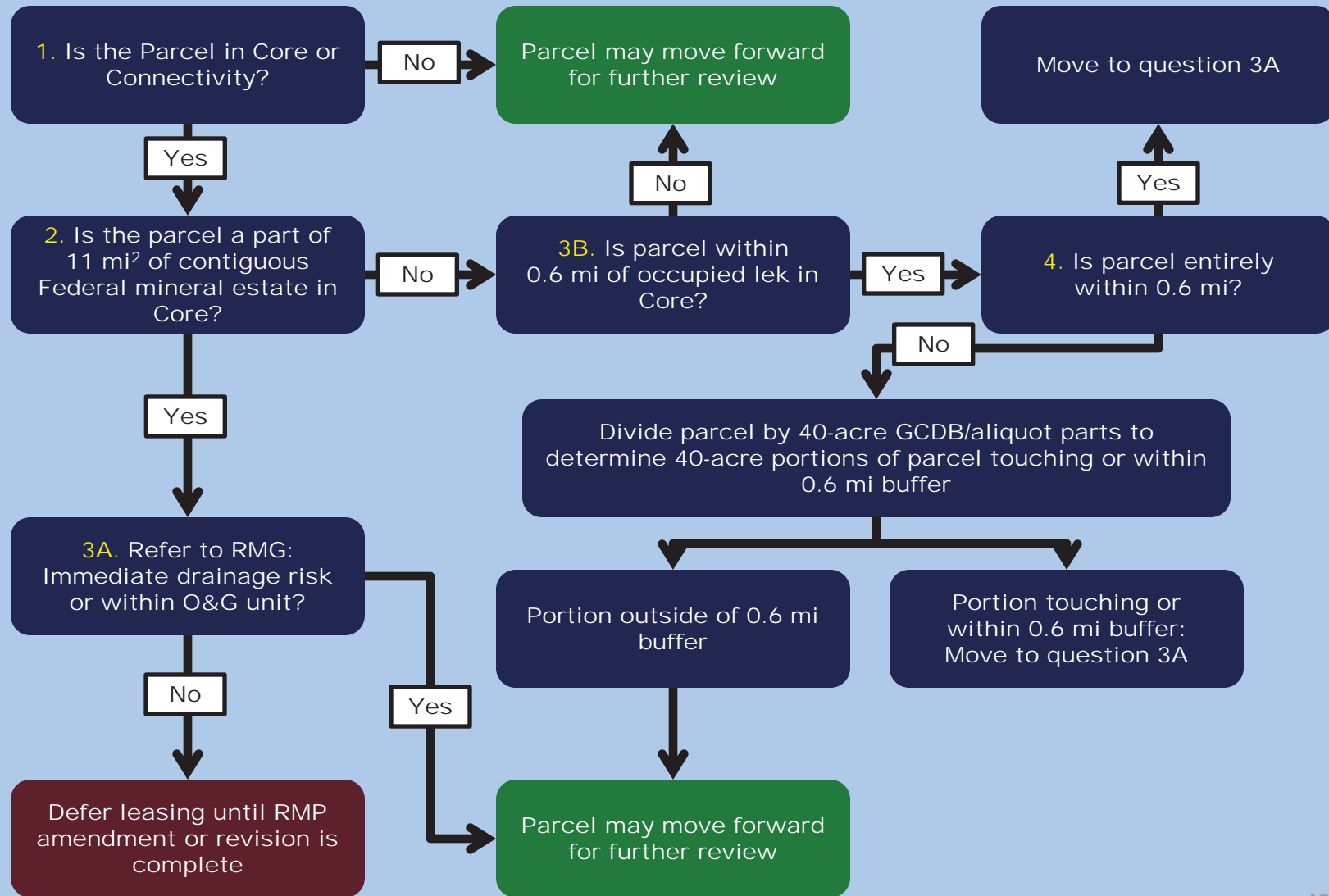


1:3,000,000

Legend

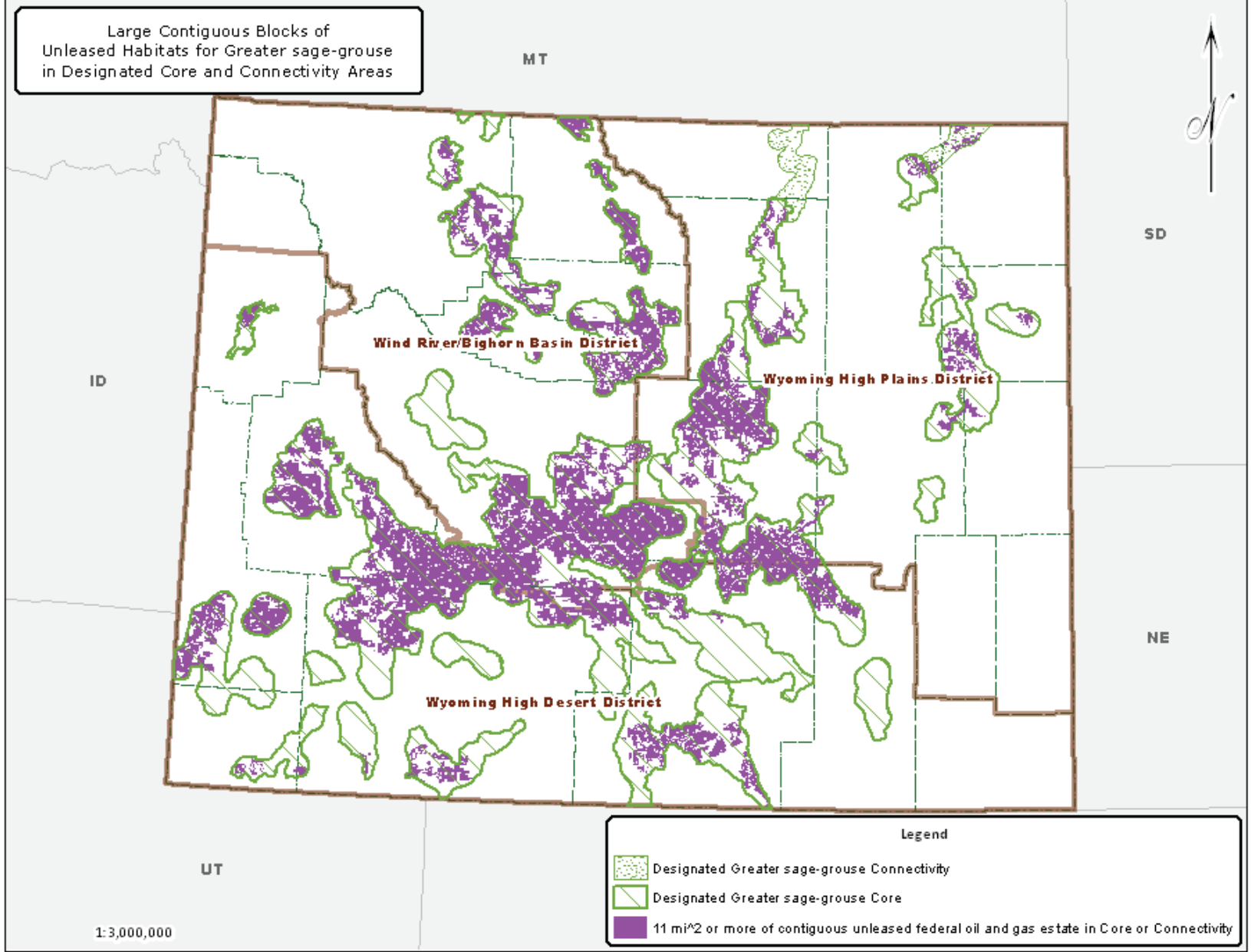
- Designated Greater sage-grouse Connectivity
- Designated Greater sage-grouse Core

# Greater Sage-Grouse Lease Screen



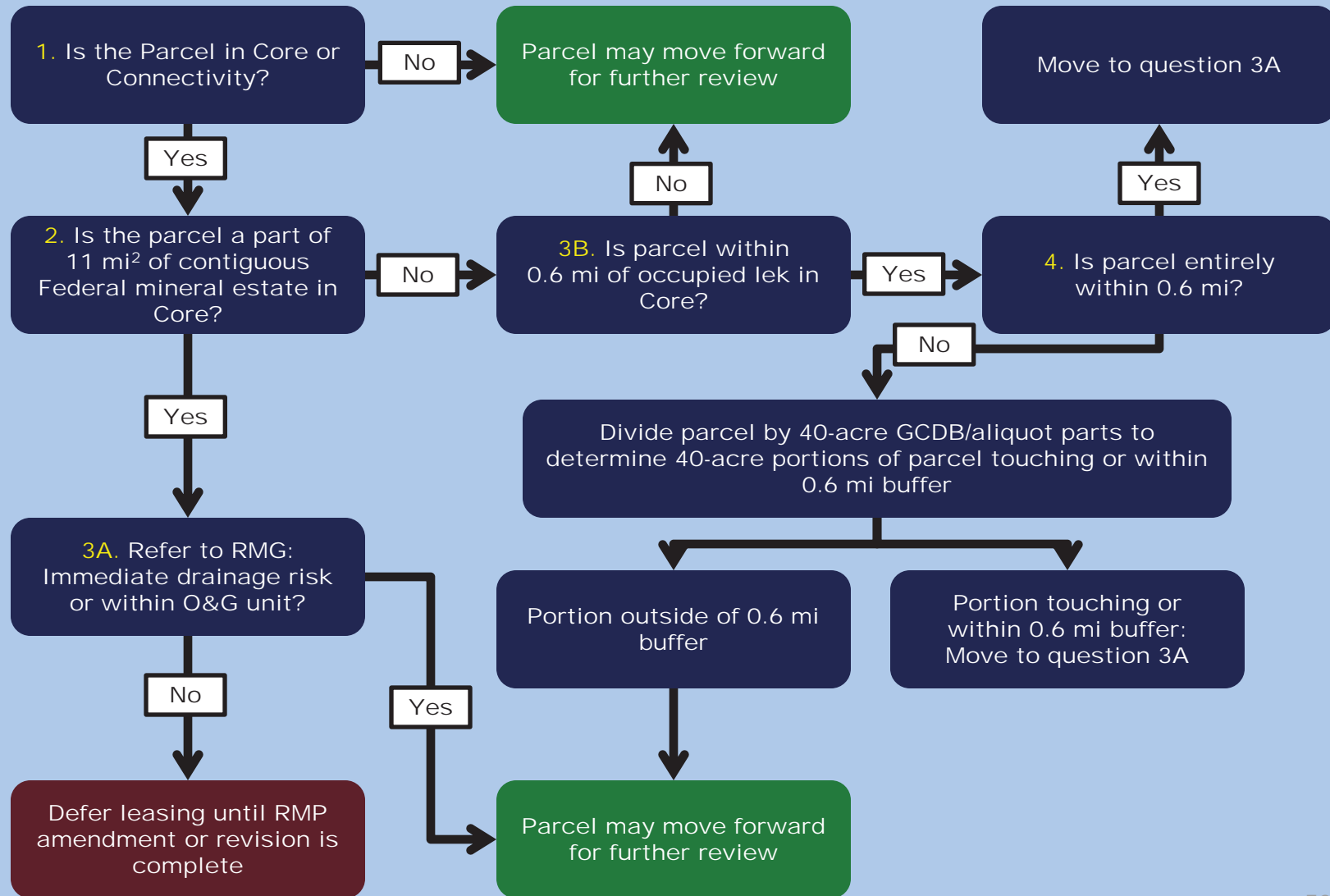


Large Contiguous Blocks of  
Unleased Habitats for Greater sage-grouse  
in Designated Core and Connectivity Areas



1:3,000,000

# Greater Sage-Grouse Lease Screen



Designated Occupied  
Greater sage-grouse Leks  
Throughout Wyoming

MT



SD

ID

Wind River/Bighorn Basin District

Wyoming High Plains District





NE

Wyoming High Desert District

UT

1:3,000,000

Legend

-  0.6-Mi. Buffer of Occupied Leks
-  Designated Greater sage-grouse Connectivity
-  Designated Greater sage-grouse Core
-  11 mi<sup>2</sup> or more of contiguous unleased federal oil and gas estate in Core or Connectivity

# Thomas Foertsch

Resource Advisor  
Minerals and Lands  
High Desert District



# Processing Schedule for November 2013

## Oil and Gas Lease Parcels (21 Week Process)

District and Field Office  
Schedule Example

# January 25, 2013

- November 2013 list to field offices
- WY-IM-2012-009 sage-grouse screen already completed by Wyoming State Office (WSO)
- Notify Reservoir Management Group (RMG) of parcels deferred for sage-grouse

Responsibility:

Field Office (FO) interdisciplinary (ID) teams

# January 25 – March 4 (6 weeks):

- Gather existing information
- Review for Resource Management Plan (RMP) conformance and adequacy
- Review for program specific guidance requirements
- Contact split estate surface owners for access
- Identify other considerations
- Identify and address internal and external coordination and consultation needs

Responsibility:

FO ID Teams

# January 25 – March 4 continued:

- Complete the Affected Environment Table
- Complete the Lands with Wilderness Characteristics Screen
- Complete the Master Leasing Plan Screen
- Perform site visits with documentation
- Apply and verify stips to each parcel
- Recommend deletion of parcels in areas designated by respective Field Office RMP as unavailable for leasing

Responsibility:

FO ID Teams



## March 4 – March 25 (3 weeks):

- Review Field Office submissions
- Prepare draft environmental assessment (EA) and Finding of No Significant Impact (FONSI)

### Responsibility:

District Resource Advisor (RA) for Minerals and Lands (M&L)

## March 25:

- Submit draft EA and FONSI to field offices and Wyoming State Office for review

Responsibility: District RA for M&L

## March 25 – April 8 (2 weeks):

- Field offices and Wyoming State Office review and provide comments on draft EA and FONSI

Responsibility:

FO IDTs and management

WSO 920 and 930 staff specialists

# March 27:

- Brief District Manager and Associate District Manager

Responsibility:

District RA for M&L

## April 8:

- FO and WSO EA Comments due to District  
Responsibility: FOs and WSO 920 and 930

## April 8 – April 22 (2 weeks):

- District incorporates FO and WSO comments  
on draft EA and FONSI

Responsibility: HDD RA for M&L

# April 22:

- Draft EA released to public for 30 day comment period
- Finalize Surface Owner Notification Letters for DM Signature

## Responsibility:

District RA M&L

District Public Affairs

WSO Webmaster

## May 23:

- Public Comments Due

## May 23 – June 14 (3 weeks):

- Respond to public comments (Appendix to EA), finalize EA and FONSI, prepare draft Decision Record, and prepare Parcel Delete/Deferral Memo for DM signature to WSO. Reviewed parcel files to WSO.

Responsibility: HDD RA for M&L

## June 14:

- Final Processed Lease list with Stips to WSO 923

Responsibility:

HDD RA for M&L

- Final EA/FONSI/Draft DR/Delete-Deferral Memo due to WSO and posted on the leasing webpage

Responsibility:

HDD RA for M&L and WSO Webmaster

**Examples of Response to Public Comments  
Included as an Appendix  
to the Environmental Assessment**



# Example One

**Comment:** The Resource Management Plan, approved in January 2009, is legally inadequate inasmuch as the EIS supporting the final ROD failed to consider an adequate range of alternatives. Among the alternatives which were reasonable and yet were not encompassed by the range of alternatives analyzed by BLM including but not limited to the Western Heritage Alternative. This alternative prescribed no future leasing in citizens' proposed wilderness

**Response:** The RMP went through a 30-day protest period on the land use plan decisions contained in the Proposed RMP/Final EIS in accordance with 43 CFR Part 1610.5-2. BLM received 79 protest letters that were subsequently resolved by the BLM Director, whose decision constitutes final agency action for the USDI and Record of Decision was approved on December 24, 2008. A determination of the legal sufficiency is beyond the scope and authority of this EA.

## Example Two

**Comment:** The area is a candidate for an Area of Critical Environmental Concern. BLM will need to make a decision on whether to designate these lands as an ACEC under the RMP, which is currently undergoing its NEPA analysis and review. BLM must not foreclose on options for more stringent protections, potentially including No Surface Occupancy and no leasing, that may be applied under the new RMP. While the revision is underway, these parcels should be deferred

**Response:** Offering these parcels without waiting for the RMP Revision to be completed is in compliance with the BLM Land Use Planning Handbook H-1601-1, Section VII.E. which states, “Existing land use plans decisions remain in effect during an amendment or revision until the amendment or revision is completed and approved. The decisions of existing land use plans do not change. For example, if current land use plans have designated lands open for a particular use, they remain open for that use. Land use plan decisions may be changed only through the amendment or revision process.” These parcels are located in areas open for oil and gas leasing in accordance with the land use plan.

# Example Three

**Comment:** The parcels should not be offered for sale due to an inadequate analysis of impacts to crucial winter range, wilderness quality lands, VRM, etc.

**Response:** All stipulations that have been added to selected parcels are in compliance with existing land use plans. Absent a definitive development proposal it is not possible for a more specific impact and/or cumulative effects analysis and as stated in Section 1.3 of the EA, BLM cannot determine at the leasing stage whether or not a nominated parcel will actually be leased, or if leased, whether or not the lease would be explored or developed or at what intensity (spacing) development may occur. As further stated in Section 1.3 of the EA, “additional NEPA documentation would be prepared at the time an APD(s) or field development proposal is submitted. In accordance with IM 2004-110, Change 1 and Lease Notice No. 3 any new standards/mitigation/stipulations coming forth from that process can be applied to post-lease actions (i.e., APDs, Sundry Notices, Rights-of-Way, etc.).

# Example Four

**Comment:** The parcels should not be offered for sale until increased protections for the sage-grouse are in place.

**Response:** BLM and US Forest Service are currently engaged preparing an amendment to the nine land use plans to evaluate the status of sage grouse and to incorporate results and recommendations from recent studies into BLMs land use planning process. All parcels have been analyzed consistent with WY-IM-2012-019 'Greater Sage-Grouse Habitat Management Policy on Wyoming BLM Administered Public Lands Including the Federal Mineral Estate' to determine whether the parcel should be offered for sale or deferred until the ongoing RMP Amendments are completed. The effectiveness and suitability of the timing limitation stipulation (TLS) is an RMP level decision and is beyond the scope of this EA. The Wyoming Game and Fish Department was consulted at several points during this lease sale review process. IM 2004-110 Change 1 states, "A decision temporarily to defer could include lands that are designated in the preferred alternative of draft or final RMP revisions or amendments . . ." The sage grouse amendments have not designated a preferred alternative to date; consequently the request deferral is outside the policy of the IM. The sage grouse amendments have not designated a preferred alternative to date; consequently the request deferral is outside the policy of the IM.

# Stuart Cerovski

Resource Advisor  
Minerals and Lands  
Wind River Bighorn Basin District

District Office - Field Office  
Interdisciplinary Team Review  
of Lease Sale Parcels



## Basic Process Steps

- Gather and assess existing resource information
- Determine the need for additional information
- Information developed at the land use planning stage

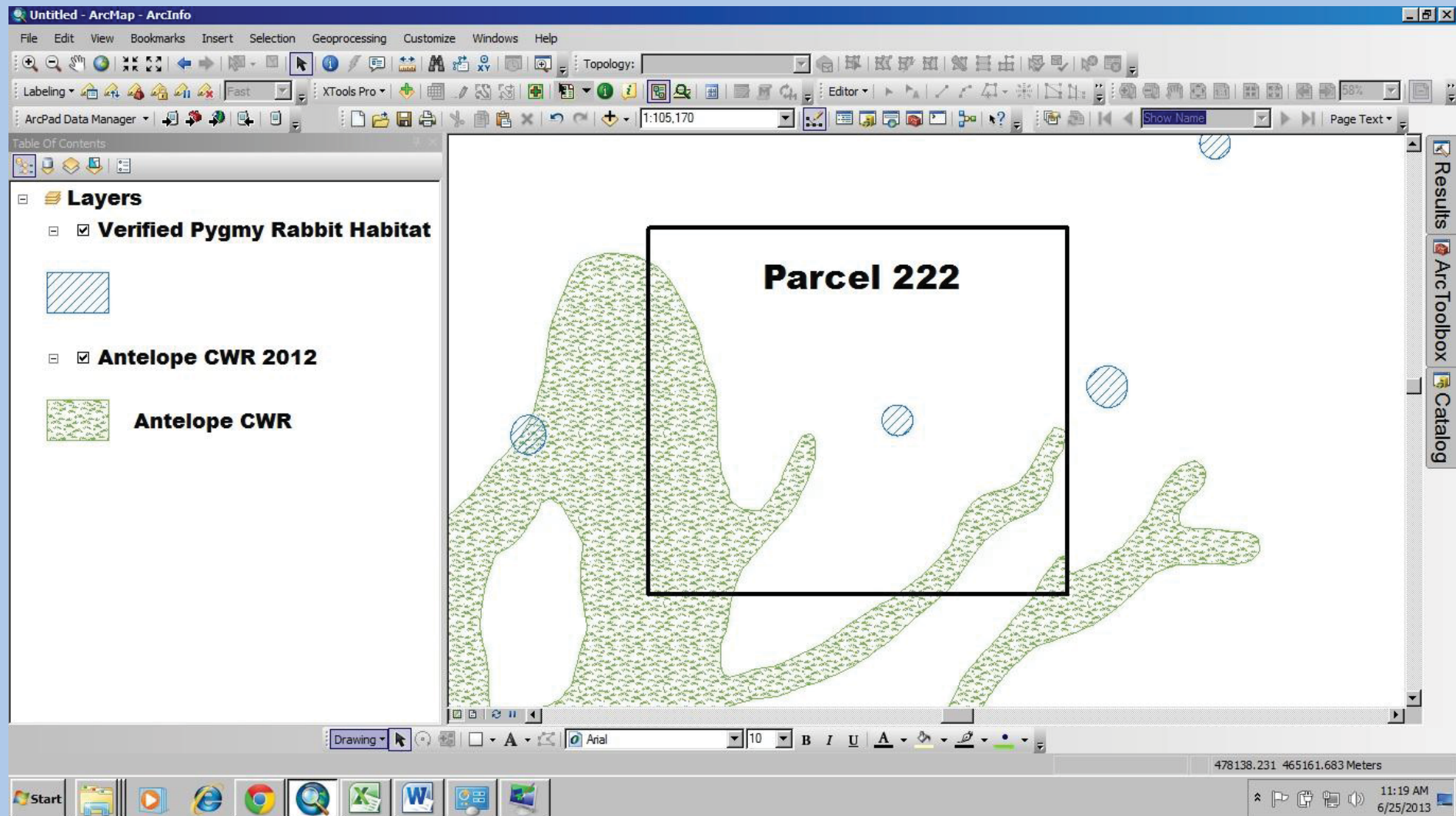
# WO IM No. 2010-117 Guidance

- Gather and assess existing information
- Plan conformance and adequacy
- Program-specific guidance
- Other considerations
- Site visits
- Internal and external coordination
- Public participation

# Gather and Assess Existing Information

- Areas Open or Closed to oil and gas leasing
- Cultural resources
- Trail management resources
- Paleontology and geology
- Vegetation (invasive and T&E plant species)
- Recreation, VRM, LWC, and special designations
- Wildlife and fish resources
- Soils
- Water resources
- Air quality



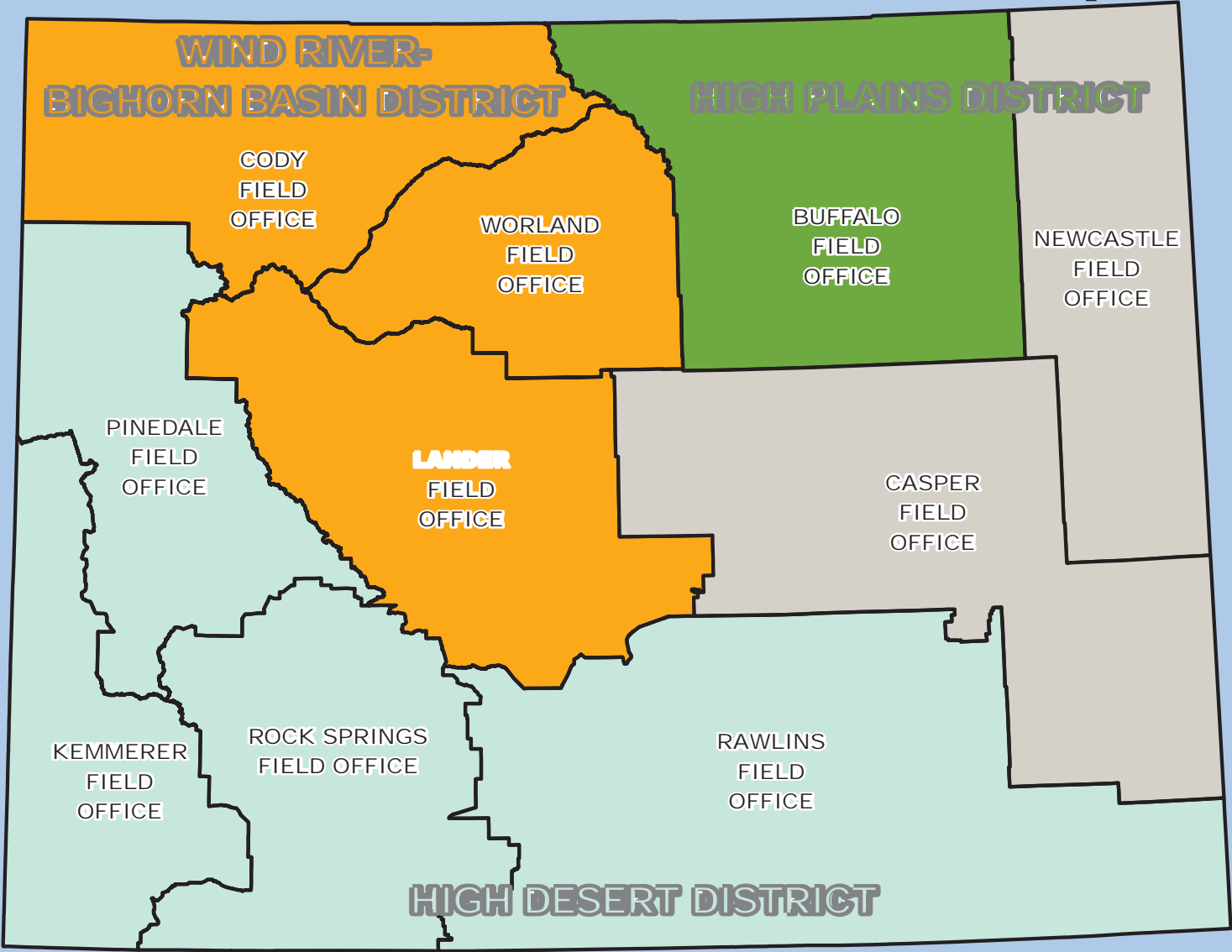


# GIS Data on ArcMap

# Stipulations

- Standard lease stipulations
- Timing limitation stipulation (TLS)
- Conditional surface use (CSU)
- No surface occupancy (NSO)
- Exception, modification, and waiver criteria

# Plan Conformance and Adequacy



# Plan Conformance and Adequacy

## *Wind River Bighorn Basin District*

- Grass Creek RMP – 1988
- Washakie RMP – 1988
- Cody RMP – 1990
- Lander RMP – 1987

## *Ongoing Planning*

- Bighorn Basin RMP
- Lander RMP

# Plan Conformance and Adequacy

## *High Plains District*

- Buffalo RMP - 1985
- Newcastle RMP - 1999
- Casper – 2007
- Nebraska RMP - 1992

## *Ongoing Planning*

- Buffalo RMP

# Plan Conformance and Adequacy

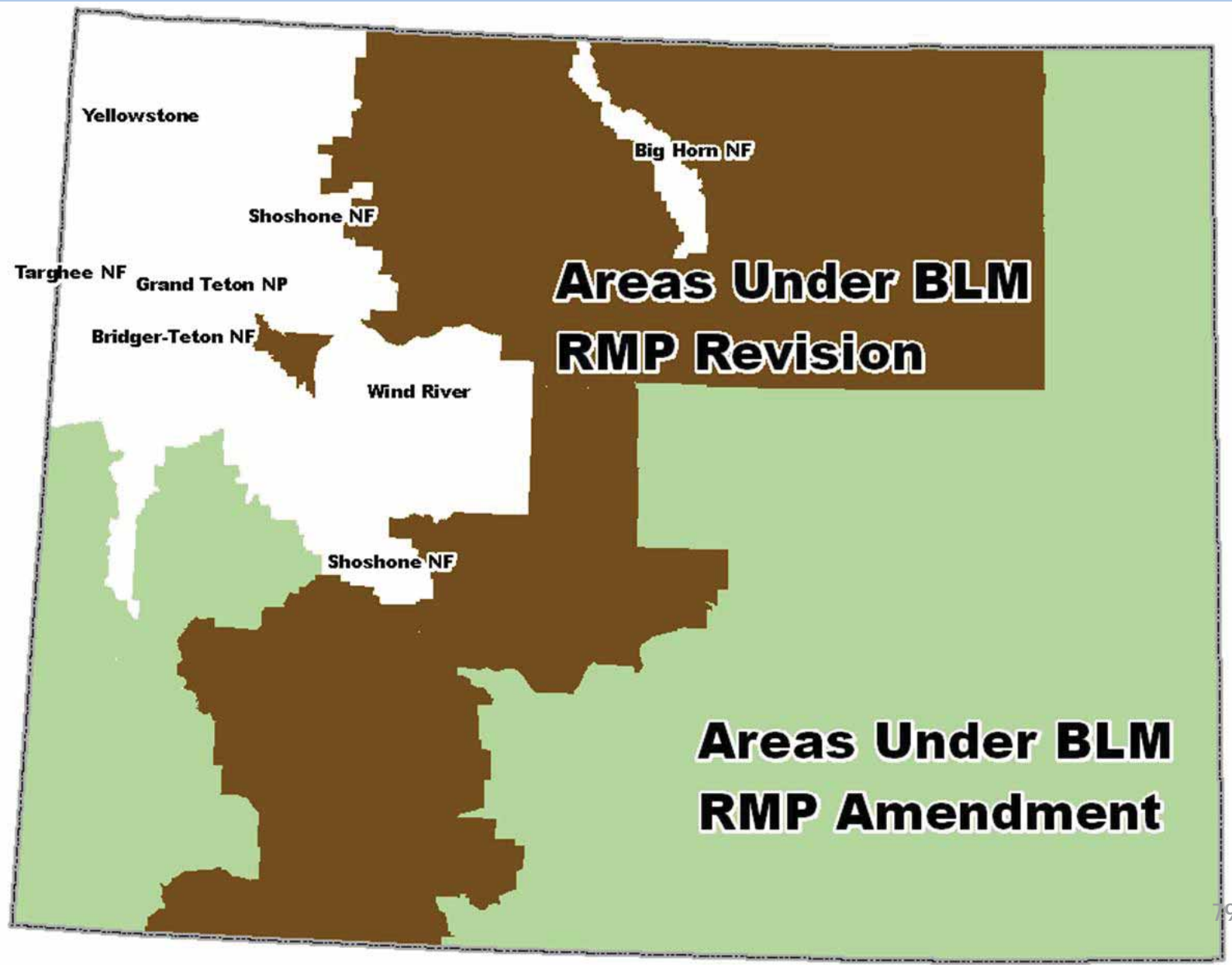
## *High Desert District*

- Pinedale RMP – 2008
- Kemmerer RMP – 2010
- Green River RMP (Rock Springs) – 1997
- Rawlins RMP – 2008

## *Ongoing Planning*

- Rock Springs RMP

# Plan Conformance and Adequacy



# Plan Conformance and Adequacy

## *Ongoing State Wide Plan Amendment*

### Wyoming Greater Sage-grouse RMP/LRMP Amendment

- Includes six BLM RMPs and three USFS LRMPs
  - Newcastle, Casper, Green River (RSFO), Rawlins, Kemmerer, and Pinedale RMPs
  - Thunder Basin National Grassland, Medicine Bow, and Bridger-Teton LRMPs



# Plan Conformance and Adequacy

*Review parcels for Deferral*

CEQ Regulations, 40 CFR 1506.1

Until an agency issues a record of decision as provided in Sec. 1505.2, no action concerning the proposal shall be taken which would:

- Have an adverse environmental impact; or
- Limit the choice of reasonable alternatives.

# Plan Conformance and Adequacy

## *Review parcels for Deferral*

WO IM 2004-110, Change 1

The State Directors have discretion to temporarily defer leasing.

A decision temporarily to defer could include lands that are designated in the preferred alternative of draft or final RMP revisions or amendments as:

- 1) lands closed to leasing;
- 2) lands open to leasing under no surface occupancy;
- 3) lands open to leasing under seasonal or other constraints with an emphasis on wildlife concerns; or
- 4) other potentially restricted lands.

Deferral, therefore, would not apply to areas designated in the alternative as open to leasing under the terms and conditions of the standard lease form.

# Plan Conformance and Adequacy

## Deletion of Nominated Parcels

Parcels or portions of a parcel are deleted from the preliminary parcel list in areas closed to oil and gas leasing

# Program-Specific Guidance

Current national and local program-specific guidance to address conservation strategies and protect:

- archaeological resources
- traditional cultural properties
- paleontological resources
- specially designated areas on or near BLM-administered lands
- sensitive species
- watersheds
- fisheries and wildlife habitat
- visual resources
- air quality
- wilderness qualities

# Other Considerations

- Drainage to Federal mineral resources
- Non-mineral resource values are greater than potential mineral development
- Constraints making access to and/or development of the parcel operationally infeasible
- Unacceptable impacts to the resources or values of any unit of the National Park System or national wildlife refuge
- Unacceptable impacts to specially designated areas

# Site Visits

- Validate existing data
- Gather new information
- Split estate access issues
- Evaluate the adequacy of associated stipulations in the RMP
- Document as part of the administrative record

# Internal and External Coordination

- Federal agencies (FS, NPS, FWS, BOR, Department of Defense)
- Adjacent BLM state and field offices, if lease nominations span or are close to administrative boundaries
- National Landscape Conservation System managers
- Tribal governments
- State and local agencies (fish and game, environmental quality, historic preservation)
- Local community stakeholders (managers of municipal watersheds and local parks)

# Public Participation

- Surface owners of split estate lands
- Invite to comment during the NEPA compliance process
- Press release announcing posting period
- 30 day public comment period
- Response to comments



# Mike Robinson

Resource Advisor  
Minerals and Lands  
High Plains District



# National Environmental Policy Act (NEPA) and Leasing

- Prior to Leasing Reform, Determinations of NEPA Adequacy (DNAs) were used
- Leasing Reform requires Environmental Assessments (EAs) until new Resource Management Plans (RMPs) are completed
- These EAs are tiered to the respective RMP and are different from a project level EA

# Field Office Portions of EA

- Field offices recommend resources to be analyzed (mostly based on stipulations applied from RMP)
- Incorporate Lands with Wilderness Characteristics (FOs) and sage-grouse (WSO) screens
- Any other FO specific information
- Incorporate summary of field visits
- Time: 4-5 weeks.

# The Environmental Assessment (EA)

- The District Office writes the EA
- Typical issues include: Air resources, wildlife (sage-grouse), cultural, minerals (coal, uranium, etc...), socioeconomics, etc...
- The EA is routed to the State Office and the field offices for review
- Comments are consolidated into a final document
- Time: 8-9 weeks

# EA Details: Alternatives Formulation

- Alternatives are developed:
  - The No Action Alternative
  - The Proposed Alternative
  - The Full Lease Alternative

# The No Action Alternative

- Required by policy and Council on Environmental Quality (CEQ) interpretation of regulations
- Acts as the baseline for comparison of the other alternatives

# Proposed Alternative

- Consists of deferring parcels based on resource concerns not covered in the pertinent RMP
- Deferrals might be based on RMP revisions, Native American Tribal consultation, coal applications, or other pending actions

NOTE: Sage-grouse Amendment deferrals are removed during the initial WSO review and not part of these alternatives

# Full Lease Alternative

- Consists of offering all of the parcels for lease

# Affected Environment

- Chapter 3 of the EA describes the resources expected to be affected
- These are used as a baseline for the impacts analysis



# Impact Analysis

- Chapter 4 of the EA describes the impacts from leasing the parcels on the resources found to be affected as detailed in Chapter 3
- Stipulations are applied to the parcels by resource in this chapter

# EA Appendices

- All screens are included
- Parcel lists by field office
- Deferral table
- Comments and responses

# Public Review

- The environmental assessment is published on the web for public review for 30 days
- Time: 4-5 weeks

# District Office Finishing Touches

- The District Office, coordinating with field offices, makes necessary changes based on public comments or responds to comments
- District Office finalizes the environmental assessment, supporting documents and the parcel lists and submits them to the WSO
- Time: 2-5 weeks.

# BLM – Wyoming Oil and Gas Leasing 101 District Issues

Tom Foertsch

Resource Advisor for Energy, Lands and Minerals  
High Desert District

Mike Robinson

Resource Advisor for Energy, Lands and Minerals  
High Plains District

Stuart Cerovski

Resource Advisor for Energy, Lands and Minerals  
Wind River Big Horn Basin District



# High Desert District Issues

- HDD encompasses:
- Total Acreage – 25.3 Million Acres
- BLM Administered Surface – 9.5 Million Acres
- BLM Administered O&G – 16.1 Million Acres
  
- RSFO RMP Revision

# High Plains District Issues

- Split estate within the High Plains District
  - Total acreage: 20.9 million acres
  - BLM surface: 2.4 million acres
  - BLM O&G minerals: 10.8 million acres
- Native American Tribal coordination
- Buffalo Field Office Revision and the Wyodak Coal Decision

# Wind River Bighorn Basin District

- Total Acreage: 12.2 Million Acres
- BLM Surface: 5.5 Million Acres
- BLM O&G minerals: 6.9 Million Acres



# WRBBD - Parcels Reviewed

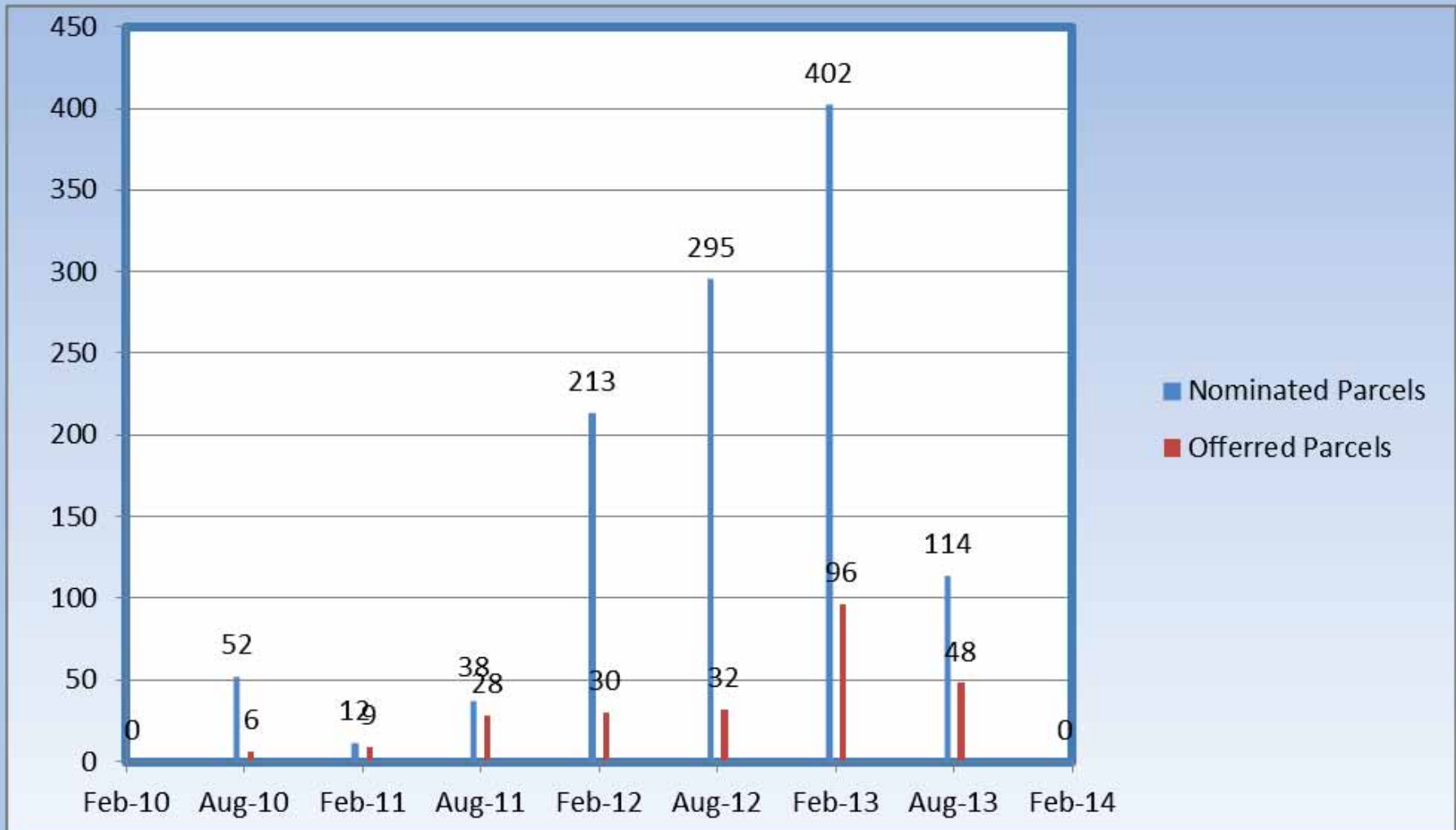
Sale	Parcels Reviewed	Parcels Recommended
Aug 2013	114	48
Feb 2013	402	96
Aug 2012	295	32
Feb 2012	213	30
Aug 2011	38	28
Feb 2011	12	9
Nov 2010	52	36
Aug 2010	8	6

Sec. Order 3310 Amended EA (18 parcels) Feb/May/Aug 2010

Unissued leases backlog:

- Worland Field Office - 121
- Lander Field Office - 134
- Cody Field Office - 59

# Parcels Reviewed and Deferred



# Wind River Bighorn Basin District

- Grass Creek RMP – 1988
- Washakie RMP – 1988
- Cody RMP – 1990
- Lander RMP – 1987

## Ongoing Planning

- Bighorn Basin RMP
- Lander RMP

# Wind River Bighorn Basin District

## Deferral and Deletion of Parcels

Change in management prescriptions:

- Greater Sage-grouse
- Lands with Wilderness Characteristics (LWC)
- Special recreation and management areas (SRMA)
- Master leasing plan areas (four in District)
- Trails management (Congressionally designated and regionally important)
- Visual resource management
- Cultural, paleontology, high Tribal significance
- Areas of critical environmental concern (ACEC)

# Wyoming State Office Review After the Pre-Screen (Concurrent with District Reviews)

- WY BLM Reservoir Management Group
- WY BLM Stip Committee
  - WY BLM Division of Resource Policy and Management
  - WY BLM Division of Minerals & Lands
- WY BLM DM Meeting with State Director
- Meeting with Wyoming Game and Fish Department and WY Governor's Office
- Consolidation of Parcel Lists
- Delete/Defer Memo



# State Office List Consolidation

- Parcels are separated by field office when they are sent out on the Preliminary List by an e-mail message
- NEPA Document
  - Version 1 of the Leasing EA, draft FONSI and the dataset are linked and posted to the oil and gas webpage
  - 30-day public comment period—no extensions
  - At the end of the public comment period, the DO/FO staff addresses the comments in the document

# Leasing Recommendation

- The DO/FO prepares a recommendation memo with justification for deleting or deferring a parcel from the sale offering
- This memo is signed by the DM
- The recommendations may include:
  - Offer with special stipulations
  - Offer with modified parcel boundaries
  - Defer, in whole or in part, pending a future planning decision or issue resolution
  - Delete, in whole or in part, due to area closure to leasing

# State Office List Consolidation

- The DO/FO submits their memo and the NEPA package with the addressed comments
- The leasing staff consolidates all the parcel lists, comments on the parcel list, edits, etc. from the DO/FO and Stip Committee and verifies the parcel description for what will be included in the final sale notice



# State Office List Consolidation

- The WSO Stipulation Committee prepares a SO delete/deferral memo that:
  - Recommends the parcels to be offered in the sale
  - Identifies stipulation corrections, additions or deletions to be included in the final sale notice
  - Memo is signed/concurred by the DSD, Minerals and Lands

# Preparing the Sale Notice

- The Leasing Team
  - Reviews the DO/FO submissions—memo and parcel lists
  - Consolidates the FO parcel submissions and stipulations and reviews this document for:
    - Stipulation wording, consistency, typographical errors to ensure that all parcels were reported on and accounted for
    - Stipulation contains legal land description
      - Is the land within the parcel?
      - Is the description written correctly?

# Preparing the Sale Notice

- Flag any parcels that were requested for deletion and verify that they are referenced in the Delete Memo
- Note and flag all corrections
  - Transfer all corrections from file copy to combined list and all the reasons for the corrections
  - Prepare a list of questions for 921 staff/Stip Committee
- After the Delete/Deferral Memo is received from DSD
  - Mark through any parcels or parts of parcels that are being deleted or deferred and reason

# Preparing the Sale Notice

- Pull DI-10 (entire parcel deleted/deferred) or prepare new DI-10 (for the part deleted/deferred) and note reason along with Not Posted or NOL (Not Open to Leasing)
  - Prepare a letter to the nominator explaining any deletions or deferrals from the Preliminary List
  - Note the DI-10 in red at the top right corner Not Posted/NOL
  - Deleted/Deferred Parcels are entered into the Delete/Defer Parcel Spreadsheet for tracking
  - Make a copy of DI-10 to send to Plat Drafting for plat notation

# Preparing the Sale Notice

- Proof final dual column copy of the list against the combined stipulation document and DI-10
  - Because of deletions/deferrals, DI-10s are re-numbered
  - Note any corrections in red and flag
  - Revise logs for Pre-sale Offers, Units/CAs, etc.
  - Have the clerk print only the corrected pages of the list

# Competitive Sale Notice

- Prepare the Notice of Competitive Oil and Gas Lease Sale (Competitive Sale Notice)
  - Master cover pages (any changes?)
  - WY map and acres by county page
  - Add parcel pages with stipulations
  - Signed by Branch Chief, Fluid Minerals Adjudication
  - Send copies to:
    - Web team for posting
    - Printing team for reproduction
  - Send final parcel list to GIS by e-mail to prepare dataset

# Competitive Sale Notice

- Send a combined list to Fish and Wildlife Service by e-mail
- If any parcels are FS under Lakewood Jurisdiction, notify them by e-mail
- Request block of serial numbers from SNAM (takes 45 days to prepare new files)
- Prepare a second surface owner notification letter with attached page for parcel. Letter is mailed 90-days prior to the sale, the same day the Competitive Sale Notice is posted.

# Competitive Sale Notice

- When the Competitive Sale Notice is returned from the printer the distribution is:
  - Mailing List—subscribers
  - Copies for SMAs
  - Copies for each Field Office
- Send a copy of the Competitive Sale Notice with a Land Description Review Worksheet to Cadastral Survey for their review
  - Must receive a Land Description Review Certificate signed by Cadastral Survey with any land description/acreage changes prior to the sale



# Posting

- 90-days prior to the sale date the following documents are posted:
  - The Competitive Sale Notice— public room, sent to subscribers and posted on the webpage
  - Version 2 of the EA (includes comments) and draft FONSI are posted on the O&G webpage
  - Dataset of the final list
  - Cross-over list is posted
- Press release announcing the sale
- Public Information Notices are posted as generated

# Posting

- Protests are also posted on the web page
- During this 90-day posting period the 923 staff is making final preparations for the sale
  - Prepare Competitive Oil and Gas Lease Bid Receipt for each parcel
  - Prepare any Information Notices to make corrections or adjustments due to Cadastral Certificate recommendations
  - Monitor any actions that could affect the sale parcels, such as unit approval

# Sale Notice

- Copy of the Competitive Sale Notice
  - These are the Rules of the Sale
  - Sold to the public \$5 per book
  - Free at the auction

# Information Notices

Once the Competitive Sale Notice is posted, any changes to parcels included in the sale, i.e., parcel description, stips, units, etc. or the Rules of the Sale, i.e., fee change are announced through Information Notices

- Posted on the webpage
- Announced prior to the sale
- Paper copies available at the sale
- If an Information Notice is issued early in the posting period, it will be mailed to subscribers

# Lease Sale Parcel Protests and Finalizing NEPA Analysis



# Protest

- The protest period: first 30 days of the 90-day posting period
- Protests may be submitted by fax or mail by 4 p.m. the 30<sup>th</sup> day (this date is noted in Competitive Sale Notice)
  - Must be faxed to the specified fax machine
  - E-mails will not be accepted
- The protest is only for the final parcels included in the Competitive Sale Notice—must use the correct parcel numbers

# Protest

- BLM strives to resolve the protest prior to the sale, but must resolve it before leases may be issued for the offered parcels
- In Wyoming:
  - Protest is signed by the DSD, Minerals and Lands prior to offering the parcels
  - Version 3 of the Environmental Assessment (includes comments and any changes resulting from protests), final FONSI and Decision Record are signed by the State Director prior to the sale
  - Documents are posted to the website when signed
  - Protest response, EA package or lease issuance are appealable to the Interior Board of Land Appeals

# Who Signs What

- State Director:
  - Signs NEPA decisions supporting lease issuance on the day before the sale
- District Manager:
  - Signs the District Office Delete/Defer Recommendations Memo
- Deputy State Director, Minerals and Lands:
  - Signs Delete/Defer Memo for the State Office
  - Signs decisions resolving protests on the day before the sale
- Chief, Branch of Fluid Minerals Adjudication:
  - Signs the Notice of Competitive Oil and Gas Lease Sale
  - Issues/signs leases within 60 days of the sale



# Final In-House Coordination

- Schedule a State Director's Briefing approximately one week before the sale.
  - Address any new issues that have arisen since posting the Competitive Sale Notice
  - Discuss any protest issues
  - Present a map of the parcels being considered for offering and the oil and gas activity in the state
  - Resolve any concerns/issues with the SD prior to the sale

# Conduct Oil and Gas Lease Sale

- Sale is conducted off-site—in two rooms at the Holiday Inn Hotel in Cheyenne—Sale Room and Receiving Room
- Bidder registration in the Receiving Room
  - Begins at 7 a.m. the day of the sale
  - All bidders must have a bidder number for each entity they are bidding for
  - Must show valid government-issued picture identification (Driver's License) to register
  - Complete the bidder registration form in the name you want the lease issued in.

# Conduct Oil and Gas Lease Sale

- After the bidder is given a number, the Receiving Room enters the bidder numbers into Lease Sale System, allowing bidders to pay for parcels during and after the sale. This computer is used to upload information into LR2000 and prepare lease documents.
- Sales are by oral auction with professional auctioneers in the Sale Room
  - Each table in this room is numbered with flags
  - Bid numbers must be shown when bidding

# Auction Information

- BLM greets the bidders and announces the following:
  - Identify number of parcels being offered
  - Identify any Information Notices that have been prepared and their subjects (deferrals, changes, etc.)
  - Identify if any protests were filed and their status
  - Give Auction Information, Bidder Announcements and Lease Terms
  - No Cell Phone or Camera Use in the Sale Room
  - Announce next sale
  - Introduce Auctioneers

# Auction Information

- Minimum bid starts at \$2.00 per acre or fraction of an acre
- Bids must be in whole dollar amounts only
- The minimum bid, first years advance rental and \$150.00 administrative fee are due immediately following the sale.
- The bonus bid, balance, is due within 10 working days following the sale (please refer to the Competitive Sale Notice for specific date).

# Bidder Announcements

- Good Faith intention of obtaining a lease
- Binding commitment to accept a lease
- Pay all the monies owed the date of the sale
- Winning bid is a debt owed to the United States and that the United States will pursue collection actions if the monies are not paid
- Knowingly and willfully making any false, fictitious or fraudulent statements regarding the bidder's qualifications, bidder registration and intent to bid, acceptance of a lease, or payment of monies owed are criminal offenses

# Lease Terms

- 10 year primary term
- Advanced rental of \$1.50 an acre or fraction of an acre for first 5 years of the lease and \$2.00 per acre or fraction of an acre for the remaining term of the lease
- Royalty is 12.5% of the value or the amount of production removed or sold from the lease

# The Auction

- The auction is conducted by offering each parcel in parcel number order.
- If no bid is received, then it is a “Pass”
- When a winning bid is received, the auctioneer will announce the bidder number, bid amount and table number.
- This information is entered on various computers, sale books and forms.
  - The computer connected to the overhead shows a running tally of the bids and financial information and the Master Sale Book is noted.



# The Auction

- The computer by the auctioneer’s podium is calculating the bid information and is entered on the Competitive Oil and Gas Lease Bid Receipt form
- The next position assigns a BLM serial number to the parcel
- The “Runners” collate the bid receipt with the Form 3000-2, Competitive Oil And Gas or Geothermal Lease Bid. These forms are then taken to the bidder at his table.
  - A properly completed and signed competitive bid Form 3000-2 must be submitted with your payment—this is the signature for the lease.

# Winning Bids

- After the winning bidder receives and completes his paperwork, they bring it to the Receiving Room to pay the monies owed for the sale.
- The Collection Officers, verify the documents, run a tape of the money and collect the payment information—We can not accept cash. The bidder receives a receipt and information about when the bonus bid is due.
  - Note: BLM will not accept credit or debit card payments for any amount equal to or greater than \$49,999.99
- Payments required the day of the sale
  - Minimum bonus bid of \$2/acre or fraction thereof
  - Rental for the first year of \$1.50/acre or fraction thereof
  - \$150 cost recovery filing fee

# After the Sale

- The three computers at the sale must balance
- The minimum monies are collected and taken to the BLM Accounts Section for processing
- The money is entered into the Collection and Billing System (CBS)

# After the Sale

- Accounting Advices are prepared if all of the monies are received the day of the sale
- Noncompetitive Offers for the parcels that did not receive bids maybe submitted
- Statistics are prepared for the Washington Office

# Public Notice

- A Press Release is prepared and distributed
- The Competitive Oil and Gas Lease Sale Results (Results) are prepared and sent to the printer

# Sale Results

- A paper copy of the Results will be posted in the public room the Friday or Monday following the sale. At that time a copy will also be posted on the O&G webpage
- Results are available for purchase for \$5
- Results will automatically be sent to subscribers and the distribution list
- The names of the nominators are proprietary until two days after the sale.

# The Bonus Bid

- The minimum bid of \$2.00 per acre is due the day of the sale
- The Remaining Payment or Balance Bonus Bid
  - The balance of the bonus bid is due within 10 working days of the sale (If not received, ALL monies paid are forfeited)
  - Any bidder not paying ALL monies due within 10 working days will be listed and barred from future oil & gas lease sales

# Types of Noncompetitive Offers

A man in a white shirt and tie, looking shocked with his mouth open, holding a large black tool or device. The background is dark with some blurred lights.

Land listed on  
Competitive Sale Notice  
that did not receive a bid



# Noncompetitive Offers

- Must be submitted on Form 3100-11 in triplicate
- Filing Fee is \$390 plus first year's rental of \$1.50 per acre or fraction of an acre (remember to roundup)
- There is no “bonus or minimum bid” for a noncompetitive offer
- If a parcel receives more than one offer then a drawing will be held in the public room to pick the winner

# Presale Offer

- A formal nomination for unleased land included in the current competitive oil & gas sale.
- If the land does not receive a bid at the competitive sale, the presale offer is accepted.

# Adjudicating a Presale Offer

- Receive from accounts staff
- Order OG Plat plus any required supplements
- Determine available/non-available land
- Case scan for prior/authorized leases
- Presale parcels subject to 2,560 acre rule
- Prepare DI-10
- Enter parcel into Lease Sale System

# Day After Noncompetitive Offer

- May be filed for parcels not receiving bids the day of the sale and must be filed by parcel number until the end of the month following the sale.
- Parcel Integrity Period—can not add pieces from other sales or combine with other parcels to form larger noncompetitive offer (maximum size is 10,240 acres)
- Pre-sale offers are not available for Day Afters

## 2-Year Window

- May be filed for parcels not receiving pre-sale or day after bids; filed after the parcel integrity period; and filed during the remaining 2-year period.
- Land must be described by legal description and not by parcel number.
- Parcel size can be up to 10,240 acres
- May combine parcels or parts of parcels from previous sales that are available within the 2-year window

# Issuing the Lease

Bid received

Money paid

Protests Dismissed

Lease is ready to be issued

# The Lease File

- Copy of the DI-10 w/description from Sale Notice attached and nomination
- The OG Plat re-check to ensure accuracy
- Lease with lease notices, stipulations, and signatures attached
- Accounting advices and receipts
- Decision Record and front cover of Leasing EA or other NEPA documentation
- Protest Response if applicable

# Data Updates

- LR2000 is uploaded with the basic information from the Sale and updated as actions are taken during the sale process
  - Bidder Information
  - Sale Date
  - Bonus Bid
  - Fund Codes
  - Stipulations
  - Effective Date
  - Issue Date
- Public Challenge data is entered and updated with the various actions that resulted from Protest filing and resolution
- The Oil and Gas Plat is updated with the serial number for the lease, i.e., WYW#####
- The Historical Index is updated with the lease information



# Issuing the Lease

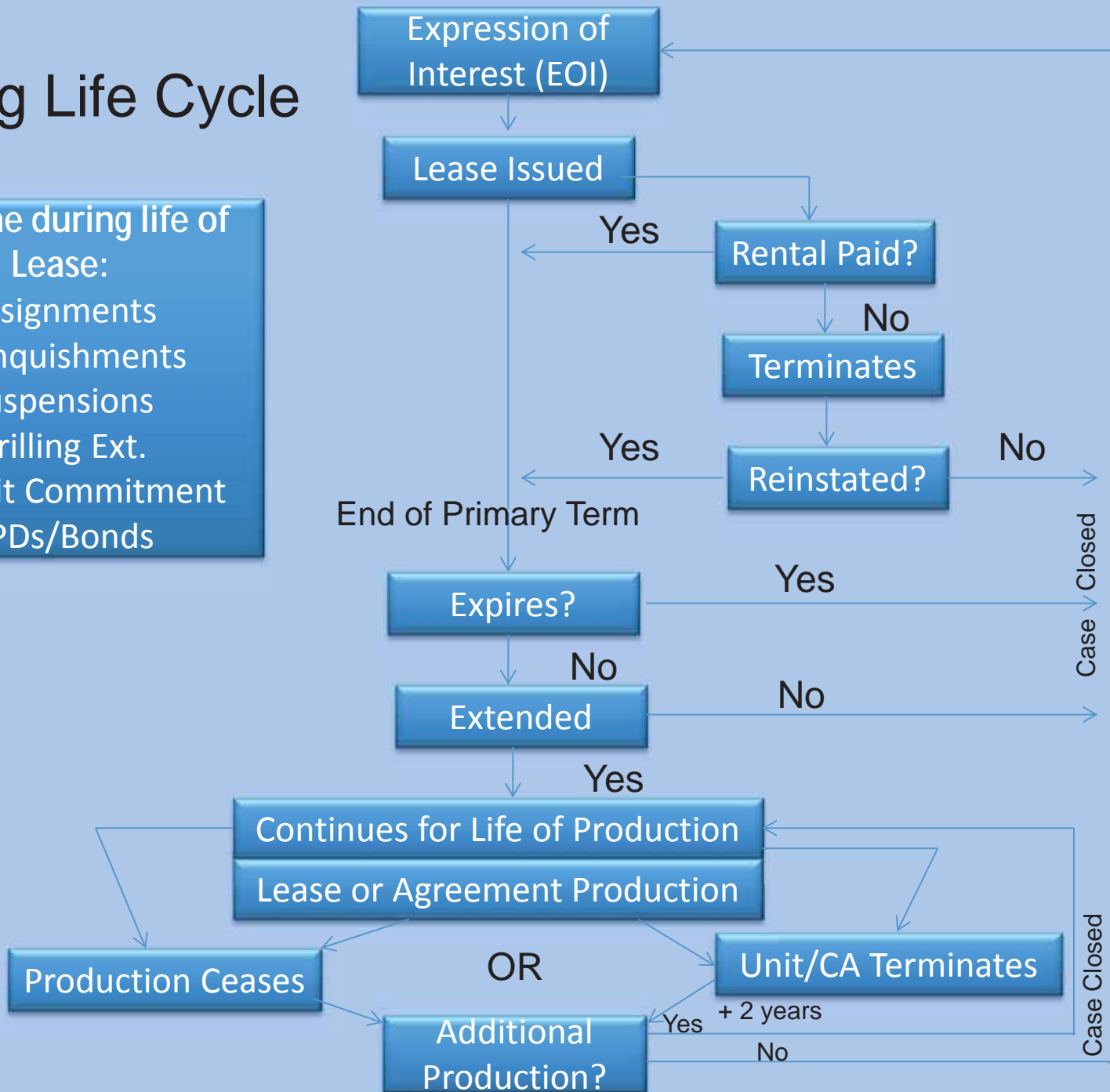
- Accounting Advice is prepared to transfer money from BLM to Office of Natural Resources Revenue (ONRR)
- Once the lease has been checked for accuracy and completeness;
  - The lease is signed by the Chief, Branch of Fluid Minerals Adjudication.
  - The Accounting Advice is sent electronically to ONRR
  - ONRR can now transfer money to the state (approximately ½ of the sale monies)

# Leasing

- At this point a lease now exists
  - Note: There is no lease until it is signed. During the entire process before this point it is still a parcel and no rights have been granted until the lease is signed.
- After lease issuance, the following actions can occur:
  - Assignments, Relinquishments, Drilling Extensions
  - APDs, Terminations, Units/CAs/PAs

# Leasing Life Cycle

Anytime during life of Lease:  
 Assignments  
 Relinquishments  
 Suspensions  
 Drilling Ext.  
 CA/Unit Commitment  
 APDs/Bonds



# Multiple Sales

- At any point in time BLM is working on multiple sales:
- May 2013– Issuing leases for parcels with unit joinders or that had issues
- August 2013– Preparing for SD Briefing (map)
- November 2013– Finalizing Competitive Sale Notice; prepare for printing

# Multiples Sales (Cont.)

- February 2014– Preliminary List has been distributed
- May 2014– Finalizing Preliminary List for distribution
- August 2014– Accepting and Adjudicating EOIs
- November 2014– Accepting and Adjudicating EOIs

# Point of Contact

- If you have any questions on the Federal oil and gas leasing and maintenance process for BLM Wyoming, please feel free to contact:

– Julie Weaver

- Chief of Fluid Minerals Adjudication
- 307-775-6176
- FAX 307-775-6203
- [jweaver@blm.gov](mailto:jweaver@blm.gov)
- Or visit our web page at:

[http://www.blm.gov/wy/st/en/programs/energy/Oil\\_and\\_Gas/Leasing.html](http://www.blm.gov/wy/st/en/programs/energy/Oil_and_Gas/Leasing.html)

Thank you

