BLM NEWS

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BILLINGS – Eleven bidders anted more than $350,000 for oil and gas leasing rights on 42 parcels at the Bureau of Land Management's bi-monthly lease auction in Billings Sept. 28.

The highest total bid was $19,470, submitted by Whiting Oil and Gas Corp. for a 649-acre tract in Golden Valley County, N.D., while Contex Energy of Dickinson made the highest per-acre bid of $82 for an 80-acre Montana tract in Richland County. In all, 42 of the 156 offered parcels received bids.

"With oil prices hovering around record prices on the world market this week, maintaining our domestic production becomes even more critical for our national economy," said BLM's Montana-Dakotas State Director Marty Ott.

Oil and gas production in Montana and the Dakotas is an important component of our national energy supply. Last year, federal wells in the three states produced 8.6 million barrels of oil, 29 trillion cubic feet of natural gas, and more that $40 million in royalties.

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Government estimates indicate that federal lands contain about 68 percent of all undiscovered U.S. oil and 74 percent of undiscovered natural gas. A detailed oil and gas inventory by the Interior and Energy Departments found that Federal lands in five key Western geologic basins – located in Montana, Wyoming, Utah, Colorado, and New Mexico – contain nearly 140 million trillion cubic feet of natural gas. That is enough natural gas to supply the 56 million homes now using natural gas for the next 30 years.

Competitive oil and gas lease sales are generally conducted every other month (January/March/May/July/September/November) at BLM's Montana State Office. Additional information regarding competitive sale lists, detailed results of sales, or the leasing process is available by writing the Bureau of Land Management, P.O. Box 36800, Billings, Mont., 59107, or by calling (406) 896-5004.

Receipts from federal oil and gas leases are shared with the state or county where the lands are located. All leases are issued for a 10-year term.

Less than one percent of the BLM-managed acreage nationally is disturbed by oil and gas activity. To minimize such impacts (the "footprint") on the land, the Bureau analyzes the potential environmental effects from exploration and development before offering any leases for sale. All leases come with stipulations (general requirements) on oil and gas activities to protect the environment; stipulations can also include specific restrictions, such as limits on seasons when drilling can occur and restrictions on surface occupancy by oil and gas operators. Once an operator proposes exploration or development on a BLM-issued lease, the Bureau carries out further environmental analysis under the 1969 National Environmental Policy Act (NEPA) and determines the site-specific need for various types of impact-limiting or "mitigation" measures. In addition, many operators routinely use Best Management Practices such as remote sensing to minimize surface impacts during production monitoring.

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