U. S. Department of the Interior
Bureau of Land Management

PRODUCING ENERGY AND PROTECTING WILDLIFE FOR AMERICA

- America uses a prodigious amount of energy every second of every day. Energy shortages and rising energy prices are felt almost immediately, particularly by low-income Americans, through loss of jobs and higher prices of consumer goods. To meet Clean Air Act standards, over 90% of new electricity power plants run on clean-burning natural gas. This increased demand on natural gas is straining domestic supplies, resulting in historically high natural gas prices.

    - The American manufacturing sector has been built on affordable natural gas. Natural gas is used in the American chemical industry to produce the chemicals needed throughout most manufacturing processes. This year, American chemical, fertilizer and plastic industries have lost over 100,000 jobs as a result of high natural gas prices.

- The President's comprehensive energy plan addresses natural gas demand not only through increased and environmentally careful production of domestic natural gas, but also through investment in renewable resources and conservation.

- Public lands play an important role in satisfying America's energy needs. Five oil and gas basins in Montana, Wyoming, Colorado and Utah contain the <u>second</u> largest resource of natural gas (after offshore basins). The five basins contain some 139 trillion cubic feet (tcf) of natural gas – *enough to heat the 55 million homes that use natural gas for over 29 years.* The natural gas produced in the West is put into a network of pipelines that deliver it to the consumer's burner tip both east and west of the Rockies.

    - President Clinton and Congress, in the Energy Policy Conservation Act of 2000 (EPCA), directed that these 5 basins be inventoried and constraints to development identified the "EPCA" study. Regarding the natural gas in these five basins, the study found that:

        - **39%** of the surface (containing **63%** of the gas resource) was open with standard stipulations, designed to protect air, water, wildlife and historic and cultural resources as well as require reclamation
        - **25%** of the surface (containing **25%** of the gas resource) was open, but under greater restrictions
        - **36%** of the surface (containing **12%** of the gas resource) was <u>closed</u> to leasing

- Congress <u>requires that every 3 months,</u> the Bureau of Land Management (BLM) offer to lease lands where 1) there has been interest expressed in leasing and 2) BLM's land use plan allows for the leasing. It's the law – Federal Oil and Gas Leasing Reform Act of 1987. It's also the law, however, that no leasing occur without a land use plan that 1) has gone through public participation and 2) has met the requirements of the National Environmental Policy Act (NEPA).

- BLM leases carefully. Every lease contains a standard stipulation designed to protect air, water, wildlife, historic and cultural resources as well as require reclamation. Leases may also include any number of a 1000 additional stipulations to further protect important resources. Many of these lease stipulations are designed to protect wildlife and are a necessary part of producing oil and gas in an environmentally responsible way. BLM takes these stipulations seriously. BLM is not permitted to waive or modify any lease stipulation unless the public is given notice of the request for waiver or modification and allowed to participate. One-time exceptions to lease stipulations (usually at the end or beginning of a closure season) occur only after consultation with the state wildlife agency.

- The law requires that a land use plan be in place for the management of public lands. This land use plan includes how oil and gas development may occur on the land. If an existing land use plan is being revised for an area, the law allows BLM to *not* lease a parcel in that area if the revised plan contains options that would no longer be options if the lease were to be granted.

- BLM managers have the discretion to temporarily withhold or defer parcels from leasing if they have important unanswered questions relating to public resources. For example, in Pinedale, WY, over the last 2 years, 21 parcels totaling 22,444.24 acres were withdrawn from leasing to protect plan alternatives, consult on Canada lynx, grizzly bear, gray wolf and to protect a historic trail.

- In the first 3 years of the Bush administration, there has been a 10% decrease in total number of acres leased and a 24% decrease in the number of leases issued compared to the last 3 years of prior administration. During this same 3-year period, there has been a 34% increase in the number of well permits issued by this administration. The increase reflects the public's demand for clean-burning natural gas and Congressional direction in the 2003 Appropriations bill that BLM reduce the backlog of well permits. The backlog of well permits was the result of the 2-year moratorium to prepare the Powder River Basin land use plan and conduct NEPA analysis. FY 2004 well permits increased significantly due to increased natural gas demand and higher oil and gas prices.

- Oil and gas leasing and production are occurring on a small fraction of public lands and are not the dominant use of those lands. BLM manages 262 million acres of surface and 700 million acres of minerals under U.S. Forest Service, BLM and private land. Less than one percent of BLM's surface acreage or the federal mineral acreage have oil and gas production ongoing.

    - 165,000,000 acres have been withdrawn from the federal mineral estate – no mining or oil and gas (National Park Service, Wilderness, Bureau of Reclamation reservoirs, Department of Defense lands)
    - 41,000,000 acres are under lease (54,200 leases) or about 8% of the federal mineral estate
    - Land disturbed from oil and gas production is less than 1% (200,000 acres) of BLM's surface
    - Land disturbed from oil and gas production on the federal mineral estate is less than 1%
    - There are approximately 55,000 producing oil and gas wells on public lands

- Oil and gas leases are sold through competitive bids (not for $2 per acre) and generate billions of dollars for states. By law, 50% of oil and gas receipts are paid to the states and the balance to the federal government where it is to be used largely to fund water projects. In fiscal year 2003, oil and gas bonus payments, rental and royalties exceeded $1.259 billion. Undrilled leases provided $28 million to states in rentals alone. In addition, states apply other taxes and fees on oil and gas production.

- Before a drilling permit is issued and a well is actually drilled, experts conduct a second round of environmental analysis and the public is provided with notice of an application for permit to drill and an opportunity to comment on the application. Before a lessee of mineral rights may even apply for a drilling permit, the lessee must have either 1) notified the surface owner and obtain consent or 2) post a bond to protect the surface owner. In addition, lessees must post a second bond to ensure reclamation of the well site following drilling. The lessee must comply with all federal and state environmental laws. BLM is now requiring every field office to consider requiring the use of certain “best management practices,” known as BMPs, to reduce impacts on visual and other natural resources. If the BMPs are made part of the drilling permit and go through an environmental analysis they are MANDATORY.

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Four Examples of How BLM Cares for Wildlife in Energy Development

San Juan River Basin Plan, New Mexico

- Seasonal restrictions to protect wildlife
- 30% of the area (400,000 acres) set aside for wildlife
- No development activities during spring calving and raptor roosting
- Adaptive management to address wildlife and habitat needs

Powder River Basin Plan, Wyoming

- Final plan affects less than 1% of winter habitat for resident pronghorn, white-tail, mule deer and elk
- Seasonal closures for wildlife
- Mitigation measures and special conditions of approval for every well permit to protect wildlife
- Adaptive management to address wildlife and habitat needs

Eastern Utah - Oil and Gas Leasing

- Protected the White River recreational and wildlife corridor
- Withdrew 70,000 acres to protect habitat for elk, deer, bighorn sheep, sage grouse and other wildlife
- 72% of the land previously inventoried for wilderness characteristics was removed from sales and remains untouched for habitat and wildlife

Jack Morrow Hills Plan - Wyoming

- Greater sage-grouse breeding (lek, nesting and early brood-rearing) and winter habitats identified and protected in coordination with Wyoming Game and Fish
- Elk and mule deer have seasonal protections for crucial winter and parturition areas
- Special management designations on new leases (no surface occupancy and controlled surface use) to protect key habitats and migration corridors in 20% of the area (99,000 acres)
- Seasonal limitations on surface disturbing activities to protect spawning game fish and special status fish
- Raptor nesting areas have “no surface occupancy” and seasonal restrictions for nest sites and winter roosting