



April 17, 2023

Submitted via eplanning.blm.gov

Andrew Archuleta
State Director
Bureau of Land Management
Wyoming State Office
5353 Yellowstone Road
Cheyenne, WY 82009

Re: Scoping Comments on the Q4 2023 Wyoming Competitive Oil and Gas Lease Sale

Dear Director Archuleta:

Western Energy Alliance welcomes BLM's intent to conduct a fourth quarter 2023 lease sale for Wyoming, particularly as oil and natural gas development delivers value not just to the federal government and American people but also sustains rural communities and western states. Our members operate in good faith on public lands in an environmentally responsible manner and, as such, we appreciate BLM's plans for second, third and fourth quarter sales in Wyoming and hope to see the same in other states. We strongly encourage BLM to refrain from arbitrarily deferring parcels and to recognize in its analysis the numerous restrictions and stipulations attached to individual parcels, the significant technological advances in horizontal drilling which greatly reduce our operational footprint, and the governing Resource Management Plans (RMPs) that designated these lands as open for oil and natural gas development.

The Mineral Leasing Act mandates that the Interior Secretary hold oil and natural gas lease sales "for each State where eligible lands are available at least quarterly and more frequently if the Secretary of the Interior determines such sales are necessary."¹ However, BLM's press release associated with this lease sale states that it is only being held to comply with the Inflation Reduction Act (IRA),² which mandates that BLM cannot issue wind or solar rights-of-way unless it has held an onshore oil and natural gas lease sale within the preceding 120 days and offered not less than two million acres or 50% of the acreage nominated within the previous year.³ While IRA arguably incentivizes additional *discretionary* oil and natural gas leasing, IRA neither eliminates nor modifies BLM's existing obligation under the Mineral Leasing Act to conduct quarterly lease sales "where eligible lands are available."⁴ Because BLM has not conducted any lease sales in Wyoming since

¹ 30 U.S.C. §226(b).

² ["Bureau of Land Management Wyoming Seeks Feedback on Proposed Oil and Gas Lease Sale"](#), BLM, December 20, 2022.

³ [Inflation Reduction Act](#), August 16, 2022.

⁴ 30 U.S.C. § 226(b)(1)(A).

June 2022, despite the existence of eligible lands being available within the state, BLM is already out of compliance with this statutory obligation.

While we disagree with the Interior Secretary's decision to make IRA and not the Mineral Leasing Act the motivating factor for the sale, BLM needs to move forward with more leasing on a regular basis. We hope to see further announcements of sales in Wyoming and other states, and substantially more acreage offered for sale in the future.

BLM needs to further ensure it does not arbitrarily defer parcels that are eligible for lease, including parcels within existing federal oil and natural gas units and producing fields and/or adjacent to existing infrastructure, particularly where deferral is not supported by the administrative record or the governing RMPs. This concern is rooted in the Q2 2023 Wyoming lease sale environmental analysis (EA) wherein BLM is proposing to defer 44 parcels due to IM 2023-007 leasing preference criteria #5 which would deem the parcels low preference because they *may* have low potential for development. In fact, many of the parcels fall within existing oil and natural gas units and/or adjacent to existing leases and production. It is unclear how the nominated parcels under consideration—all located within or adjacent to proven oil and natural gas fields—could be classified as “low potential.” Locating prospective reserves is one of the fundamental tasks of oil and natural gas operators who allocate their resources carefully to invest in only those parcels that are likely to provide meaningful returns. Should a parcel really be “low potential,” no bids would be submitted. But the mere fact that these parcels have been nominated represents compelling evidence of the parcels' potential.

Equally important, deferral of those parcels will increase, not reduce the surface disturbance that results from oil and natural gas development. Due to the land ownership patterns in Wyoming and the extensive scope of the federal government's land holdings in the state, it is virtually impossible for companies to operate in an efficient and environmentally protective manner without reliable access to federal lands. Restricting the number of federal parcels available denies companies the flexibility to optimize recovery and minimize environmental impact. Rather than promoting more efficient development from ideally placed surface locations using longer horizontal wells, operators would have to construct additional pads and drill additional wells to access and develop adjacent leased resources.

That said, we are also concerned about BLM's decision to defer 27 parcels from the Q3 2023 sale due to IM 2023-007 leasing preference criteria #2 which would deem the parcels low preference based upon the presence of Greater Sage-Grouse (GRSG) habitat. In doing so, BLM disregarded its own process for prioritizing parcels based on the 2015 RMP amendments and disregarded the significant technological advances in horizontal drilling that have occurred in Wyoming. The average horizontal well in the Powder River Basin can be drilled to a depth of approximately two miles and at a lateral distance of two to three miles. These significant distances result in substantially less surface disturbance while at the same time increasing production efficiency. We call your attention to the peer

reviewed study by Applegate and Owens that shows a 70% reduction in surface disturbance in Wyoming from increased use of horizontal drilling.⁵ BLM's analysis needs to account for this decrease in surface disturbance and access roads created by the transition to horizontal drilling and the resulting reduction in habitat fragmentation. BLM must also ensure it follows the existing 2015 GRSR RMP amendments and account for the technological advancements that have taken place since that time in its analysis. As BLM moves forward with the Q4 2023 sale, it should not repeat the mistakes it made for the Q2 and Q3 sales.

Lastly, we disagree with BLM's reasoning that it should count acres originally listed for consideration in the EA process for sales but then deferred and not offered on the final sale list as meeting the criteria for the 50% threshold specified in IRA. Should BLM do so, it would not be meeting the IRA requirement for offering sufficient oil and natural gas acreage to meet the threshold to issue wind and solar rights-of-way. Since deferred parcels will not be included in the final lease sale list, they should not be deemed as offered for purposes of meeting the IRA threshold. Furthermore, acreage that has been deferred once and then again included in subsequent scoping only to be deferred again should not be included in BLM's formula as additional acreage offered. BLM included acreage in both the Q2 and Q3 2023 lease sale scoping lists that had been originally listed but then subsequently deferred from the 2022 lease sale. This past experience makes us question whether BLM will defer parcels in the final EAs. BLM should not be counting acreage multiple times, especially if it intends to defer the acreage.

Western Energy Alliance appreciates the opportunity to submit these comments. Please do not hesitate to contact me with any questions.

Sincerely,



Kathleen M. Sgamma
President

cc: Duane Spencer, Deputy State Director, Minerals & Lands
Bill Beck, Branch Chief for Fluid Minerals Adjudication
Allen Stegeman, Natural Resources Specialist

⁵ ["Oil and gas impacts on Wyoming's sage-grouse: summarizing the past and predicting the foreseeable future,"](#) *Human-Wildlife Interactions* Vol. 8 No 2, Dave H. Applegate and Nick L. Owens, 2014, p. 284-290.