

LAND HOARDERS: How Stockpiling Leases is Costing Taxpayers

Taxpayers are losing out on more than \$80 million in public land rental fees

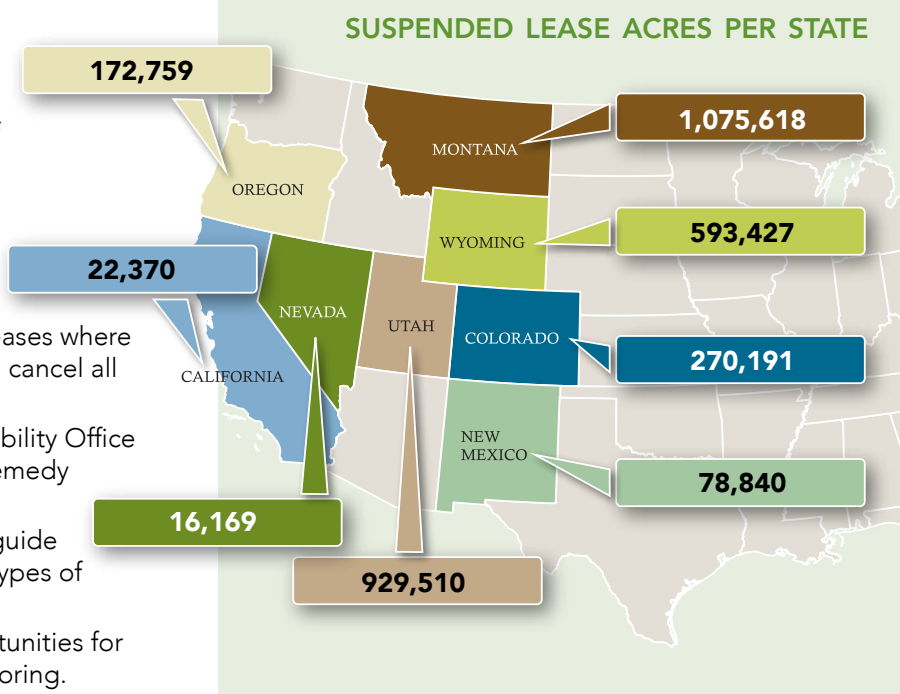
While suspensions can be a useful (even necessary) tool, current suspensions include millions of acres that have been on hold for decades and have already cost taxpayers more than \$80 million in lost rents alone.

- Lease suspensions are cheating U.S. taxpayers of rental and royalty payments.
- Lease suspensions can allow industry to evade Congressional intent to diligently develop and provide timely and reasonable access to federal oil and gas resources.
- Lease suspensions can preclude the Bureau of Land Management's (BLM) ability to achieve its multiple-use mandate that could allow for recreation, scientific exploration and protection of cultural and Native American resources.

Immediate action can help address these problems and ensure lease suspensions are appropriately applied in the future:

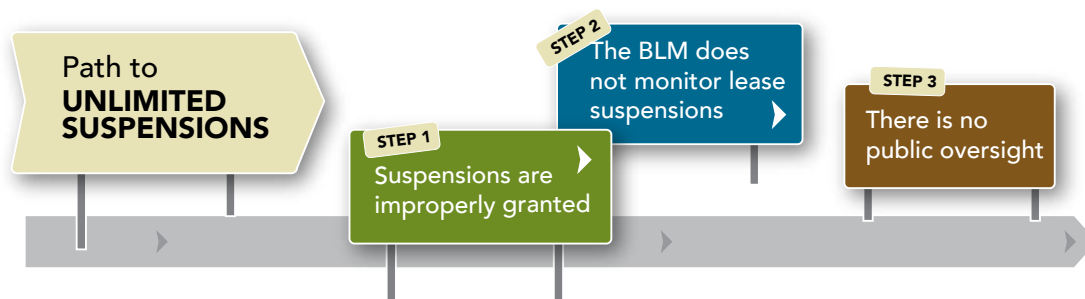
- The BLM must review and lift suspensions on all leases where there are no valid reasons to continue suspension; cancel all those that have expired.
- Congress should request a Government Accountability Office (GAO) investigation to identify and recommend remedy for underlying problems
- The BLM should issue new policy and training to guide application of lease suspensions to ensure these types of problems do not continue.
- The BLM should increase transparency and opportunities for public involvement in lease suspension and monitoring.

Suspensions of oil and gas leases can be used to extend the life of federal mineral leases beyond their primary terms (which is ten years), even when the lessee has not made efforts to develop these resources or produced any oil or gas.



The high cost of hoarding: problems arising from lease suspensions

Suspension of federal leases can serve legitimate purposes, including giving the BLM time to conduct thorough environmental review of proposed projects and development without causing delays to leaseholders. However, the BLM's current approach



to lease suspensions interferes with the agency's multiple use mandate by keeping lands locked up from other uses; cheats U.S. taxpayers of income from leasing and development; undermines Congressional intent for diligent development of public resources; and prevents the public from performing its important oversight role.

Land Hoarding in the Thompson Divide



Photo: Ecoflight

Photo: Peter Hart

More than a decade ago, SG Interests acquired sixteen oil and gas leases, largely overlapping pristine roadless areas in Colorado's Thompson Divide. The leases were issued in 2003, with standard 10-year terms. The BLM has acknowledged that these leases were issued improperly, and SG has not diligently developed them. Nevertheless, the BLM has allowed the company to hold them long past the 2013 date they should have expired.

After holding the leases for nine years of the ten-year term without seeking to develop them, SG Interests asked the BLM to unitize all of its leases. Unitizing them would have extended their lives without requiring immediate development of all of its leases. The unit proposal did not follow the BLM's own unitization regulations and triggered a wave of public opposition. SG then asked the BLM to suspend its leases and, as a pretext for this request, filed a handful of APDs, which were filed so late that they could not possibly have been drilled before the leases expired.

According to the BLM's own regulations, the suspension requests should have been denied and the leases allowed to expire. Instead, the BLM suspended the leases and committed to revisit its inadequate leasing decisions from a decade earlier. The leases remain in effect today, padding SG Interests' bottom line and while posing a major obstacle to protecting the Thompson Divide.

Without opportunities for public oversight and engagement on the lease suspensions, local activists and citizens have already committed countless hours of watchdogging, research, attorney-time and advocacy just to engage in the non-transparent process. A campaign of this scale should not be required for the public to simply know about, monitor, and participate in oil and gas lease decisions affecting our public lands. The BLM still has the opportunity to cancel the illegal leases on the Thompson Divide, and give this Too Wild to Drill landscape a shot at permanent protection.