Decades of adherence to the belief that all lands should be available for oil and gas leasing has kept our public lands from being protected and put them at unnecessary risk for destruction. It’s time to update the BLM’s approach and give the public more of a say in managing our public lands.

Introduction

This report describes how the U.S. government agency that oversees 700 million subsurface acres of oil and gas resources on nearly 250 million acres of public lands is saddled with outdated and unbalanced policies, often contradicting its own mandate to manage the land for multiple uses.

Ninety percent of the public lands managed by the Bureau of Land Management are open to oil and gas leasing and mineral resources even in areas with little or no potential for developing these resources, compromising potential for protecting wildlife and recreation, while encouraging speculative leasing.

The report provides a series of recommendations that would, if adopted by the BLM, lead to more balanced decision-making. It lays out specific ways for the agency to better weigh the benefits of leasing a particular area with the potential harm. Such an approach would drive better decisions for the American people, the owners of U.S. public lands.

The Problem

The BLM is not fulfilling its duty to manage public lands for multiple uses.

The Bureau of Land Management rarely closes lands to oil and gas leasing in its resource management plans, despite the risk leasing poses to wildlife, cultural and other valuable resources. But this approach is in conflict with the agency’s guiding management principle, the multiple use mandate.
Common sense would dictate that the BLM close areas with other important values than oil and gas potential, particularly areas unlikely to be developed. But the BLM’s internal guidance, and the way that the agency interprets that guidance, has made it extremely difficult to actually close lands to leasing. Instead, the BLM continues to create opportunities for energy speculation at a high cost to recreation, wilderness and wildlife.

An examination of current BLM policies and management practices shows that there is little effort to protect at least some public lands from oil and gas leasing.¹

As a result, the vast majority of U.S. public lands (90 percent) are available for leasing—regardless of whether those lands have other important values that should be protected and regardless of whether the BLM’s own data show there is low—or even no—potential for oil and gas. This fundamental flaw in the BLM’s guidance has led to a current total of 32 million acres leased for oil and gas development, with less than 13 million under development.²

When public lands with low energy development potential are leased to oil and gas companies, taxpayers lose out on revenue, as well as other important uses of these lands like recreation and wildlife management. In fact, a Congressional Budget Office report recently concluded that, for parcels leased between 1996 and 2003 (all of which have reached the end of their 10-year exploration period), only about 10 percent of onshore leases issued competitively and three percent of those issued noncompetitively actually entered production.³

The BLM needs to update its approach—it’s time to bring 25-year-old policies into this century. In the short term this means issuing immediate guidance for protecting sensitive lands and lands with low energy development potential, and in the long term, commencing a formal revision to BLM’s planning guidance.

Misguided Guidance

The BLM’s handbook and how BLM interprets that handbook are out of step with the agency’s guiding principles.

No decisions affect the future of public lands more than those made in BLM resource management plans. In these plans, created for all public lands being considered for development, the agency sets out management guidelines.

Typically, some areas are open for recreation, some are set aside for grazing and others are designated as open or closed to oil and gas leasing. Then different conditions are set forth for how those activities—particularly oil and gas leasing—are to be carried out.

BLM’s Handbook on Planning for Fluid Mineral Resources (Handbook H-1624-1) provides guidance to field offices on how to navigate the planning process for oil and gas resources. Under this guidance, field offices are supposed make decisions based
on the likelihood of certain resources being developed in a particular area. They take steps to identify the potential of oil and gas development and to predict where future drilling activity will take place and where impacts from this development will be focused.

This handbook directs the agency staff to formulate management prescriptions for oil and gas resources in light of where recoverable deposits of oil and gas are most likely to exist, referred to as “development potential.” The handbook, and additional guidance, also direct BLM to project “reasonably foreseeable development,” looking at both potential and “resource conflicts or controversies,” which can form the basis for refining expectations of where development is most likely and appropriate.

However, the agency does not utilize that information to prepare for and address potential resource conflicts at the planning stage. The approach mandated by the mineral resources handbook should enable BLM to focus on the areas most likely to be targeted for development, and leave open for other uses the areas with low development potential or the potential to come into conflict with other values.

But under current BLM management policy—despite the guidance in its own handbook—the agency does not close areas with no or low development potential to leasing, regardless of the potential for resource conflict.

In fact, rather than closing areas with high conservation value which are unlikely to be developed, the agency actually tends to set less protective conditions for leasing in areas with no or low development potential. As a result, resource conflicts are often exacerbated, where they could be avoided.

### A Road to Nowhere

*The BLM has lost control of leasing and development decisions on the lands it manages, leading to many other problems.*

The BLM is required to hold quarterly lease sales; the lands auctioned off are usually nominated by the industry—regardless of the other uses and values of those lands. Once lands are nominated, they will almost certainly be put up for sale. Once they are sold, it is nearly impossible for the BLM to manage them for other uses. As long as most lands are open for leasing, the BLM will continue to have its management policies dictated by the fossil fuel industry.

Allowing oil and gas companies to control the leasing process leads to many other issues:

> **It precludes lands from being managed for multiple values.**

The BLM’s mandate to manage our public lands for multiple use and sustained yield requires consideration of a host of natural and cultural resources. BLM’s
current guidance reiterates that some lands are more valuable for other uses than for oil and gas leasing, but the agency’s own policies create numerous and daunting obstacles to achieving a balance between development and other uses.

Chief amongst these is the fact that BLM often identifies the presence of development potential and undeveloped leases as precluding other designations and management actions that would otherwise benefit recreation, wilderness and wildlife.

It impedes meaningful conservation from taking place on sensitive lands.

While leases in low-potential areas (most federal leases) are not likely to be developed, their presence serves to preclude proactive management for other important resources.

For example:

- In the Bighorn Basin Resource Management Plan in Wyoming, the BLM considered whether to manage 43 inventoried units, totaling over 476,000 acres, to protect their wilderness characteristics. But ultimately, none of the units are being managed to protect wilderness characteristics, because they contain oil and gas leases.

- In the Grand Junction Resource Management Plan in Colorado, the BLM expressly stated that undeveloped leases on low-potential lands had effectively prevented management to protect wilderness characteristics, stating: “139,900 acres of lands with wilderness characteristics have been classified as having low, very low, or no potential….While there is no potential for fluid mineral development in most of the lands with wilderness characteristics units, the majority of the areas, totaling 101,100 acres (59 percent), are already leased for oil and gas development.”

- Similarly, in the Colorado River Valley Resource Management Plan in Colorado, the BLM stated it would not manage the Grand Hogback Citizens’ Wilderness Proposal for the protection of wilderness characteristics based on the presence of oil and gas leases.

In 2015, the BLM finalized plans for federal lands in 10 states to address conservation of the greater sage-grouse and its habitat—including the threat of oil and gas development. Yet of approximately 104 million acres of federal minerals, only about two percent—were actually closed to oil and gas leasing.

Notably, in many western land management plans written to address greater sage-grouse protection, almost all of the designated priority (high-value) habitat was completely outside of areas with high or medium oil and gas potential (96 percent in Nevada, 100 percent in California, 100 percent in the Idaho/Southwestern Montana plan, 100 percent in Oregon and over 90 percent in Utah). However, none of these plans closed any areas to oil and gas leasing; instead, they remain open to speculative leasing—a lost opportunity to make stronger decisions for conserving the greater sage-grouse.
WHY SPECULATIVE LEASING MATTERS

It’s putting a majority of our public lands at risk

A staggering amount of lands with low or no oil and gas potential are open to leasing.

Our analysis of areas with low or no potential for oil and gas development shows that the vast majority of these lands are still open to leasing. And they often are leased, presumably with the hope that energy prices will rise, that new ways to extract marginal energy will be found or that the leases could be sold to another company.

The resulting speculative, non-producing leases have precluded forward-thinking, commonsense policies such as managing for wilderness-quality lands and important wildlife habitat.

Our analysis showed that:

- 95 percent of low-, very low- and no-potential lands are open to leasing in the Bighorn Basin Resource Management Plan in Wyoming.\(^\text{15}\)
- 88 percent of low- and no-potential areas are open to leasing in the Kremmling Resource Management Plan in Colorado.\(^\text{16}\)
- 80 percent of low-potential lands are open to leasing in the Price Resource Management Plan in Utah.\(^\text{17}\)
- All of the low-potential sage-grouse habitat is open to leasing in Idaho. No productive oil and gas wells have ever been drilled in Idaho.

It allows a designation double standard

It’s easy to get a speculative lease that prevents conservation of environmentally valuable areas, but very difficult to get a designation that would protect them.

For lands to be protected for their wilderness characteristics, an intensive land inventory process must occur. The process seeks to determine if lands meet specific criteria; then a determination of whether they can be managed as wilderness must take place.\(^\text{18}\)

In the same way, protection and designation of Areas of Critical Environmental Concern (lands with identified important natural and cultural values) are mandated under BLM’s governing statute.\(^\text{19}\) However, in order to maintain or designate new Areas of Critical Concern in its resource management plans, the BLM requires that an analysis demonstrate the area hold certain relevant and important characteristics that require special management.

Even then, designating the land as an Area of Critical Environmental Concern is only one of the options considered by the agency.\(^\text{20}\) Consequently, while oil and gas leasing does preclude other management uses, conservation-focused management faces a higher bar. That is an unacceptable double standard.
of oil and gas leases, even though the leases had never been developed.  

It prevents us from effectively achieving our national climate targets.

Implicit in the decision to leave lands open for development is the lack of consideration of the climate consequences of developing the resources found there—even though the Secretary of the Interior and the Director of the BLM have both called upon the BLM to do more to anticipate and address the contributions of public lands to climate change.

For many reasons, including climate impacts, it is unrealistic and unwise to presume 90 percent of oil and gas resources on public lands should be developed—yet that is precisely the position the BLM takes each time it refuses to close areas to oil and gas leasing.

It undermines the public’s engagement in the land planning process.

Time and again, public input and polling show that Americans strongly support managing important lands for something other than oil and gas development. But the current practice of keeping oil and gas resources open at any cost conflicts with that input. It is also, as we have shown, out of step with other federal policies directing identification and management of natural and cultural resources and features for conservation purposes.

It causes poor fiscal stewardship of taxpayer-owned resources.

Lands are routinely obtained for well below-market value, according to research from the non-partisan Congressional Budget Office, and can be held for a nominal annual fee for the duration of the 10-year lease term. Oil and gas companies routinely extend the terms of the leases they hold indefinitely through “suspensions,” which can last decades, with no annual fees.

Under these circumstances, it is no surprise that speculation and hoarding of publicly managed oil and gas resources are commonplace. This rampant speculation contributes to the nearly two-thirds of leased acreage not being developed. Not only is this a waste of the agency resources invested in preparing these leases for sale, it also deprives taxpayers of potential income.

When leases are not developed and not producing, they are not a good investment for the public. Non-producing leases generate less than two percent of total revenue generated by the federal onshore system; 90 percent comes from royalties paid on producing leases.

Other resources are endangered by oil and gas leases that include insufficient protections.

The Kremmling Field Office in Colorado provides an object lesson in the problems arising from leasing lands with low development potential without meaningful protections. For example, in each of the five lease sales including the Kremmling Field Office from 2010 to 2015, nominations have included low- or no-potential areas.

Lease nominations within low-potential areas are also regularly (and often successfully) protested specifically because of the weak stipulations and lack of protection for other resources. Nominations in the Kremmling Field Office within low or no potential areas were protested based on inadequate protections for fisheries and water quality (June 2014), wildlife (August 2012) and permitted recreation activities (May 2013), and also highlighted the contradiction of BLM putting these resources at risk from speculative leasing and drilling in areas that it had already concluded had no value for oil and gas development.

Land within low- and no-potential areas has frequently been leased by the Kremmling Field Office, even though it is rarely drilled. In fact, most active leases issued by the office fall in low- or no-potential areas, and, unsurprisingly, they are not being actively developed.

Better decision-making during the planning process would have helped the BLM avoid administration and preparation cost for lease sales, handle subsequent protests and prevent undue risks to other important resources.
Well, we know better now. We know that healthy, intact ecosystems are fundamental to the health of our wildlife—and our nation. They clean our air and provide our drinking water, they store carbon and combat climate change, and they are critical to our economy.

But if their integrity is undermined by a haphazard web of transmission lines, pipelines and roads, where does that leave us 50 years from now? Or 500?

It’s an issue that can’t be solved by simply creating a new national park or wildlife refuge—although there’s no doubt that we need those places to serve as critical anchors for conservation.

What we need is smart planning, on a landscape-level, irrespective of manmade lines on a map.

We need to take a holistic look at an ecosystem—on land or in the ocean—to determine where it makes sense to develop, where it makes sense to protect the natural resources, and where we can accomplish both.”

-SECRETARY OF THE INTERIOR, SALLY JEWELL
Complete additional analysis and planning to ensure that development occurs responsibly and accounts for current resource conditions. For example, BLM could commit to completing a master leasing plan in the event that there is demonstrated industry interest in leasing and developing low-potential areas.

By taking a proactive approach to managing oil and gas development as just one of the many uses of our public lands, BLM can also reduce unnecessary costs associated with speculative leasing and undeveloped lands, while making room for designating and managing lands for other uses, such as recreation, wilderness values, and fish and wildlife.

In addition, by taking control of leasing, BLM can better meet other priority goals for land use planning, such as accounting for and managing the contribution of federal lands to climate change and protecting important wildlife migration corridors.

More balanced management is needed.

A more thoughtful, realistic approach would be consistent with BLM's mandate to manage the public lands for multiple use and sustained yield.

The agency's governing statute identifies a wide range of uses and values and provides for using lands “for some or all of these resources” and “with consideration being given to the relative values of the resources and not necessarily to the combination of uses that will give the greatest economic return or the greatest unit output.”

The courts have ruled that “[i]t is past doubt that the principle of multiple use does not require BLM to prioritize development over other uses.” Even the BLM itself has made it clear that this is a practice that is out of step with its own directives:

The BLM recognizes that, in some cases, leasing of oil and gas resources may not be consistent with protection of other important resources and values, including units of the National Park System; national wildlife refuges; other specially designated areas; wildlife; and cultural, historic, and paleontological values. **Under applicable laws and policies, there is no presumed preference for oil and gas development over other uses.**
Other aspects of BLM’s legal obligations also support limiting or eliminating leasing in low- and no-potential areas, including for purposes of protecting other important resources. For example, BLM is subject to numerous requirements to “minimize” the environmental and other impacts of oil and gas leasing and development.28

Faithfully applying a current understanding of laws and policies would lead to closing more lands to oil and gas leasing, consistent with the agency’s multiple use obligations.

A smarter approach would have minimal impacts on oil and gas production.

Modernizing the handbook with an approach that provides for closing lands to leasing and limits leasing in low- or no-potential areas would not only support BLM’s obligation to consider managing lands for fish and wildlife, recreation and wilderness values, but also have minimal impacts on industry objectives.

In locations like the Ely District in Nevada, where federal minerals are almost 90 percent open to leasing, only 32 wells were authorized over the past 101 years (as of May 21, 2014), even though there are 936 active leases covering just over two million acres of public land.29

Closing these lands to speculative leasing will not harm responsible oil and gas development. If conditions change so that development in those areas is more likely, BLM can then complete additional analysis and planning to manage additional development. For example, BLM could commit to completing a master leasing plan in the event that there is demonstrated industry interest in leasing and developing low potential areas.

The BLM’s own master leasing plans provide a working model for improved management.

The BLM has already taken a more proactive and prescriptive approach to managing oil and gas leasing and development through master leasing plans. Master leasing plans incorporate practices such as closing lands to leasing to minimize resource conflicts and requiring phasing of leasing and development to reflect oil and gas potential.30 As the handbook states, “The MLP establishes a guiding framework for the development of the area and provides a vision for how future development will proceed.”31

These tools and concepts could be scaled up to inform agency decision-making at the land-use planning level.

Recommendations

These policy recommendations provide an exit from the “energy trumps all” path the BLM is currently pursuing.

We recommend these specific steps be taken:

1. **INTERIM GUIDANCE SHOULD BE ISSUED IMMEDIATELY.** To clarify the manner in which Handbook 1624-1 should be applied in preparing resource management plans, guidance should be issued that:

   a. There is no presumption that lands should be available for oil and gas leasing; rather, determinations should be based on resource potential, likely conflicts and potential harm to other resources or uses.

   b. The BLM should collect and update information on development potential, likely impacts of development on other resources and uses, and possible designations or management priorities that would conflict with leasing. Based on this information, the BLM should construct a development framework taking into account support for a variety of resources and uses.

   c. Lands that have high or medium development potential should be considered for designation as available for leasing, but with appropriate protections where other uses or resources are present—and with the understanding that some lands with high or medium potential may still be better suited to management for other uses.

   d. Lands that have low or no development potential should be considered for closure or deferral pursuant to phased leasing, with the understanding that where there is a significant potential for other uses to be supported by closure or harmed by development, these lands should be closed.
2. **The Handbook on Planning for Fluid Mineral Resources Should Be Updated to Clarify and Incorporate These Key Concepts As Soon As Possible.**

3. **Interim Guidance on Evaluating Lease Sale nominations Should Be Issued to Address the Current Imbalance and Significant Problems the Handbook Has Already Generated.** When assessing lease proposals under existing resource management plans where more than 75 percent of minerals are open for leasing, BLM should take a hard look at whether decisions on availability for leasing would have been made differently based on current guidance. An updated approach to planning for oil and gas leasing should meaningfully account for development potential and conflicts with other resources, as depicted in the below table.

![Proposed Approach to Creating an Oil and Gas Development Framework](image-url)

<table>
<thead>
<tr>
<th>Oil and Gas Development Potential</th>
<th>Potential for Harm to Other Uses or to Manage to Protect Other Uses</th>
<th>BLM Management Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td>High/Medium</td>
<td>High/Medium</td>
<td>Protective terms/lease stipulations</td>
</tr>
<tr>
<td></td>
<td>Low/None</td>
<td>Detailed planning decisions (e.g., creating a master leasing plan)</td>
</tr>
<tr>
<td>Low/None</td>
<td>High/Medium</td>
<td>Open with standard terms/more flexible lease stipulations</td>
</tr>
<tr>
<td></td>
<td>Low/None</td>
<td>Closed or open only with strong protective measures</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Closed/Deferred or subject to phased leasing</td>
</tr>
</tbody>
</table>
1 A more in-depth study accompanies this report. https://wilderness.org/
resource/no-exit-fixing-blm%E2%80%99s-indiscriminate-energy-leasing-
whitepaper
2 http://www.blm.gov/style/mediailib/blm/wo/MINERALS_REALTY_AND
RESOURCE_PROTECTION/_energy/oil_gas_statistics/data_sets.Par.69959.
file.dat/summary.pdf
reports/51421-oil_and_gas_options.pdf, p. 19.
4 http://www.blm.gov/style/mediailib/blm/wo/Information_Resources
5 There are eight steps set out in the handbook, which focus first on
identifying existing conditions and potential, as well as the impacts
that would arise from oil and gas development if existing management
remains in place. In the process of formulating alternatives to the existing
management, the handbook directs the BLM to focus on how to maximize
keeping lands open to leasing, stating that alternatives should be “exploring
opportunities for enhancing or expanding resources or resource uses”
and will “identify any subsurface management constraints or mitigating
measures that are required to take advantage of opportunities and to resolve
any problems.” A detailed overview of the decision process set out in the
Handbook accompanies this report. https://wilderness.org/sites/default/
files/Planning%20for%20Leasing%20Overview.pdf. See H-1624-1, pp. III-10
– III-11.
7 See 43 U.S.C. §§ 1701(a)(7)-(8), 1702(c), 1702(h).
8 See Instruction Memorandum 2010-117, p. 2. (“The BLM recognizes that,
in some cases, leasing of oil and gas resources may not be consistent with
protection of other important resources and values, including units of the
National Park System; national wildlife refuges; other specially designated
areas; wildlife; and cultural, historic, and paleontological values. Under
applicable laws and policies, there is no presumed preference for oil and gas
development over other uses.”)
9 Bighorn Basin Proposed RMP, p. 3-191.
10 See Bighorn Basin Proposed RMP, Appendix A at Table S-1. (“Rationale
for Not Managing Lands with Wilderness Characteristics for Naturalness,
Outstanding Opportunities for Solitude, and Primitive and Unconfined
Recreation, by Field Office and Unit.”) See, e.g., regarding Unit 508 AK: “It is
recommended not to manage for wilderness characteristics because of the
existing leases for oil and gas.”
11 See Grand Junction Proposed RMP, pp. 4-289 - 4-290.
12 See Colorado River Valley Proposed RMP, p. 3-135.
13 The Congressional Budget Office found that fully one-quarter of
leases are issued for the minimum bid of $2 per acre—meaning the cost
of holding public lands is de minimus. See https://www.cbo.gov/sites/
pdf, p. 18.
reports/51421-oil_and_gas_options.pdf, p. 2.
15 Bighorn Basin Proposed RMP, p. 4-89.
17 Price Proposed RMP, p. 304.
18 See BLM Manuals 6310 (Conducting Wilderness Characteristics Inventory
of BLM Lands) and 6320 (Considering Lands with Wilderness Characteristics in
the BLM Land Use Planning Process).
20 See BLM Manual 1613 (Areas of Critical Environmental Concern).
21 See EA for the KFO June 2014 Competitive Oil & Gas Lease Sale
(November 2013) at p. 10 (“According to the Reasonable Foreseeable
Development report (RFD), there is low potential for oil and gas development
in the location of the Jackson County parcels [BLM, 2008].”): May 2013
Competitive Oil & Gas Lease Sale PDF Maps at p. 2 (showing nominated lease
parcels in T. 11 N, R. 76 W, an area with no potential for oil or gas under the
1991 RFD); August 2011 Competitive Oil & Gas Lease Sale Map (showing
the location of COC74901 within T. 2 N, 79 W, an area with low or no oil and gas
potential under the 1991 RFD); August 2010 Competitive Oil & Gas Lease Sale
Map (showing the location of COC74518 within T. 11 N, R. 81 W and within
an areas of low or no oil or gas potential under the 1991 RFD); May 2010
Competitive Oil & Gas Lease Sale Map (showing the location of COC74397
within T. 10 N, R. 82 W, an area with low or no oil or gas potential under the
1991 RFD).
22 Leases within areas with low or no potential have been protested in at least
each of the past three lease sales in the KFO. See CO BLM Lease Sale Archive
June 2014, May 2013 and August 2011 lease sale protests.
23 See 2008 RFD Report, p. 6 (stating that 210,852 acres of federal mineral
estate are currently under lease) and Draft Kremmling RMP Appendix V, p. V-3
(indicating that at least 115,200 acres of low and no potential areas—more than
half of the total leased—were under lease in the KFO); see Rocky Mountain Wild,
“Oil and Gas Leasing and Development in Colorado as of March 2015.”
24 White River Proposed RMP, Table 2-17a-2.
26 New Mexico Ex. Rel. Richardson v. BLM, 565 F.3d 683, 710 (10th Cir. 2009).
27 Instruction Memorandum 2010-117, p. 2.
28 See 43 C.F.R. § 3101.1-2 (reasonable measures may be required to
minimize adverse impacts on leases); 43 C.F.R. § 2920.7(b)(2) (land use
authorizations shall minimize damage to specified environmental resources);
BLM Standard Lease Form 3100-11 (lessees “must” conduct their operations
so as to minimize adverse impacts); Onshore Order No. 1 §§ IV and III(F)(a)(3)
(operators “must” minimize adverse impacts and BLM may require reasonable
measures to minimize adverse impacts when APDs are approved); BLM Gold
Book (several provisions referencing minimization including a provision to
“minimizes undesirable impacts to the environment”).
29 See BLM Nevada Preliminary EA for the Dec. 2015 Oil and Gas Lease Sale,
p. 1.4.