

Tres Rios Oil and Gas Leasing Process FAQs

Where is the decision about an area being available for leasing made?

Each BLM field office manages its resources according to overall direction from a Resource Management Plan. Resource Management Plans identify uses that are allowable, restricted or prohibited on public lands for the duration of the plan. For oil and gas the RMP establishes which areas are open to oil and gas leasing and which are closed. For open areas, the RMP analyzes impacts of reasonably foreseeable development and spells out any stipulations needed to provide extra protection for sensitive resources. BLM is required by law to involve interested public in their decision making during Resource Management Plan development.

Who can nominate a parcel?

Anyone can *nominate* lands by sending a written expression of interest to the BLM State Office for the area where the lands are located.

When a parcel is nominated, what happens next?

Nominated parcels are not automatically placed on sale. The BLM reviews each nomination to ensure that parcels are, in fact, available and that *stipulations from the RMP* are attached before the lease is placed on sale. The BLM initiates an Environmental Assessment to inform its decision to offer the lease in an upcoming sale or to defer.

Does a lease sale authorize surface disturbance? What must a lease holder do in order to drill on a lease? No surface disturbance may begin on the lease without permits. The leaseholder or an operator hired by the leaseholder files an application for permit to drill and a surface use plan of operations. The BLM cannot approve an application for permit to drill until the requirements of certain laws and regulations have been met – including NEPA, the National Historic Preservation Act, and the Endangered Species Act. Proper State and local government authorizations must also be obtained in order to develop the lease.

What does the National Environmental Policy Act evaluate?

The National Environmental Policy Act of 1969 is the law that requires the consideration of environmental issues for federal actions and establishes procedural requirements for all federal government agencies to prepare Environmental Assessments and Environmental Impact Statements. The National Environmental Policy Act requires federal decision-makers to consider how federal actions may impact natural resources, cultural resources and socioeconomic resources with public input and involvement.

What are stipulations, lease notices and conditions of approval?

The lease rights granted consist of the right to occupy as much of the lease surface as is reasonable for the extraction of the resource and the right to remove the resource (oil and/or gas). When these two rights must be restricted, a stipulation is written and becomes part of the lease. Standard Lease Terms and Conditions are required by law and are attached to every oil and gas lease regardless of other considerations. Lease notices provide more detailed information concerning limitations that already exist in law, lease terms, regulations or operation codes.



An environmental assessment will be completed on each Application for Permit to Drill. If the analysis in the environmental assessment determines that the lease stipulations are not sufficient to prevent impacts, mitigation in the form of Conditions of Approval may be added to the permit. Conditions of Approval must be consistent with lease rights.

Does the public have a say in oil and gas development?

There are numerous opportunities for public involvement during land use planning and then during environmental review of specific.

The first opportunity is done at the Resource Management Plan phase. The Resource Management Plan determines what lands will be made available for leasing. There are multiple opportunities during Resource Management Plan development which include public participation.

The second opportunity occurs when an area is nominated for leasing (this is an additional environmental analysis instituted by the BLM in 2010 under Leasing Reform) which considers specific parcels nominated for a lease sale. An Environmental Assessment is completed for this plan conformance requirement. The analysis also will validate current stipulations that will apply and any reasonably foreseeable effects which may occur.

The third opportunity occurs after a sale notice is posted. Assuming an area is open to leasing through the Resource Management Plan and is supported in an Environmental Assessment, the BLM will officially offer the parcel in a sale notice. The public has 30 days after a sale notice is announced to protest individual parcels. The fourth opportunity occurs when a lease holder submits an application for a permit to drill. An application for a permit to drill includes specific development information such as well location, new roads, mitigation, timing etc. Applications for a permit to drill must be filed and approved by the BLM and the State of Colorado before drilling can occur.

All opportunities for public participation are posted online and announced via press releases.

Why isn't the Tres Rios Field Office waiting until the new RMP is signed to review nominated parcels?

Lands which are open for leasing under an existing RMP may be leased during a revision process when BLM management determines that leasing will not constrain the choice of reasonable alternatives under consideration in the planning process. BLM has considered the draft RMP, Supplement and Reasonably Foreseeable Development scenario associated with the planning process currently underway to determine if the impacts of the leasing action are detailed enough to identify the types of stipulations which must be attached to the leases to protect or mitigate effects on other resources.

What resource protections are in place for nominated parcels in the Tres Rios Field Office?

Lease stipulations are created at the Resource Management Plan level and included in the Environmental Assessment (See appendix A and C of the EA). Lease stipulation categories range from No Surface Use, Controlled Surface Use to Timing Locations. These categories place sideboards for when and how a lease holder can develop an area in order to protect for cultural and natural resources. If the BLM identifies additional resource concerns, moderate changes to existing stipulations can occur or the parcel can be deferred until additional analysis is completed.

Additional conditions can be stipulated if an application for a permit to drill is submitted once the lease parcel has been acquired (through additional environmental analysis).

What are my rights as a private property owner overlying leased federal minerals?

Information regarding leasing and development on split estate lands may be found on the Washington Office website. At this [website](#), you can also read and download a brochure that explains the rights, responsibilities, and opportunities of oil and gas operators and private surface owners.

I don't want fracking in my area. Why is the BLM allowing that?

The lease parcel review Environmental Assessment does not authorize nor prohibit the use of fracking. The Environmental Assessment analyzes specific parcels to determine what reasonably foreseeable impacts may occur from leasing and augments the decisions made in a Resource Management Plan with current information. If an area is leased, and an operator submits an application for a permit to drill, they will be required to specify the formation they are drilling for and what drilling procedure they will use. All applications for a permit to drill go through additional environmental analysis which provides public participation opportunities during scoping, preliminary environmental assessment and the decision protest period.

What public outreach has been done for parcels nominated in the Tres Rios Field Office EA?

The lease sale parcels were posted online on June 11, 2012. On the same day, adjacent landowner notification letters were mailed. These letters described the nominated leases and asked for feedback by June 25, 2012. The BLM incorporated feedback in the Environmental Assessment. The Environmental Assessment was posted on BLM's website on August 17, 2012, along with a leasing process timeline and maps of the nominated parcels. In addition, a press release about the nominated leases was distributed on August 17, 2012. This began a public comment period, which was extended to October 2, 2012.

What happens when a parcel is deferred?

Parcels that are deferred are set aside for an indeterminate period of time. These parcels may be considered for lease sales at a later date.

Who makes the decision to withdraw parcels from mineral estate?

Except for national defense withdrawals which can only be made by an Act of Congress, withdrawal of the federal mineral estate may only be made by the Secretary of Interior or Congress.

What role does oil and natural gas play in Colorado's economy?

The State of Colorado receives 49 percent of the proceeds from each quarterly lease sale, with the remainder going to the federal government. The State of Colorado received more than \$154 million in Fiscal Year 2011 from royalties, rentals and bonus bid payments for all federal minerals, including oil, gas and coal. Overall, oil and gas development in Colorado contributed \$9.5 billion to the economy in fiscal year 2011.