U.S. DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

LEASING

In November 2021, the Department of the Interior released a Report on the Federal Oil and Gas Leasing Program. The Report made specific recommendations to address documented deficiencies in the program to meet three programmatic goals:

- Providing a fair return to the American public and States from Federal management of public lands and waters, including for development of energy resources;
- Designing more responsible leasing and development processes that prioritize areas that are most suitable for development and ensure lessees and operators have the financial and technical capacity to comply with all applicable laws and regulations; and
- Creating a more transparent, inclusive, and just approach to leasing and permitting that provides meaningful opportunity for public engagement and Tribal consultation.

The Report also recommends:

As an overarching policy, BLM should ensure that oil and gas is not prioritized over other land uses, consistent with BLM's mandate of multiple-use and sustained yield. The BLM should carefully consider what lands make the most sense to lease in terms of expected yields of oil and gas, prospects of earning a fair return for U.S. taxpayers, and conflicts with other uses, such as outdoor recreation and wildlife habitat. The BLM should always ensure it is considering the views of local communities, Tribes, businesses, State and local governments, and other stakeholders.

Leasing Process

The environmental review process for developing oil and gas resources is multi-faceted and includes input and coordination with other Federal and state agencies, as well as the public.

Members of the public, typically industry representatives, nominate lands they wish to lease, but before they can be included in a sale, the parcels are reviewed for compliance with the area's Resource Management Plan and other factors such as resource conflicts that might make the lands unavailable. The National Fluid Lease Sale System includes information on current and upcoming Bureau of Land Management (BLM) lease sales.

Leasing Litigation

To ensure compliance with the National Environmental Policy Act (NEPA), relevant judicial authority, and applicable Executive and Secretarial Orders and Departmental policies regarding analysis of the impacts of greenhouse gas emissions—including Executive Order 13990, Secretary's Order 3399, and the 2020 BLM Specialist Report on Annual Greenhouse Gas Emissions and Climate Trends—the BLM has determined to review the adequacy of NEPA analyses for its leasing decisions in the December 2018 Rio Puerco Field Office lease sale, the November 2019 Rio Puerco Field Office lease sale, and the February 2020 Rio Puerco and Farmington Field Offices lease sale. BLM anticipates that its review will encompass an assessment of lease sale impacts on air quality, greenhouse gas emissions, and environmental justice. Consistent with permanent Instruction Memorandum 2022-001, which applies to this reconsideration, these leases remain in effect during the review of the NEPA analyses.

In light of recent judicial opinions such as *WildEarth Guardians v. Bernhardt*, 502 F.Supp. 3d 237 (D.D.C. 2020), and to ensure compliance with the National Environmental Policy Act and applicable Executive and Secretarial Orders and Departmental policies regarding analysis of the impacts of greenhouse gas emissions -- including Executive Order 13990, Secretary's Order 3399, and the 2020 BLM Specialist Report on Annual Greenhouse Gas Emissions and Climate Trends -- the BLM will review the adequacy of NEPA analyses for its leasing decisions in the BLM New Mexico State Office's lease sales in September 2017, December 2017, and September 2018. The BLM anticipates that its review will encompass an assessment of lease sale impacts on climate, habitat, recreation, lands with wilderness characteristics, night skies, soundscapes, water quality, and areas of cultural significance. Consistent with permanent Instruction Memorandum 2022-001 , these leases will remain in effect during the review of the NEPA analyses.

The BLM, in compliance with a recent district court decision in Louisiana v. Biden, 21-cv-779 (W.D. La. June 15, 2021), will move forward with oil and gas leasing in accordance with Instruction Memorandum 2021-027 . Prior to the posting of any sale notice, the BLM will diligently comply with all procedural requirements for proposed sales — including Tribal consultation and public notice and comment.

REGIONAL OIL AND GAS LEASE SALES

First Quarter Lease Sale 2022

The BLM assessed lease sales in seven state offices: Montana/Dakotas, Wyoming, Colorado, Utah, New Mexico, Nevada and Eastern States.

The leasing decisions for the lease sales result from the BLM's exercise of its discretion based on its analysis and review of the record, and they are also consistent with the recommendations in the Report on the Federal Oil and Gas Leasing Program (Report), as well as numerous reports issued by the Governmental Accountability Office and Congressional Budget Office, including: ensuring public participation and Tribal consultation, addressing conflicts with other resources, avoiding lands with low potential for oil and gas development, focusing leasing near existing development including and ensuring a fair return to taxpayers.

In identifying parcels for leasing, the BLM evaluated and worked to avoid potential conflicts with other resources, such as wildlife habitat and connectivity, and areas of cultural importance. The BLM has also avoided including low potential lands, which are less likely to produce oil and gas, by taking into account identification of development potential in resource management plans as well as current information. In addition, the BLM is focusing leasing near areas with existing development, which not only supports infrastructure such as roads and gathering systems that will help to reduce venting and flaring but also helps preserve the resilience of intact public lands and functioning ecosystems. The BLM disclosed greenhouse gas emissions and the social cost of climate impacts and provided context and analysis for those emissions and impacts.

Finally, the BLM is applying a royalty rate higher than the minimum to the current lease sales. The minimum royalty rate is significantly lower than those used in most states and on private land and the BLM is providing an improved return to the taxpayer by using a royalty rate of 18.75% for the leases sold in the current competitive lease sales. The report, linked below, provides part of the support analysis.

2018 Comparative Analysis of the Federal Oil and Gas Fiscal Systems: Onshore Report

The BLM's current lease sales and NEPA process have included a 30-day scoping period, 30-day comment period on the environmental assessment (which was then extended by an additional 10 days) and 30-day protest period. The BLM has also ensured applicable Tribal consultation is current. The BLM's leasing decisions take public comments into account it received during this process and will further evaluate points raised in any protests received.

Through the links below, find upcoming regional lease sale information, historical documents, and related resources.

- Alaska
- Arizona
- California
- Colorado
- Eastern States
- Idaho
- Montana-Dakotas
- Nevada
- New Mexico
- Utah
- Wyoming