

**San Juan Plan Revision**  
**Public Lands Oil and Gas Leasing Analysis Overview**  
*Prepared for Public Meetings—May 2006*

**Authority to Develop Oil and Gas on Public Lands**

The **Mineral Leasing Act of 1920** authorizes the leasing of oil and gas on Federal lands, including National Forest System (NFS) and Bureau of Land Management (BLM) lands. The BLM is the agency responsible for issuance of leases under the Mineral Leasing Act. Under the **Onshore Oil and Gas Leasing Reform Act of 1987**, the Forest Service must consent to leasing of NFS lands and is responsible for management of the surface resources on oil and gas leases on NFS lands. BLM is responsible for technical and subsurface management of all oil and gas operations on NFS and BLM lands. The mission of both agencies is to foster the responsible development of the Nation's oil and gas resources in compliance with environmental laws, regulation and policy.

**Availability of Public Lands for Oil and Gas Leasing**

The development of leasable minerals has been approached by government as an “acceptable” use: if the resource exists, then it is allowable for development. To deny development, the agency must demonstrate that development would result in unacceptable environmental or other disturbance or damage, to such an extent that the resource should not be available for development.

***Steps in determining mineral Availability and Suitability***

**A. Prepare a Reasonable Foreseeable Development (RFD) Report**

The RFD report identifies, using the best available information, where oil and gas resources are or may be present and to rate the potential for the occurrence of oil and gas as “high, medium, low, or none/unknown”.

The RFD estimates of the potential for oil and gas occurrence forms the basis for disclosure to the public of the “suitable oil and gas areas”.

**B. Withdraw areas prohibited for leasing by law**

Various laws require the protection of lands from disturbance: among these laws are the Endangered Species Act, Clean Water Act, Wilderness Act (including special designated areas), and Wild and Scenic Rivers Act. Withdrawal means that the lands are no longer available for oil and gas leasing and development. The agency must identify such lands and implement the withdrawal as required by law.

**C. Identify Lands Available for Leasing**

- These are lands where the resource is present (as identified in the RFD) and the lands are not withdrawn from leasing and development by law.
- Identify areas where other resource values are significant to the point that oil gas development should be prohibited rather than mitigated. BLM may deny leasing in such areas. The Forest Service may deny consent to BLM to lease such NFS areas.
- Identify areas where oil and gas development can occur, and identify specific protective stipulations to mitigate impacts to other resources and values.

#### **D. Identify Specific Stipulations for resource Protection**

Stipulations include specific Mitigation Measures to limit or eliminate environmental disturbance to resources or values identified during the leasing analysis. Stipulations are based on the potential impacts to the resource from the estimated development of the lands available for leasing, as identified in the RFD, and include the following:

- Timing Limitation: no operations may occur within a specified period; the period, the lands affected, and the reason for the limitation are identified in the Stipulation
- Controlled Surface Use (CSU): An approved operating plan is required before any disturbance may occur; the lands affected and the resource being protected are identified in the Stipulation
- No Surface Occupancy (NSO): No surface disturbance may occur within the leased area; the lands affected and the reason for the limitation are identified in the Stipulation. The NSO Stipulation may specify “With Exceptions” and Without Exceptions”.
- Lease Notices: This Notice alerts the Lessee that certain conditions of approval may apply to specifically listed resources present in the area that will likely result in Stipulations, and may require studies and mitigation at the development stage.
- Opportunities for Exceptions, Modifications and Waivers: These apply when the lessee can demonstrate a valid reason or alternative method for developing the resource that meets the resource protection need identified in the Stipulation.

Stipulations commonly used to protect resource values include the following examples:

- Wilderness and Wild Rivers: Withdrawal from leasing
- Steep Slopes: Controlled Surface Use
- Roadless & Road Density: No Surface Occupancy
- Wildlife Corridors: Timing Limitation
- Wildlife Winter Range Habitat: Timing Limitation
- Wildlife Habitat (e.g., Gunnison Sage Grouse): Controlled Surface Use and Timing Limitation
- Riparian and Wetlands: Avoidance under Lease terms; Controlled Surface Use
- Soils: Controlled Surface Use, No Surface Occupancy
- Research Natural Areas: Withdrawal for leasing; lease denial; No Surface Occupancy; Controlled Surface Use
- Cultural Resources: Avoidance; mitigation under the Antiquities Act; lease denial
- Threatened and Endangered Species (plants and animals): No Surface Occupancy
- Developed Recreation Facilities: Withdrawal from leasing; No Surface Occupancy
- Urban Influence Areas: Controlled Surface Use

#### **Issuance of Oil and Gas Leases**

The Public Lands Plan does not authorize lease issuance or the exploration or development of a lease. It discloses the lands that are available for leasing, and the resource protection stipulations that will apply to those lands should they be leased in the future. Public lands that have been identified as available for oil and gas leasing may be nominated by industry for leasing. Lease nominations must be reviewed and approved by the BLM and the Forest Service, as appropriate. The lands available for leasing include the specific stipulations identified as necessary for resource protection.

- Leasing is a conditional promise to develop the resource.
- Leasing is a federal action that “gives rights” to develop the resource with consideration and protection of surface resource values. Issuance of a lease **does not authorize surface disturbance** without further analysis and approval from the agency.
- Leasing is a strategy to achieving a desired future condition (the agency’s mandate to develop responsibly the Nation’s oil and gas resources)
- Leases are founded on the potential for occurrence of oil and gas as identified in the Reasonable Foreseeable Development (RFD) and the applicant’s own research. Leasing for oil and gas is a speculative process until the existence of the resource is proven: the only way to find the oil and gas is to drill for it. Investment at the leasing stage is minimal.

### **Exploration and Development**

Issuance of an oil and gas lease does not automatically authorize development. A site-specific proposal is required before any surface disturbance may occur on an oil and gas lease. This proposal is subject to full analysis under the National Environmental Policy Act (NEPA). The appropriate agency must approve the proposal, as well as apply any identified resource protection measures, before development may occur.