



November 7, 2022

*Submitted via [eplanning.blm.gov](http://eplanning.blm.gov)*

Andrew Archuleta  
State Director  
Bureau of Land Management  
Wyoming State Office  
5353 Yellowstone Road  
Cheyenne, WY 82009

**Re: Scoping Comments on the Q2 2023 Wyoming Competitive Oil and Gas Lease Sale**

Dear Director Archuleta:

Western Energy Alliance welcomes BLM's announcement of its intent to conduct a second quarter 2023 lease sale for Wyoming and Nebraska, particularly as oil and natural gas development delivers value not just to the federal government and American people but also sustains rural communities and western states. Our members operate in good faith on public lands in an environmentally responsible manner and, as such, we look forward to announcements of additional quarterly sales in Wyoming and other states. We encourage BLM to refrain from arbitrarily deferring parcels and to recognize in its analysis the numerous restrictions and stipulations attached to individual parcels, the significant technological advances in horizontal drilling which greatly reduce our operational footprint, and the governing Resource Management Plans (RMPs) that designated these lands as open for oil and natural gas development.

Western Energy Alliance represents 200 companies engaged in all aspects of environmentally responsible exploration and production of oil and natural gas across the West. The Alliance represents independents, the majority of which are small businesses with an average of fourteen employees.

The Mineral Leasing Act mandates that the Interior Secretary hold oil and natural gas lease sales "for each State where eligible lands are available at least quarterly and more frequently if the Secretary of the Interior determines such sales are necessary."<sup>1</sup> However, the Department of the Interior announcement states that the lease sale is only being held to comply with the Inflation Reduction Act (IRA),<sup>2</sup> which mandates that BLM cannot issue wind or solar rights-of-way unless it has held an onshore oil and natural gas lease sale

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<sup>1</sup> 30 U.S.C. §226(b).

<sup>2</sup> ["Interior Department Moves Forward with Leasing Provisions Mandated in Inflation Reduction Act"](#), Department of the Interior, October 6, 2022.

within the preceding 120 days and offered not less than two million acres or 50% of the acreage nominated within the previous year.<sup>3</sup> While IRA arguably incentivizes additional *discretionary* oil and gas leasing, IRA neither eliminates nor modifies the Secretary of the Interior’s existing obligation under the Mineral Leasing Act to conduct quarterly lease sales “where eligible lands are available.”<sup>4</sup> Because BLM has not conducted any lease sales in Wyoming since June 2022, despite the existence of eligible lands being available within the state, BLM is already out of compliance with this statutory obligation.

Even if IRA were the relevant legal justification, BLM has not provided the public with information to determine whether IRA’s leasing provisions have been satisfied. BLM has not made Expression of Interest (EOI) data available for 2022, and therefore, stakeholders are unable to assess whether BLM has met the 50% threshold. We request that BLM make that data available as soon as possible and within this scoping process. While we disagree with the Interior Secretary’s decision to make IRA and not the Mineral Leasing Act the motivating factor for the sale, BLM needs to move forward with more leasing on a regular basis. We hope to see further announcements of sales in Wyoming and other states, and substantially more acreage offered for sale in 2023.

BLM needs to further ensure it does not arbitrarily defer parcels that are eligible to be offered for lease, including parcels within existing federal oil and natural gas units and producing fields, and/or adjacent to existing infrastructure, particularly where deferral is not supported by the administrative record or the governing RMPs. This concern is rooted in the 2022 BLM Wyoming oil and gas lease sale environmental analysis (EA) wherein BLM deferred numerous parcels at the discretion of the State Director simply because it apparently determined the parcels *may* have low potential for development, when in fact many of them fell within existing oil and natural gas units and/or adjacent to existing leases and production. It is unclear how the nominated parcels under consideration—all located within or adjacent to proven oil and gas fields—could be classified as “low potential.” Locating prospective reserves is one of the fundamental tasks of oil and natural gas operators who allocate their resources carefully to invest in only those parcels that are likely to provide meaningful returns. Should a parcel really be “low potential,” no bids would be submitted. But the mere fact that these parcels have been nominated represents compelling evidence of the parcels’ potential.

Equally important, deferral of those parcels will increase, not reduce the surface disturbance that results from oil and natural gas development. Due to the land ownership patterns in Wyoming and the extensive scope of the federal government’s land holdings in the state, it is virtually impossible for operators to compile an efficient and economic operational position without reliable access to federal lands. Restricting the number of federal parcels available denies companies the flexibility necessary to optimize recovery and minimize environmental impact. Rather than promoting more efficient development

<sup>3</sup> [Inflation Reduction Act](#), August 16, 2022.

<sup>4</sup> 30 U.S.C. § 226(b)(1)(A).

from ideally placed surface locations using longer horizontal wells, operators will have to construct additional pads and drill additional wells to access and develop adjacent leased resources.

BLM Wyoming deferred 267 parcels from the 2022 Wyoming oil and natural gas lease sale due to the purported prioritization of parcels outside Greater Sage-Grouse (GRSG) habitat. In doing so, BLM disregarded its own process for prioritizing parcels based on the 2015 RMP amendments and disregarded the significant technological advances in horizontal drilling that have occurred in Wyoming. The average horizontal well in the Powder River Basin can be drilled to a depth of approximately 1.5 miles and at a lateral distance of nearly 2 miles. These significant distances result in substantially less surface disturbance while at the same time increasing production efficiency. We call your attention to the peer reviewed study by Applegate and Owens that shows a 70% reduction in surface disturbance in Wyoming from increased use of horizontal drilling.<sup>5</sup>

BLM's 2022 analysis should have accounted for this decrease in surface disturbance and access roads created by the transition to horizontal drilling and the resulting reduction in habitat fragmentation, yet rather than reconcile operational advancements with the process for leasing in GRSG general habitat management areas (GHMAs) and priority habitat management areas (PHMAs), BLM instead arbitrarily deferred a large number of parcels. BLM must ensure it follows the existing 2015 GRSG RMP amendments and account for the technological advancements that have taken place since that time in its analysis.

Lastly, there is a lack of transparency and understanding surrounding the process BLM used to select parcels for this lease sale. Alliance member companies have nominated several parcels over the past two years that were not included in the 2022 lease sale nor the preliminary list for this sale. Many of the nominated parcels are located within or adjacent to oil and natural gas units. For example, LD Numbers WY00054107 through WY00054111 are located within an existing federal unit and were nominated by an Alliance member company in 2021 but are not currently on the preliminary parcel list. BLM should include these parcels in the Q2 2023 sale. We also request that BLM provide clarification on how it selects parcels for this lease sale and provide reasoning for the delay in processing EOIs, particularly those located within or adjacent to existing leases and production.

Western Energy Alliance appreciates the opportunity to submit these comments. Please do not hesitate to contact me with any questions.

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<sup>5</sup> ["Oil and gas impacts on Wyoming's sage-grouse: summarizing the past and predicting the foreseeable future,"](#) *Human-Wildlife Interactions* Vol. 8 No 2, Dave H. Applegate and Nick L. Owens, 2014, p. 284-290.

Sincerely,



Kathleen M. Sgamma  
President

cc: Duane Spencer, Deputy State Director, Minerals & Lands  
Chris Hite, Branch Chief for Fluid Minerals Adjudication  
Allen Stegeman, Natural Resources Specialist