



December 15, 2014

Via email: blm_co_rq_comments@blm.gov

Bureau of Land Management
Royal Gorge Field Office
3028 East Main
Cañon City, Colorado 81212

RE: Western Energy Alliance Comments on the Environmental Assessment for the May 2015 Oil and Natural Gas Lease Sale – Royal Gorge Field Office

Dear Sir or Madam:

Western Energy Alliance wishes to express its support for the alternative titled “Lease All Nominated Parcels in Conformance with the RMP”. We urge the Bureau of Land Management (BLM) to move forward with offering the nominated acreage and refrain from deferrals.

Western Energy Alliance represents over 480 companies engaged in all aspects of environmentally responsible exploration and production of oil and natural gas in Colorado and across the West. The Alliance represents independent producers, the majority of which are small businesses with an average of fifteen employees.

Our industry plays an important role in the economic well-being of Colorado, and the state’s production is a strong contributor toward American energy security. In Colorado, oil and natural gas exploration and production supports over 60,000 high paying jobs with wages totaling over \$5 billion, an economic impact of over \$22 billion, and over \$2.3 billion in federal and state taxes. These revenues are used to fund infrastructure, education, and other vital services for communities.

NEPA Analysis in Support of Leasing

The May 2015 Lease Sale Environmental Analysis (EA) would tier to the existing National Environmental Policy Act (NEPA) documents for the Forest Service and BLM land use plans, and also the recent air analysis conducted by BLM under the Colorado Air Resources Management Modeling Study (CARMMS). CARMMS was completed for the Forest Service land use plan update for the Pawnee National Grasslands. In the EA, BLM is able to confirm that leasing these lands, subject to appropriate terms and stipulations, is consistent with the decisions it made in the applicable BLM Resource Management Plan (RMP) and Forest Service Land and Resource Management Plan (LRMP). Further still, BLM may inform and support its leasing decision by utilizing and the environmental analyses contained in the Final Environmental Impact Statement (FEIS) for Oil and Gas Leasing for the Pawnee National Grassland, which was released by the Forest Service on December 4, 2014.

Multi-Phase NEPA

Significant additional NEPA analysis would occur after leasing and before any development of federal minerals can occur. This additional NEPA affords BLM the opportunity to engage in more site-specific resource analyses upon receipt of a project-level development proposal, which would indicate whether additional mitigation measures and conditions of approval are needed. As explained by the U.S. Supreme Court, the purpose of the NEPA analysis at the land use planning stage is to provide parameters for general management prescriptions within the Planning Area.¹

Because certain future impacts simply will not be known until actual projects are proposed, federal courts have long recognized the staged nature of the NEPA analyses required for federal land use planning, oil and gas leasing, exploration and development. For example, the U.S. Court of Appeals for the Tenth Circuit explained that, given the nature of federal land use planning and leasing proposals, detailed environmental impact analysis may be impossible until an actual project is proposed, stating, “When BLM is considering a mere leasing proposal, it has no idea whether development activities will ever occur, let alone where they might occur in the lease area. When an APD is submitted, BLM then has a concrete, site-specific proposal before it and a more useful environmental appraisal can be undertaken.”²

BLM can impose flexible management prescriptions in the RMP, and adopt an adaptive management approach as further analysis dictates. For instance, if monitoring and analysis indicates that emissions could create air quality concerns, more restrictive operational constraints would be required. We therefore believe the EA illustrates that the act of leasing will not result in significant impacts to other resources, and urge BLM to move forward with the full allotment of nominated acreage.

Cultural Resources

BLM originally received Expressions of Interest (EOI) for 42 parcels totaling 11,099.938 acres, and an additional 7 parcels totaling 2,000.48 acres are analyzed for reinstatement, for a total of 13,100.418 acres. The Preferred Alternative proposes to lease all acreage save for a 120 acre portion of one parcel containing a sensitive cultural resource, which is deferred.

Additional protections for cultural resources may at times be justified, but the exact location and nature of archaeological sites is typically kept confidential due to concerns of vandalism, as is the case in this EA, and it is difficult for the Alliance to assess whether a deferral is justified. We fully support robust protections for cultural resources, but we remind BLM that companies protect cultural resources as mandated by several federal statutes, including the National Historic Preservation Act (NHPA), Archaeological

¹ *Norton v. S. Utah Wilderness Society*, 542 U.S. 55, 59, 2004

² *Park County Resource Council, Inc., et al. v. U.S. Department of Agriculture, et al.*, 817 F.2d, 1987

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Resources Protection Act (ARPA), and the Native American Graves Protection and Repatriation Act (NAGPRA).

Great care is taken to locate and analyze cultural resources within a proposed lease or project area, and should previously unknown cultural resources be located during exploration and production activities, activities must cease until such time as potential impacts to the resource can be mitigated.

Water Quality

Water is a vital resource in the arid West, and states, which have jurisdiction over water use, have a long history of and expertise in managing their water resources. Industry is required by the Clean Water Act (CWA), the Safe Drinking Water Act (SDWA), and state laws to undertake extensive measures to protect water quality.

During the development phase, plans of operation incorporate comprehensive protections to prevent or immediately address the potential spill of contaminants that may impact surface water, and EPA rules require companies to develop Spill Prevention, Control, and Countermeasure (SPCC) plans. Roads and well pads are designed to minimize runoff and sediment buildup in waterways, and wellbore engineering includes multiple layers of steel and concrete to prevent any potential contaminants from escaping the borehole and communicating with groundwater resources.

If hydraulic fracturing is employed, companies take precautionary actions to ensure fluids remain in the borehole during fracturing operations and to safely contain and transport fluids from the well site. These precautions and best practices have proved their effectiveness as not one instance of groundwater contamination has been linked to hydraulic fracturing though it has been conducted in over 1.2 million wells in the U.S.

Air Quality

We wish to reiterate that the act of leasing in and of itself will result in no impacts to air quality. As previously stated, there can be no assumption that a leased parcel will actually be developed, and therefore any attempts to quantify emissions are limited to conjecture. If and when development of a lease is proposed, the Colorado Department of Public Health and Environment (CDPHE) stringently regulates air emissions per the Clean Air Act (CAA) with strict permitting requirements before development may actually take place. The Environmental Protection Agency (EPA) has further imposed additional requirements for reducing emissions resulting from oil and natural gas development. Industry has made great technological strides in reducing air impacts, and we hold that the requirements mandated through CDPHE and EPA more than adequately address potential air impacts.

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Wildlife

Aside from the stipulations already attached to the parcels to protect species like raptors and migratory birds, Conditions of Approval (COA) at the Application for Permit to Drill (APD) stage provide an additional layer of protections. Those species listed under the Endangered Species Act (ESA) require formal consultation prior to any surface disturbing activity, and raptors and migratory birds are both protected by the Migratory Bird Treaty Act (MBTA). There are many levels of protections for wildlife, and companies go to great lengths to avoid and minimize potential impacts to the greatest extent possible.

Socioeconomics

As previously mentioned, the oil and natural gas industry creates a significant number of jobs in the State of Colorado, and generates \$2.3 billion in revenue for local, state, and federal governments. Energy produced domestically reduces the need to import resources from other nations, many of which are antagonistic to American interests, and often do not have the same level of environmental protections in place. Leasing all the nominated acreage, which allows the most potential development among alternatives analyzed, would have the greatest positive socioeconomic impact.

Oil and natural gas production has played a historically significant role in the culture and economic livelihood of the State of Colorado, and it has been one of the few bright spots in an otherwise moribund economy. Domestic production, predominantly on state and private lands, has allowed the United States to claim the mantle as the world's top producer of oil and natural gas. Production from public lands has historically been an important part of the equation, and to meet the nation's energy needs and to continue to reduce our reliance on foreign sources it must continue to be so into the future.

We appreciate the opportunity to comment, and should you have any questions, please do not hesitate to contact me.

Sincerely,



Kathleen M. Sgamma
Vice President of Government & Public Affairs

Cc: The Honorable John Hickenlooper, Governor, State of Colorado
The Honorable Mark Udall, U.S. Senate
The Honorable Michael Bennet, U.S. Senate
The Honorable Cory Gardner, U.S. House of Representatives
Adams County Commission
Arapahoe County Commission

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Logan County Commission
Weld County Commission