



February 11, 2016

The Honorable Neil Kornze  
Director  
Bureau of Land Management  
U.S. Department of the Interior  
1849 C Street, N.W.  
Washington, D.C. 20240

RE: Oil and Natural Gas Lease Sale Cancelations

Dear Director Kornze:

Western Energy Alliance is very concerned with several oil and natural gas lease sale cancelations, which are causing the Bureau of Land Management to renege on its responsibilities under the Mineral Leasing Act (MLA) and the Federal Land Policy and Management Act (FLPMA). We suggest a relatively simple solution—online auctions that would enable BLM to meet its obligations under the MLA as well as reduce administrative costs.

The Mineral Leasing Act requires BLM to hold quarterly sales in all states with federal oil and natural gas resources. BLM has failed to meet this requirement several times in the last few years, although recent cancelations of sales for the Colorado, Eastern, Montana/Dakotas, New Mexico, Utah and Wyoming offices suggest a habit is forming. We are also concerned that BLM is bowing to pressure from the Keep-It-in-the-Ground movement, whose demands are so radical as to suggest a halt to all leasing. Clearly, that agenda is antithetical to the principles of multiple use and sustained yield under FLPMA, and an outright violation of the MLA.

Since leasing policy changes enacted in 2010, BLM has not been holding statewide sales, as envisioned by Congress in the MLA. Rather, field offices participate in only one quarterly sale per year. Besides greatly extending the time span from nomination to sale, as companies must wait until the one quarter designated for the planning area where their parcels of interest are located, this needless restriction has resulted in the recent cancelation of the Colorado February 2016 lease sale. Because parcels were held up in one particular planning area, in this case for cultural issues, the entire quarterly sale for the state was canceled.

We are also concerned that BLM continues to hold up leasing while updating Resource Management Plans (RMP), which is clearly a violation of FLPMA. Per FLPMA, existing RMPs remain in effect until such time as new RMPs are completed. All management decisions

Canceled Lease Sales  
February 11, 2016

Page 2 of 2

including leasing on federal lands should not stop during the long update process, but that is exactly what BLM is currently doing. The latest example is the cancellation of the August 2016 lease sale, again in Colorado, while waiting for the completion of the Uncompahgre RMP. Since the draft RMP has not even been released yet, it will be at least a few years until it is updated at best. Maintaining the façade that the August 2016 sale is merely postponed until August 2017 is disingenuous, as the sale is clearly canceled. It is unrealistic to expect a sale for the field office to take place in August 2017 under these same conditions, when the chance of the Uncompahgre RMP being complete is close to zero.

We do sympathize with the public pressure that BLM is often under, and were supportive of Utah BLM's cancellation of the November 2015 sale. The State Director determined that it was necessary to find a larger venue to accommodate public interest, which was a wise decision since large numbers of protestors threatened to overwhelm available facilities and disrupt the sale. However, this now seems to be a tactic of those wishing to stop all leasing, and protestors have forced BLM into a patterned response.

Might we suggest as an alternative that BLM take advantage of online auctions. Congress has already authorized online auctions in lieu of in-person sales. If protestors continue to disrupt lease sales, we strongly suggest BLM simply hold online auctions within the same quarter as the original sales. Online auctions also have added cost-savings benefits as venues and security personnel do not have to be enlisted to handle potentially unruly crowds.

Western Energy Alliance shares BLM's interest in an orderly leasing process. Thank you for considering our suggestion. Should you wish to discuss this further, please do not hesitate to contact me.

Sincerely,



Kathleen M. Sgamma  
Vice President of Government & Public Affairs

Cc: Western Governors  
Senate Committee on Energy and Natural Resources  
House Natural Resources Committee  
Members of the Congressional Delegations of Western States  
Interior Secretary Sally Jewell  
Janice Schneider, Assistant Secretary, Land and Minerals Management  
Western BLM State Offices

**WESTERN ENERGY ALLIANCE**