



July 12, 2023

Submitted via eplanning.blm.gov

Andrew Gibbs
Chief, Branch of Fluid Minerals
Bureau of Land Management
Montana-Dakotas State Office
5001 Southgate Drive
Billings, MT 59101

Re: Scoping Comments on the December 2023 Montana-Dakotas Competitive Oil and Gas Lease Sale

Dear Mr. Gibbs:

Western Energy Alliance welcomes BLM's announcement of its intent to conduct a Montana-Dakotas December 2023 lease sale, 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 sales in Montana, the Dakotas and other states in the future. We encourage BLM to refrain from arbitrarily deferring parcels and to recognize during 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 (RMP) 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 in Montana, the Dakotas, and 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."¹ However, the BLM announcement states that the lease sale is only being held to comply with the Inflation Reduction Act (IRA) which mandates that BLM cannot issue wind or solar rights-of-way unless it has held an onshore oil and natural gas lease sale within the preceding 120 days and offered not less than two million acres or 50% of the acreage nominated

¹ 30 U.S.C. §226(b).

within the previous year.² 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."³

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 Montana, the Dakotas, and other states, and substantially more acreage offered for sale in the future.

BLM needs to ensure it does not arbitrarily defer parcels that are eligible 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 BLM's decision to remove 30 parcels from the Montana-Dakotas September 2023 sale to conduct further resource analysis related to development potential per IM 2023-007. A similar decision was made by BLM in another state wherein it proposed to defer parcels per IM 2023-007 leasing preference criteria #5 which would deem the parcels low preference because they *may* have low potential for development. In fact, many of the parcels fell within existing oil and natural gas units and/or adjacent to existing leases and production. 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 the parcels were nominated represents compelling evidence of the parcels' potential.

We appreciate the opportunity to comment. Please do not hesitate to contact me with any questions.

Sincerely,



Kathleen M. Sgamma
President

² [Inflation Reduction Act](#), August 16, 2022.

³ 30 U.S.C. § 226(b)(1)(A).