



December 6, 2021

Sheri Wysong Fluid Mineral Leasing Coordinator Utah State Office Bureau of Land Management 440 West 200 South, Suite 500 Salt Lake City, UT 84101

Email: <u>blm_ut_lease_sales@blm.gov</u>

Re: Public Land Solutions and Outdoor Alliance Comments to BLM Utah 2022 1st Quarter Competitive Oil and Gas Lease Sale (DOI-BLM-UT-0000-2021-0007-EA)

Dear Ms. Wysong,

Public Land Solutions (PLS) and Outdoor Alliance (OA) welcome the opportunity to comment on the Bureau of Land Management's (BLM) Utah First Quarter 2022 Competitive Oil and Gas Lease Sale. PLS previously submitted scoping comments to this lease sale on September 29, 2021, and we hereby incorporate those comments by reference into this comment letter. For this lease sale PLS and OA urge the BLM to select Alternative B – the "Recreational Resources Preservation Alternative" or to cancel this entire lease sale completely. While the particular parcel we identified for protection in our scoping comments—Parcel UT-2021–06-1121—would be deferred under Alternative B, any of the leases contemplated by this proposal could be sold under the proposed Alternative A or eventually under Alternative C (No Action/Delayed Leasing). For the reasons outlined herein we believe Parcel 1121 should be deferred, and that any of the leases proposed in this environmental assessment are premature and inconsistent with the recommendations in the Department of Interior's *Report on the Federal Oil and Gas Leasing Program* (DOI Report) released on November 26, 2021.

Public Land Solutions

Public Land Solutions is a non-profit organization dedicated to providing comprehensive recreation planning and stakeholder coordination to support effective and sustainable public land solutions. We have been involved at the local, regional and national level during BLM planning and permitting proposals related to oil and gas leasing, however our primary focus is the protection and enhancement of recreation assets and opportunities to develop durable and robust recreation economies. Our advocacy efforts to protect and enhance recreation assets on public lands include organizing stakeholder workshops, providing detailed comments and proposed maps during BLM comment periods, delivering presentations to local and state governments, and communicating with a wide range of interested stakeholders.

Outdoor Alliance

Outdoor Alliance is a coalition of ten member-based organizations representing the human powered outdoor recreation community. The coalition includes Access Fund, American Canoe Association, American Whitewater, International Mountain Bicycling Association, Winter Wildlands Alliance, The Mountaineers, the American Alpine Club, the Mazamas, Colorado Mountain Club, and Surfrider Foundation and represents the

interests of the millions of Americans who climb, paddle, mountain bike, backcountry ski and snowshoe, and enjoy coastal recreation on our nation's public lands, waters, and snowscapes.

As recreation advocates, PLS and OA are concerned that the BLM will disregard potential impacts from this proposed lease sale on specific recreation assets and other important values. Because the direct, indirect, and cumulative effects that would result from implementation of this lease sale could be detrimental to recreation opportunities and the potential for local communities to invest in a recreation economy, and because the acreage at issue with the sale lies within specially managed landscapes dedicated to protecting and enhancing recreation opportunities, we urge the BLM to select Alternative B: the Recreational Resources Preservation Alternative and defer the lease of parcel UT-2021-06-1121 to prevent oil and gas development impacts on recreation assets and associated socioeconomic systems. We urge the BLM to include this specific recreation resource preservation alternative in all future lease proposals affecting BLM lands anywhere an oil and gas lease sale is offered in proximity to any recreation resource. Such a standardized recreation protection alternative is consistent with the BLM's multiple use mandate and the recommendation in the DOI Report to "to consider the best use of public lands in a broader context than economic return, and to take action necessary to prevent unnecessary or undue degradation of the lands" because "[w]hen land is under contract for potential oil and gas activity, the shared public lands cannot be managed for other purposes, such as conservation or recreation."² This lease sale is an opportunity for BLM to modernize its leasing policies and protect key landscapes that are highly valuable for outdoor recreation pursuits.

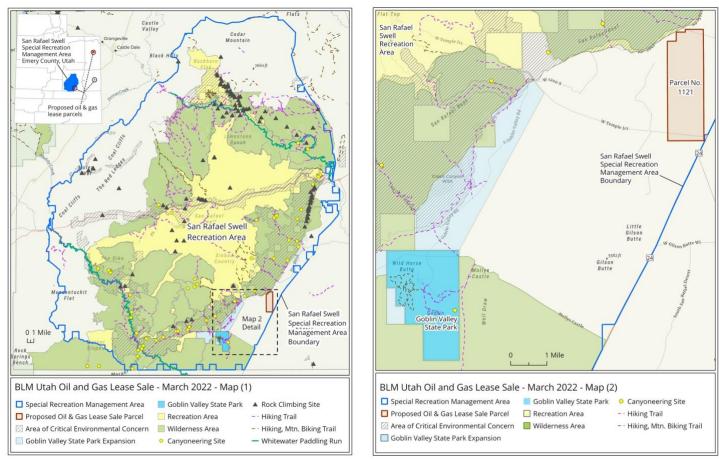
The Need for Broader Mineral Leasing Reforms

This leasing proposal exemplifies much of what is broken in the federal oil and gas leasing system and does not maintain an appropriate balance among the principal uses of public lands. A fundamental principle of the Federal Land Policy and Management Act (FLPMA) is that outdoor recreation is one of the "major" uses of public lands, alongside grazing, energy development, fish and wildlife, rights-of-way, and timber production.³ In addition, the Multiple Use Sustained Yield Act (MUSY) mandates that public resources are managed "so that they are utilized in the combination that will best meet the needs of the American people," and that renewable resources shall be managed in a manner that avoids "impairment of the productivity of the land." In other words, any primary use of federal public lands should not impair the productivity of another use. Federal law requires that energy development on federal land not impair the productivity of recreational use and associated economic activity. As the social and economic importance of outdoor recreation increases, it is critical that recreation assets be given the same level of consideration during land use planning as energy development. In this environmental assessment, Alternative B represents a key opportunity for BLM to bring an appropriate level of consideration in its leasing practices regarding the value of important recreation resources.

Inappropriate leasing causes impacts to outdoor recreation, limiting opportunities for recreation to benefit regional economic development.⁵ Studies show that recreational visits decline at locations with oil and gas developments, and that poorly sited developments cause harmful impacts to water quality/quantity and fragments important wildlife habitat.⁶ Current leasing practices also incentivize speculation,⁷ fail to require adequate bonding,⁸ and deny a fair return in royalties for taxpayers.⁹ The BLM must take a hard look at how the Proposed Action in Alterative A of this environmental assessment negatively impacts other important multiple uses of public lands, such as outdoor recreation, as well as cultural and natural resource conservation and wildlife management. Accordingly, BLM should select Alternative B, the Recreation Resources Preservation Alternative, to bring balance back to federal leasing practices, and institutionalize this type of planning alternative for oil and gas proposals anywhere that recreation is affected. Additionally, BLM should pause this and all future leasing until the broken onshore leasing program is reformed. DOI's own statements acknowledge that "[it] is time for the Interior Department to take steps to better manage our public lands" because the "federal oil and gas program is not serving the American public well." This proposal is one such instance that fails to serve the public interest.

Parcel 1121, the Temple Wash Recreation Management Zone, and Dingell Act Requirements

Several conditions point to the need for BLM to defer the sale of Parcel 1121 or cancel this lease sale altogether. As noted in our previous comments, the state of Utah contains world-class recreation resources which support 110,000 direct jobs and drive the state's \$12.3 billion outdoor recreation economy. Not only does this proposal affect some highly significant recreation resources such as the Goblin Valley State Park, highly popular canyoneering in the southern San Rafael Swell (e.g., Little Wild Horse Canyon), and extensive camping and motorized use in and around Temple Wash—it also lies very close to newly-established Wilderness areas designated under the John D. Dingell Jr. Conservation, Management, and Recreation Act of 2019 (Dingell Act) *and* lies within the Temple Wash Recreation Management Zone¹² designated to "to provide outstanding recreation opportunities and visitor experiences while protecting natural and cultural resource values." Furthermore, the Temple Wash Recreation Management Zone is currently within the planning area of an ongoing amendment to the 2008 Price Resource Management Plan to bring the area into compliance with the Dingell Act and "provide for the long-term protection and management" of recreation in the area. Clearly, it is inappropriate to propose leasing a parcel for oil and gas development that lies in the middle of a designated Recreation Management Zone and is currently being analyzed as part of a management plan focused on protecting and enhancing outdoor recreation.



Parcel 1121 lies at the gateway to many of Emery County's most important recreation resources, is within a Recreation Management Zone, and is part of an ongoing planning process for recreation in the San Rafael Swell

The Department of the Interior's own recommendations advise against leasing parcels like Parcel 1121 because of inadequate fiscal policies and irresponsible nomination and bidding practices that promote speculation at the expense of local communities and the management of resources that could be used for other valuable multiple uses such as outdoor recreation. Indeed, "[w]hen land is under contract for potential oil and gas activity, the shared

public lands cannot be managed for other purposes, such as conservation or recreation."¹⁶ In addition, the DOI Report highlighted the common regressive practice of allowing anonymous entities¹⁷ to nominate lands for leasing that have a low potential for production (BLM has identified Parcel 1121 as one such parcel):

since there is no cost to nominate large amounts of acreage regardless of the resource potential and then the burden and expense falls on BLM to process those parcels consuming BLM staff resources that might otherwise be used for the management of other valuable multiple uses such as outdoor recreation.¹⁸

In sum, several reasons underscore the need for BLM to defer Parcel 1121 through Alternative B, and that the selection of the Proposed Alternative A (and any future leases prior to key reforms) ignores the many underlying systemic problems to the leasing system that DOI readily acknowledges. ¹⁹ The BLM has no obligation to offer any of these nominated parcels for sale because the agency has considerable discretion to protect public lands, waters, and wildlife, cultural resources and sacred sites, and community health and safety from the impacts of the federal oil and gas program. However, should the BLM go forward with any of these leases, the agency should reserve the right to impose future conditions on these leases.

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These comments express the concern that this lease sale will cause impacts on specific recreation assets and other valuable resources. Because the direct, indirect, and cumulative effects that would result from implementation of the Proposed Alternative A runs counter to DOI's own recommendations, conflicts with an ongoing recreation management planning process, and could be detrimental to recreation and the local recreation economy, we urge the BLM to select Alternative B – the Recreation Resources Preservation Alternative.

Best regards,

Jason Keith Managing Director Public Land Solutions Louis Geltman Policy Director Outdoor Alliance

¹ See Interior Department Report Finds Significant Shortcomings in Oil and Gas Leasing Programs, at https://www.doi.gov/pressreleases/interior-department-report-finds-significant-shortcomings-oil-and-gas-leasing-programs

² Id. at page 4-5.

³ 43 U.S.C. § 1702(1).

⁴ 16 U.S.C. § 531(a).

⁵ See Public Land Solutions' scoping comments to this lease from September 29, 2021.

⁶ See https://www.nwf.org/Latest-News/Press-Releases/2021/03-17-21-Inactive-Oil-and-Gas-Wells-Report

⁷ Speculation of lands with little drilling potential wastes BLM's time and resources, rarely leads to production, and generates inconsequential revenues for taxpayers. See DOI Report at page 3.

⁸ According to GAO, BLM holds an average of \$2,122 per well in bonding, while average reclamation costs on federal lands range from \$20,000 to \$145,000 per well. There are currently 9,070 producible federal wells in Utah,

which means the bonding shortfall – i.e., the amount of the oil and gas industry's reclamation costs that could fall to taxpayers – may range from \$162.1 million to \$1.3 billion. Offering additional leases without adequate bonding will only increase the burden on taxpayers. See DOI Inspector General Report, *Inspector General's Statement Summarizing the Major Management and Performance Challenges Facing The U.S. Department Of The Interior*, at https://www.doioig.gov/reports/other/inspector-generals-statement-summarizing-major-management-and-performance-4.

- The century-old onshore royalty rate of 12.5% cost taxpayers \$1.4 billion between Fiscal Years 2008 and 2017 (based solely on federal oil and gas produced in Utah). GAO reports that raising Federal royalty rates for onshore oil and gas could "decrease production on federal lands by a small amount or not at all but could increase overall federal revenue." See US Government Accountability Office, *Oil, Gas, and Coal Royalties: Raising Federal Rates Could Decrease Production on Federal Lands but Increase Federal Revenue*, at https://www.gao.gov/assets/gao-17-540.pdf.
- ¹⁰ See DOI Press Release, *Interior Department Outlines Next Steps in Fossil Fuels Program Review*, at https://www.doi.gov/pressreleases/interior-department-outlines-next-steps-fossil-fuels-program-review.
- ¹¹ See https://www.fs.fed.us/rm/pubs_journals/2018/rmrs_2018_rasch_r001.pdf
- ¹² See https://eplanning.blm.gov/public_projects/nepa/68868/90968/109390/TMGV_-_RMP_Decisions.pdf
- ¹³ Id.
- ¹⁴ See https://eplanning.blm.gov/eplanning-ui/project/2011631/510
- 15 See

 $\frac{https://eplanning.blm.gov/public \ projects/2011631/200472618/20048462/250054645/20211028\%20Scoping\%20San\%20Rafael\%20Swell\%20Public\%20Doc \ 508.pdf \ at page \ 13.}$

- ¹⁶ See DOI Report at page 5.
- ¹⁷ Currently, the onshore oil and gas program does not pre-clear bidders based on their ability to responsibly and diligently pursue development and opens up the door to anonymous speculators leaving communities in the dark as to who is seeking to develop oil and gas on nearby public lands and whether they have the capacity to responsibly develop these lands and/or rehabilitate drill sites. This abuse is common, with a recent nominator in Utah claiming the identity of "Colt Walker," a pseudonym referencing the recently designated official state handgun of Texas of the same name. See https://www.sltrib.com/news/environment/2021/08/31/blm-resumes-oil-gas/.

 ¹⁸ See DOI Report at pages 12-13.
- ¹⁹ DOI's own recommendations—that PLS and OA support—include: 1) curbing speculation by deferring leasing on low and no potential lands and limiting opportunities for noncompetitive leasing, 2) increasing the 100-year old royalty rate from 12.5% to at least 18.75% for all competitive leases, 3) requiring transparency of nominators and full-cost bonding, as a condition of lease acquisition, and 4) creating a more inclusive and just approach to managing public lands and waters. See DOI Report at pages 6-14.