



October 31, 2016

Submitted via e-mail to uformp@blm.gov

Project Manager, Uncompahgre RMP
Bureau of Land Management
Uncompahgre Field Office
2465 S. Townsend Ave.
Montrose, CO 81401

Re: Draft Resource Management Plan/Environmental Impact Statement for the Colorado Bureau of Land Management Uncompahgre Field Office

Dear Sir/Madam:

Western Energy Alliance opposes Alternative D, the preferred alternative, in the draft Resource Management Plan (RMP) for the Bureau of Land Management's (BLM) Uncompahgre Field Office (UFO). Under the preferred alternative, BLM would close or severely restrict leasing of oil and natural gas on significant acreage in the planning area, preventing access to valuable resources that the plan itself identifies as "important."

Western Energy Alliance represents over 300 companies engaged in all aspects of environmentally responsible exploration and production of oil and natural gas in Colorado and across the West. Alliance members are independents, the majority of which are small businesses with an average of fifteen employees.

Oil and Natural Gas Leasing

Oil and natural gas deposits in the UFO planning area are a valuable resource for our nation's future, as the draft RMP's section on Fluid Minerals – Oil and Gas highlights:

"Carbonaceous shale is expected to become an important future source of natural gas in the United States... [w]hen and if the Mancos, Gothic, or Hovenweep shale gas plays are characterized for the planning area and technology and well completion methods are optimized, these shale gas resources could become an important energy source."¹

The importance of access to shale gas resources in the planning area is further heightened by a recent U.S. Geological Service (USGS) survey which found that the Mancos Shale holds an estimated 66 trillion cubic feet of undiscovered, technically recoverable shale gas, some

¹ *Uncompahgre Field Office Draft Resource Management Plan and Environmental Impact Statement* at 3-121.

of which lies in the UFO.² The Mancos Shale is the second largest continuous shale gas assessment in the nation, according to USGS, and is ripe for future development absent federal restrictions that limit access.

Under the preferred alternative, though, BLM would foreclose access to large amounts of natural gas in the UFO. Specifically, it would prohibit leasing on 5,840 acres and add stipulations such as No Surface Occupancy (NSO) on an additional 431,840 acres. Despite the extended reach of horizontal drilling, an NSO restriction is likely to place substantial acreage off limits to drilling due to an inability to access the leased parcels. Significant acreage will remain well beyond the lateral reach of horizontal wells. Closing access to this acreage will limit future development of a large, important resource, and BLM should reconsider this approach.

Western Energy Alliance supports Alternative C, which adopts a more reasonable approach to leasing. While it would remove 333,950 acres from the “leasing subject to standard terms and conditions” category, the vast majority of these acres would be subject to Controlled Surface Use (CSU) and Timing Limitation (TL) stipulations, rather than NSO restrictions. CSU and TL stipulations provide adequate environmental protections while still allowing for environmentally responsible development of oil and natural gas resources.

Private Property Rights and Negotiated Surface Use Agreements

Placing stipulations on private lands above federally-owned minerals is an infringement of private property rights and conflicts with existing BLM policy. Restrictions in the plan should only apply to federal lands.

BLM’s 2007 “Split Estate Rights, Responsibilities, and Opportunities” brochure states that BLM’s policy is to “offer[] the surface owner the same level of resource protection provided on federally owned surface.” It does not say that BLM will mandate the surface use terms for private surface estate. The 2007 brochure states that the operator must consult in good faith with the surface owner and that the surface owner “will have [his or her] views on protection standards and construction and operation issues carefully considered by the BLM as the BLM determines appropriate mitigation measures.” How is BLM supposed to “carefully consider” the surface owner’s views when BLM has bound itself to apply all RMP management direction to split estate land regardless of the surface owner’s views?

² *Assessment of Continuous (Unconventional) Oil and Gas Resources in the Late Cretaceous Mancos Shale of the Piceance Basin, Uinta-Piceance Province, Colorado and Utah, 2016: U.S. Geological Survey Fact Sheet 2016-3030*, Hawkins, S.J., Charpentier, R.R., Schenk, C.J., Leathers-Miller, H.M., Klett, T.R., Brownfield, M.E., Finn, T.M., Gaswirth, S.B., Marra, K.R., Le, P.A., Mercier, T.J., Pitman, J.K., and Tennyson, M.E., May 2016, p. 4.

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Under the procedure contemplated in Onshore Order Number 1, an operator must engage in good-faith negotiations with the private surface owner to reach an agreement for the protection of surface resources and reclamation of the disturbed areas. BLM should respect this process. The RMP should expressly state that surface use issues on private surface will be resolved primarily between the surface owner and the operator and that BLM will not apply management direction that conflicts with the agreement reached between the surface owner and operator.

Lands with Wilderness Characteristics

The preferred alternative would designate more than 18,320 acres as new Lands with Wilderness Characteristics (LWCs) areas. Designation of these areas would result in burdensome restrictions on development of substantial portions of the Planning Area, including NSO, CSU, and TL stipulations.

Under Section 102 of FLPMA, Congress directed BLM to manage lands on a multiple-use basis to "...best meet the present and future needs of the American people" in a "combination of balanced and diverse resource uses," including minerals development. Importantly, in Section 103(c) of FLPMA, Congress listed resources that BLM should take into account in allocating management, and "wilderness characteristics" is not included as such a resource. On the other hand, mineral development is a "principal or major use" of public lands under FLPMA. Congress further emphasized the importance of minerals development by, as noted above, declaring that public lands be managed "in a manner which recognizes the Nation's need for domestic sources of minerals." 43 U.S.C. § 1701(a)(12).

In addition, designation of LWCs conflicts with a Congressional prohibition. Congress has explicitly denied funding for the implementation of Secretarial Order 3310 concerning the designation of "Wild Lands." LWCs are "wild lands" in all but name. It is therefore a violation of law to designate LWCs through the RMP process. BLM designation of LWCs violates FLPMA's multiple-use directive, and as such we oppose their inclusion in the preferred alternative. Alternative C, which does not manage for lands with wilderness characteristics, takes the proper approach.

We urge BLM to adopt Alternative C in the final RMP, with the modification specified above. Thank you for the opportunity to comment, and please do not hesitate to contact me with any questions.

Sincerely,



Kathleen M. Sgamma
Vice President of Government & Public Affairs