

Friday, March 07, 2008

## **BLM Colorado announces oil and gas sale for May 8**

### **BLM May 8 Oil & Gas Lease Sale Information Available**

DENVER - The Bureau of Land Management (BLM) Colorado today announced that it will offer to lease for oil and gas development 133 parcels including approximately 175,430 acres at its quarterly oil and gas lease sale on May 8, 2008.

The sale will include 144,090 acres of U.S. Forest Service land in the San Luis Valley. BLM acts as the leasing agent for mineral rights on all federal lands. The decision to make Forest Service lands available for lease is made in the applicable Forest Service Plan, with the BLM managing the sale of the leases.

"The Forest Service parcels proposed for lease in the May lease sale may be of concern to some of the public, so we will have an open meeting in Del Norte to discuss the process and answer questions," said Dan Dallas, Forest Supervisor/Center Manager for the San Luis Valley Public Lands Center.

"There are currently oil and gas leases on BLM land in the San Luis Valley, but the last parcel leased on the Rio Grande National Forest was in 1994," Dallas said. "We plan on making a concerted effort to bring the public up to date on our land use planning and the BLM's leasing policy."

The sale also includes eight parcels in Jackson County that were deferred from BLM's November 2007 lease sale to allow the BLM to perform additional analysis and community outreach. The additional analysis was to identify impacts to sage grouse habitat and recreation areas along the Colorado River.

"We have worked with the local county and city officials since November to hold public meetings and provide as much information as possible about the oil and gas leasing program," said Dave Stout, Field Manager in BLM's Kremmling Field Office, which oversees the BLM land in Jackson County.

Stout said that one of the key points he and his staff emphasized in the public sessions was an explanation of split-estate lands, where a private entity owns the surface rights and the federal government owns the subsurface mineral rights. Mineral rights include the right to access subsurface minerals. "Some people may be unaware of this when they buy land," Stout said. "We explained to them that if the mineral rights are reserved by the federal government, they can check this through examining the title insurance at the title company and the deed on file at the local courthouse. They should find out what the plan is for their area. The BLM must consider the public interest in terms of the federal mineral estate, not only the desires of surface owners."

The lease sale will offer parcels in 14 counties (some parcels overlap county lines) including:

1. Dolores, 348 acres
2. Garfield, 523 acres
3. Huerfano, 1,080 acres
4. Jackson, 7,234 acres
5. Mesa, 2,060 acres
6. Moffat, 12,702 acres
7. Montezuma, 280 acres

8. Montrose, 80 acres
9. Morgan, 640 acres
10. Rio Grande, 109,562 acres
11. Routt, 1,280 acres
12. Saguache, 36,404
13. San Miguel, 2,438 acres
14. Weld, 800 acres

"Of the total acreage managed by the BLM, less than one percent experiences surface disturbance from oil and gas activity," said Acting BLM Colorado Deputy State Director Duane Spencer. "To minimize impacts to the land, the Bureau analyzes the potential environmental effects from exploration and development before offering any leases for sale."

The federal government has paid \$2.39 billion in mineral royalties, bonus payments and rental fees to Colorado since 1922. In 2007, the state received \$123 million in federal mineral payments. Statewide, BLM accounts for about 10 percent of new oil and gas leasing activity. In 2007, the state of Colorado processed 6,386 applications for drilling permits, of which 827 were on federal lands or subsurface mineral holdings. The remainder of the wells are on state-owned or private lands.

The BLM is posting the sale notice for 60 days, rather than the 45 days required by law. "We want to ensure the public is well-informed on oil and gas lease sales, and try to educate the public on what the BLM is doing to manage the public's mineral estate" said Spencer.

All leases come with stipulations (general requirements) on oil and gas activities to protect the environment; leases can also include specific restrictions, such as limits on seasons when drilling can occur and restrictions on surface occupancy by oil and gas operators. BLM Colorado holds oil and gas lease sales on the second Thursday of February, May, August, and November. Lease sale information can be obtained online at:

[http://www.blm.gov/co/st/en/BLM\\_Programs/oilandgas/leasing.html](http://www.blm.gov/co/st/en/BLM_Programs/oilandgas/leasing.html),

at each of the Bureau's field offices, and the Public Room at the Colorado State Office in Lakewood.

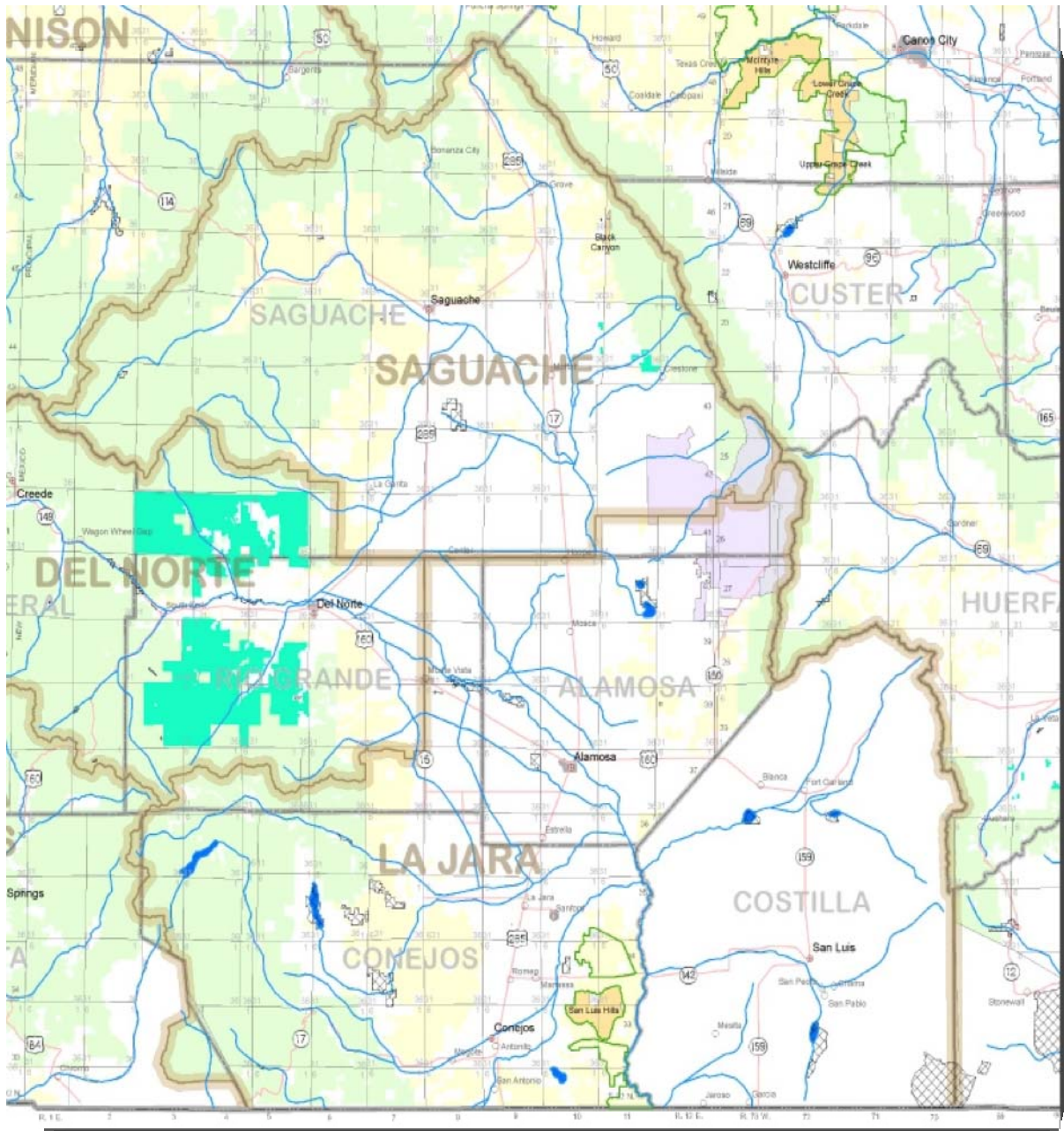
Parties interested in receiving regular notification of oil and gas lease sales are encouraged to contact the State Office Public Room at 303-239-3600. Notice documents may also be obtained by calling the Public Room up to 60 days before the sale and requesting a copy of the sale notice be sent to you. There is a \$5 charge for the sale notice. Sale results can be requested approximately one week after the sale for an additional \$5.

National BLM policy requires that all protests filed on nominated parcels must include the specific serial number of the parcel being protested and must be received by the BLM either by mail, hand delivery, or fax by 4:00 p.m. by April 23, 2008. If a protest is filed by fax, it must be sent to 303-239-3799. This policy allows the Bureau to review protests in advance of the sale, make an appropriate announcement of protests at the sale, and meet the statutory deadline for issuing leases. While protested parcels may still be offered, bidders are notified that no lease will be issued until protests are resolved.

The Mineral Leasing Act of 1920 and the 1987 Federal Onshore Oil and Gas Leasing Reform Act authorize leasing of federal oil and gas resources. The 1987 law, which amended the Mineral Leasing

Act, requires each BLM state office to conduct oil and gas lease sales on at least a quarterly basis where there is interest to do so.

The BLM manages over 8.3 million surface acres of public lands in Colorado, plus more than 27 million subsurface acres for mineral development in the state. These lands are managed for a multitude of uses including recreation, mining, wildlife habitat and livestock grazing.



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