

### ***Overview of Planning for Oil and Gas Leasing – BLM Handbook H-1624-1, Chapter III***

The Handbook prescribes a sequence of steps by which mineral occurrence potential or development potential is applied to make oil and gas lease stipulation planning and allocation decisions. In essence, under the Handbook, development potential is used to predict the location and intensity of oil and gas development assuming that existing management prescriptions will remain in place. Then, alternatives to existing management are formulated in order to mitigate the impacts and resolve the conflicts that would likely arise from continuing with existing management.

The first five steps prescribed by the Handbook are designed to predict and measure the impacts that would arise from oil and gas development in a planning area if existing management prescriptions were to remain in place.

- ***Step 1: Assemble Data and Information.*** First, the guidance requires that the planning team assemble data and information relevant to the fluid mineral occurrence in the planning area, including “Past and present data on leasing and development activities and operations,” “geological data and estimates of fluid mineral resources,” and “U.S. Geological Estimates of Oil and Gas Resources.” *See* H-1624-1 at pp. III-1-3.
- ***Step 2: Identify and Describe Existing Management.*** Second, the planning team must identify and describe the existing management prescriptions for “all of the resources and resource uses in the planning area” with a focus on the existing management for fluid minerals. *See id.* at p. III-3.
- ***Step 3: Analyze Resource Capability Potential.*** Third, based on the data and information gathered as part of Step 1, the planning area is divided into regions of high, moderate, low and no oil and gas potential. *See id.* at p. III-6. In general, an area has high potential if it contains a “demonstrated existence” of “source rock, thermal maturation, and reservoir strata possessing permeability and/or porosity, and traps.” *Id.* An area has moderate potential if any of these geologic characteristics “may be present.” *Id.* An area has low potential if there are “specific indications that one or more of the [geologic characteristics] may not be present.” *Id.* Finally, an area has no oil and gas potential if there is a “demonstrated absence” of the geologic characteristics. *Id.*
- ***Step 4: Project Reasonably Foreseeable Development (RFD) Under Existing Management.*** Fourth, the resource capability potential of the field office is used to predict development in the planning area for approximately 15 to 20 years assuming continuation of existing management. *See id.* at pp. III-7-8.
- ***Step 5: Analyze the Impacts Resulting from the Continuation of Existing Management.*** Fifth, the planning team must predict and “analyze the potential direct, indirect and cumulative impacts” that would result from the development predicted in Step 4. *See id.* at pp. III-9-10.

The predicted impacts associated with the existing management prescriptions and lease stipulations are then used to formulate alternatives to existing management.

- **Step 6: Identify Problems and Opportunities Associated with Existing Management.** Sixth, in light of the impacts predicted in Step 5, the planning team must “identify potential opportunities and/or problems associated with continuation of existing management” including “problems [that] may involve unacceptable or controversial impacts from exploration activities, producing wells, facilities, roads, pipelines, abandonments, and reclamation.” *See id.* at p. III-10.
- **Step 7: Formulate Alternatives to Existing Management.** Seventh, based on the predicted opportunities and problems associated with continuing with existing management, the planning team “formulates a reasonable range of alternatives to existing management.” *Id.* at III-10. The alternatives should “identify any subsurface management constraints or mitigating measures that are required to take advantage of opportunities and to resolve any problems.” *Id.* at III-11. Notably, in assigning management constraints and mitigating measures, “[t]he least restrictive stipulations that effectively accomplishes the resource objectives or uses for a given alternative should be used,” *id.* at III-11, and “the preferred alternative of the RMP/EIS should provide evidence that less restrictive measures were considered but found inadequate to provide effective protection for other land uses or resource values determined through the planning process to be deserving of protection,” *id.* at III-14.
- **Step 8: Develop RFD Scenarios and Analyze Impacts for Each Alternative.** Finally, to complete the planning process, the planning team predicts the development and impacts that would occur under each management alternative “to the same level of detail as was done for the RFD assuming continuation of existing management.” *Id.* at p. III-12.

Under the Handbook, stipulations beyond existing management prescriptions or standard terms and conditions are to be applied where impacts from development require mitigation. That is, heightened protections are imposed in areas where more significant impacts are predicted. However, impacts are more likely to exist in areas with moderate to high development potential. The implied corollary is that strict constraints and strong protections are not necessary in low potential areas because standard or existing lease terms are likely to already mitigate the impacts from oil and gas development to an acceptable level. Consequently, application of the sequence of steps prescribed by the Handbook would produce stricter lease stipulations in areas with high development potential than in areas with low development potential, while keeping both categories open to leasing. However, making low potential areas open to leasing with relatively weak lease stipulations in this manner would not take into account the presence of other resources that would be harmed should development happen.