



Background: The Bureau of Land Management (BLM) recently settled a lawsuit by the Montana Environmental Information Center, Oil and Gas Accountability Project, and Wild Earth Guardians on 2008 natural gas and oil lease sales in Montana. The lawsuit claimed that BLM failed to analyze the impact of climate change, and therefore violated Secretarial Order 3226 issued by Interior Secretary Bruce Babbitt. BLM settled the case and suspended the 61 leases until corrective environmental analysis under the National Environmental Policy Act (NEPA) is completed.

IPAMS intervened as a defendant in the lawsuit in an attempt to protect the interests of member companies that purchased leases at the sale and industry at large. However, as in other lawsuits across the West involving natural gas and oil on public lands, industry was kept out of the settlement negotiations.

When Montana BLM announced its second quarter 2010 lease sale, the same environmental groups protested on the same basis, prompting BLM to postpone all sales until corrective NEPA analysis is completed. The Montana sales include federal lands in North and South Dakota. IPAMS is encouraged by BLM's stated willingness to complete the NEPA within six months and salvage some leasing in 2010. According to the Minerals Leasing Act, BLM is required to hold quarterly lease sales in each state.

Next Step: IPAMS, working with the Montana Petroleum Association and the North Dakota Petroleum Council, is committed to helping BLM complete the corrective NEPA in a timely manner so that lease sales for Montana and the Dakotas can proceed in 2010, and 2008 lease suspensions can be lifted.

- The NEPA process and Secretarial Order should not be used for de facto regulation of climate change in place of EPA regulation and congressional legislation. The corrective NEPA should be narrowly scoped and focused on climate change analysis from leasing only, and not used to regulate or impose emissions controls on possible future development. At the time of leasing, it is not known whether recoverable quantities of natural gas or oil are available on lease parcels, nor the number of wells and associated infrastructure that would be necessary to develop the resources.
- The Obama Administration has an interest in ensuring leasing is not shut down in 2010. At a time of high unemployment, development of American energy on federal leases not only creates jobs and local revenue, but provides America with domestic energy to power our economy.
- Clean-burning natural gas provides a meaningful solution to reducing greenhouse gas (GHG) emissions in America. GHG emissions from natural gas production are very small, and those from federal leases in Montana are miniscule, especially when weighed against global greenhouse emissions.
- County and Tribe participation in encouraging the timely and focused completion of this environmental analysis is crucial to ensuring BLM stays on track and that leasing and development can continue to provide jobs and revenue crucial for vital local government services.
- The White House Council of Environmental Quality (CEQ) guidelines state that environmental assessments (EA) should take about three months to complete. Since the corrective EA is narrowly focused, and the contribution from leasing is negligible in comparison to the global problem of climate change, there is no reason that BLM cannot complete the EA by September 2010.