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EXHIBIT 22  
DATE 3/23/11  
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March 21, 2011

Honorable Gordon Hendrick  
Chairman, House Natural Resources Committee  
State Capitol, Room 472  
Helena, Montana 59624

EXHIBIT 22  
DATE 3/23/11  
~~BY~~ SJL

Dear Chairman Hendrick:

Thank you for a comprehensive and thoughtful hearing on SJ 6, a resolution asking Congress to review many practices regarding the management of federal lands in Montana. During the course of the hearing there were several requests for information. The attached packet meets and exceeds those requests. Contained in the packet are the following:

- Treasure State Journal Vol. 3 and MPA slide packet as requested by Representative Warburton. Pertinent pages have been tabbed for member convenience.
- A copy of Secretarial Order 3310, as requested by Representative Reinhart.
- A copy of a letter and questions sent to U.S. Senator Max Baucus regarding the new onshore leasing policy changes as requested by Representative Reinhart. (see note below)
- A copy of the BLM treasured landscapes memo, I referred to in testimony as the "letter that didn't exist". Asked to provide by sponsor, Senator Olson.

I would like to make a few additional points about the above information and also add a few documents that provide even more clarity. In my testimony, I stated that MPA sent questions to US Senator Baucus regarding the new onshore policy. I also stated that we had not received a response. It would have been more accurate if I had said we did not receive a written response either from BLM, or through Senator Baucus. BLM clearly did not respond in writing as they promised many people on their teleconference. However, Senior Environmental Policy analyst for Senator Baucus, Catharine Cyr Ransom, did have a conversation with BLM about the questions. Catharine then visited with me about her BLM conversation. On the question document you will see an answer in red, this represents my notes from the conversation with Ms. Ransom. Take notice of the answers to questions 15 and 16, which validate my claim of no public input for the new onshore policy.

The "letter that didn't exist" is actually the "Treasured Landscapes memo. If you recall there was quite a furor about a leaked memo from the Department of Interior. That leaked document was actually the appendix to the Treasured Landscapes memo that listed potential additional national monuments. Two are in Montana (tabbed) and of the two, there was one nearly 2.5 million acres in Phillips County. As the furor across the West grew, Representative Rehberg requested and received thousands of email and documents from

BLM, one of which is the rest of the letter. After numerous statements from the Secretary of Interior and other senior government officials that the document was just a visioning document or didn't exist, BLM Director Bob Abbey came to Malta. At that meeting he admitted writing the letter. The question that you have to ask yourself is how significant is a document from the Director of BLM to the Secretary of Interior? In my 28 years of government service, I have learned that you do not send letters to the senior executive without significant thought and background research.

I have included a few additional documents:

- MPA comments in written form sent to Director Abbey after the Malta meeting.
- A position paper on the wild lands policy issue, written by Claire Mosley, Director of Public Lands Advocacy, Denver, Colorado.
- A letter from several western Governor's to Secretary Salazar regarding the wild lands issue.

Thank you for the opportunity to provide this information. SJ 6 is a product of the group called Public Lands for Public Use. PLPU consists of the following organizations several of which testified in support at the hearing on March 18.

PLPU Members:

Montana Petroleum Assn.	Montana Rural Education Association
Montana Farm Bureau	Coal Bed Natural Gas Alliance
Montana Coal Council	Montana Stockgrowers Assn
Montana Woolgrowers	Montana Wood Products Assn.
Public Lands Council	United Property Owners of Montana
Montana Mining Association	Montana Contractors Association

We would appreciate your support on of SJ 6.

Best Regards:



David A. Galt  
Executive Director

CC: Senator Alan Olson  
Representative Osmundson  
Members of PLPU

# Montana State Legislature

2011 Session

**Exhibit** 22

**This exhibit is a booklet which can not be scanned, therefore only the front cover/table of content and 10 pages have been scanned to aid in your research.**

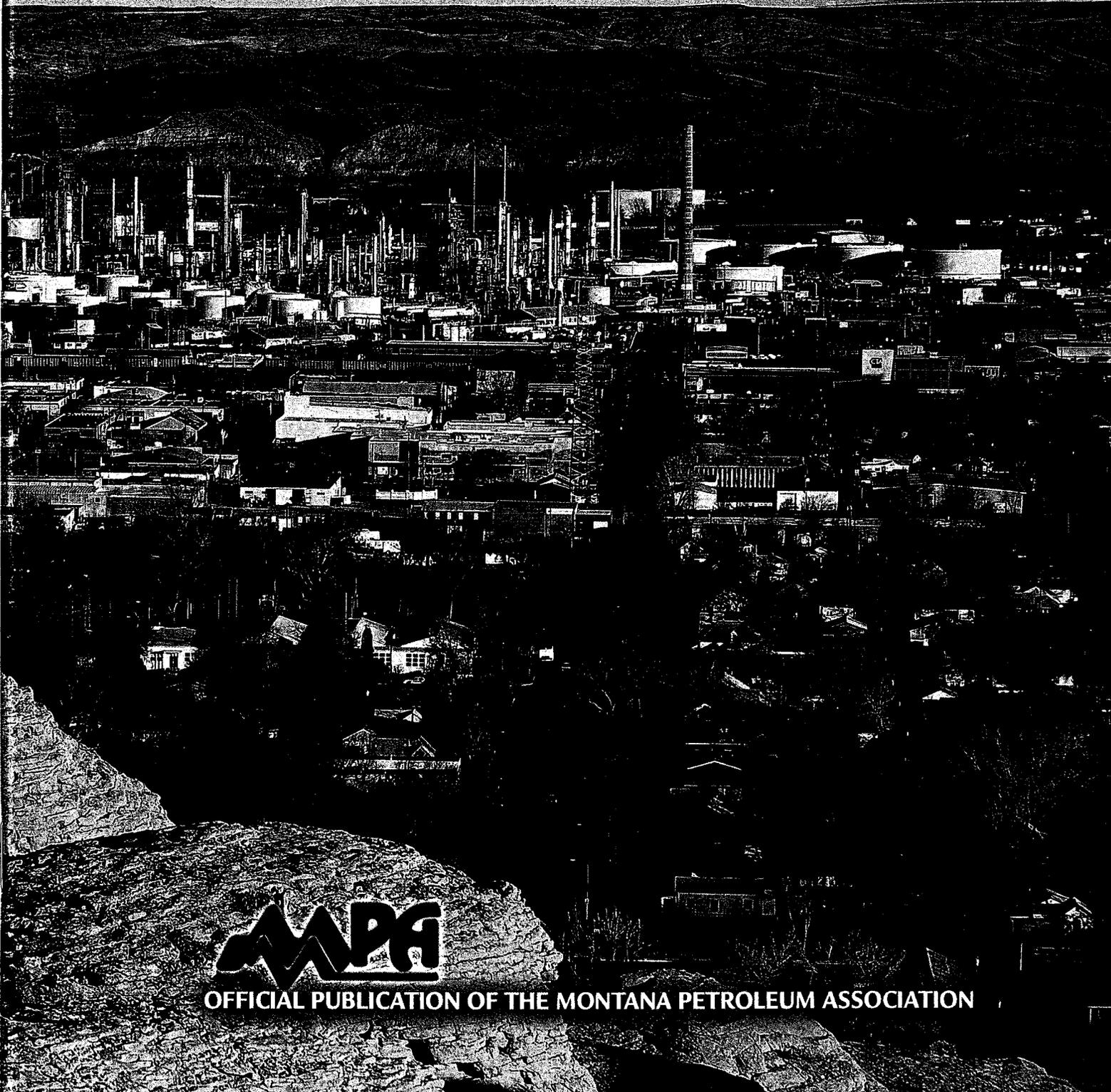
**The original exhibits are on file at the Montana Historical Society and may be viewed there.**

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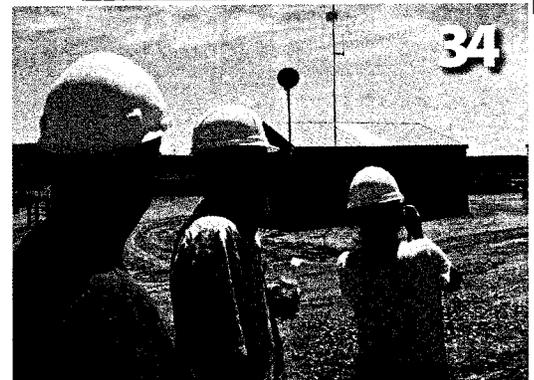
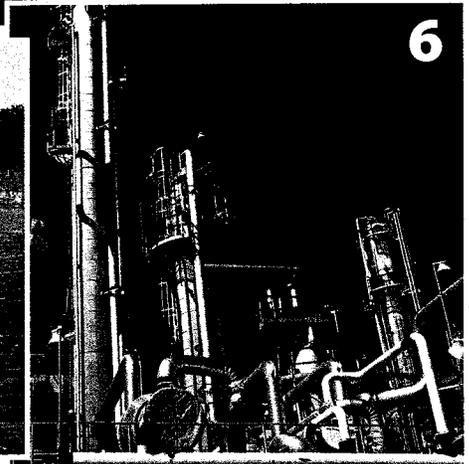
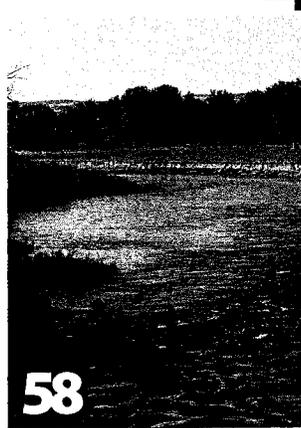


OFFICIAL PUBLICATION OF THE MONTANA PETROLEUM ASSOCIATION

# 2010 *Treasure State Journal*

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message from

## BRIAN R. CEBULL, President



GREETINGS FROM THE MONTANA Petroleum Association. I am privileged to serve as the association's president for the 2009-2011 term.

In the next year, we will face many challenges that will test us as an industry and as an association on both local and national levels. We will be challenged on issues involving taxes, the environment, and land access. Tax increases, new environmental regulations, and loss of access to public lands are only a small part of the policy proposals that we can expect from Washington during the next year. Closer to home, the 2011 Montana Legislature will face budget shortfalls, and some will look to the oil and gas industry as a source of funding.

As it has in the past, the dedicated MPA staff and board of directors will continue to face these challenges by focusing on three areas: communication, education, and action.

### Communication

The MPA will continue to act as a front-line for communication and a clearinghouse for information on the important issues that affect our members, whether they are engaged in the upstream, midstream, or downstream parts of the business. Our *Heard it Through the Pipeline* newsletter published throughout the year and weekly legislative briefings during the session provide valuable and timely information to our members about pressing issues, and serve as a call to action for stakeholders.

### Education

The MPA provides a wealth of information about current issues, and the potential impacts of pending legislation or regulations, to its members as well as to policy makers. In addition, the MPA strives to present fair and balanced information to surface owners, mineral owners, and other

## For membership information please contact the Montana Petroleum Association Office



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Or visit MPA's website at

**[www.montanapetroleum.org](http://www.montanapetroleum.org)**

# Montana Petroleum Association

stakeholders in areas affected by oil and gas development. In June 2010, the MPA sponsored an educational town hall meeting in Bainville, in Northeastern Montana, that was attended by over 120 people; at this meeting, attendees were educated about the many technical and legal aspects of potential Bakken development in the area.

Similarly to what it has done in past legislative years, the MPA has commissioned an economic study, conducted through the Center for Economic Research at MSU-B, which compiles statistics on petroleum industry expenditures, revenue, tax receipts, and other income derived from the oil and gas industry in Montana. This information has proved to be invaluable in demonstrating the economic importance of the oil and gas industry to our state. In 2009, MPA sponsored a separate study that looked at the direct economic impacts of a proposed change in

federal tax laws regarding intangible drilling costs.

Education at the MPA does not stop with policymakers and the public. For the past four years, MPA has sponsored an annual essay contest that provides college scholarships to high school students who demonstrate essay writing skills and an understanding of the energy industry. The program has provided over \$26,700 dollars in scholarships to 39 Montana students.

## Action

As an industry trade association, the staff of the MPA excels in engaging members of the Montana Legislature and our congressional delegation, regardless of their political affiliation. As representatives of the oil and gas industry, MPA staff and board members routinely attend events and meetings and testify in front of

committees during the legislative session and the interim. The MPA leverages industry experts who are part of its diverse membership to serve on 12 committees – for instance, environment and safety, legislative, and tax, just to name a few – to make sure that it provides the most accurate information at these events. In 2009, the MPA operating committee met face-to-face with Senator Baucus and Senator Tester to discuss the specific impacts of federal tax proposals on Montana's oil and gas industry. As important issues arise that impact the industry, the MPA will be there to address them.

*Please join me in continuing the MPA's important mission during the upcoming year. If you are interested in joining us as we face these challenges, please contact Dave Galt or Bobbie Gardner at 406-442-7582 or visit [www.montanapetroleum.org](http://www.montanapetroleum.org).*

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# Montana refineries remain steady employers while constantly innovating

By Betsey Weltner



MOST FOLKS THINK OF OIL REFINERIES AS ICONS OF the last century's Industrial Age — sprawling complexes with clanging machines that cook and crack and coke, producing the energy that got America moving again after World War II.

The refineries that grew up around the U.S. powered our country's growth during the 20th century, and allowed Montana to become a premiere developer of its natural resources as well as a major producer of agriculture and livestock. But the refining business did not stop innovating and upgrading when the Industrial Age became the Information Age.

Their technological advances may not be as visible or as dramatic as the introduction of the latest wireless wizardry in phones and laptops, but the refinery you see in Great Falls, and the three plants you pass driving through Billings and Laurel, represent decades of investments in technological advances to meet public and government demands for safer workplaces and a cleaner environment.

Refineries continually invest in improvements. As an example, from 2005 through 2008, CHS in Laurel spent \$418 million to install a new delayed coking unit.

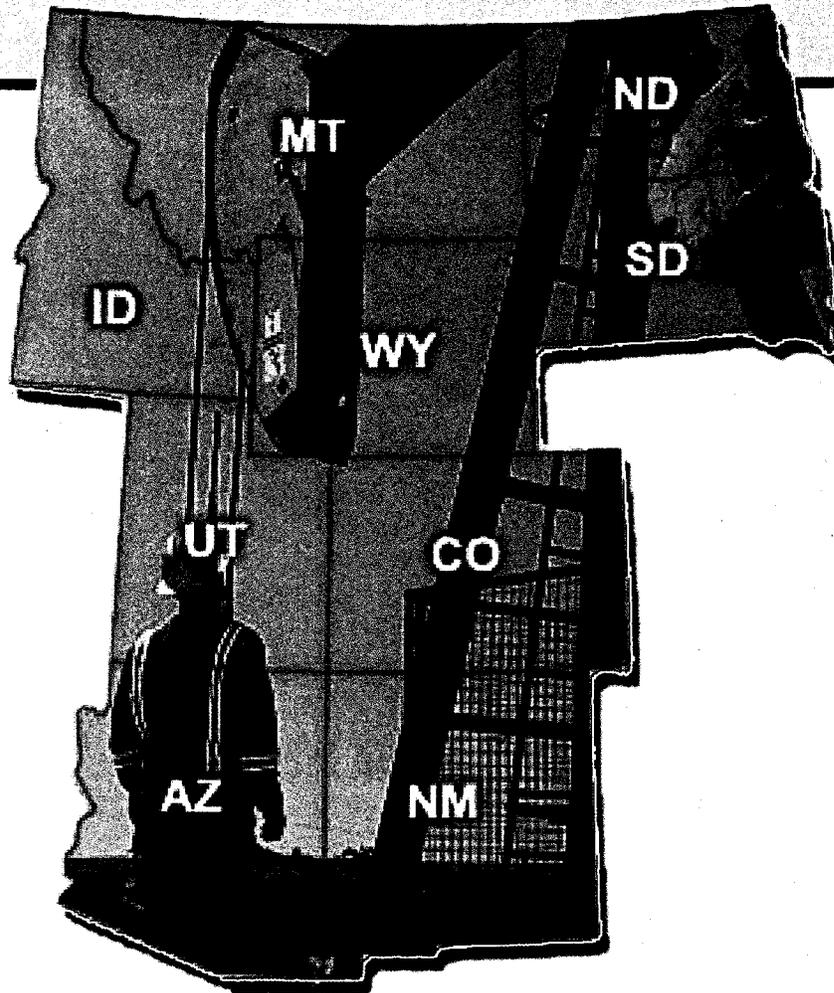
The Billings area is home to three refineries: CHS in Laurel, Conoco Phillips and ExxonMobil. Montana Refinery Company, Inc., an independently owned facility, is in Great Falls.

"We're the smallest of Montana's four refineries, but we have the same high level of commitment to constantly improve our refining in order to lessen the impact of both our operations and fuels on the environment," says Dexter Busby, director of government and regulatory affairs, Montana Refining Co.

The continual changes in federal standards for operating manufacturing facilities, and for the fuels they produce, have forced not only improvements in the "recipes" for those fuels and the way they are refined, but also redefined to some extent what refinery employees do at work every day.

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## Montana refineries remain steady employers while constantly innovating



John Berg worked as a chemical engineer at CHS for 35 years.



### Refineries a Steady Source of Good Jobs

Today's refinery workers receive more training than ever in order to operate advanced computers and machinery. Safety in the workplace is given highest priority, and the refinery process is constantly being improved in order to lower emissions related to operations and fuel products. The result? Today's refinery workers are highly trained. The workplaces are safer. And, importantly, Montana's refineries have greatly reduced sulfur dioxide air emissions while providing more fuel for the Rocky Mountain and Northwest regions and beyond.

Another change: more women are taking their places on the refinery floor, performing the highly skilled and well-paying jobs.

According to the Montana Department of Labor and Industry, Montana refineries employed 1,069 workers in 2009 at an average salary of approximately \$95,000.

While the types of jobs have remained fairly consistent over the last 30 years, the refineries have expanded capacity, meaning there is now more equipment to run and maintain.

"The nature of the jobs has not changed that dramatically," Busby says.

"But the refineries have grown; so for example, where we once had two welders, now there are three."

Since the early part of the 20th century, refineries have provided stable sources of jobs – and a steady stream of revenues to the state. Refineries paid nearly \$28.9 million in property taxes, alone, in 2008.

"We have had several employees whose parents and grandparents all worked in the refinery," says Pam Malek, public affairs manager, ExxonMobil Billings Refinery.

"We have a highly-skilled workforce, and we are always looking for good applicants with demonstrated technical ability," says John Berg, who has worked as a chemical engineer at CHS for 35 years.

"The training doesn't stop once someone is hired," he notes. "Training and certification is ongoing." So is safety awareness.

"We start off every one of our meetings at the refinery with a discussion of safety," Berg says.

Where there are new jobs that did not exist 30 years ago, they are often in the environmental controls area. Investments have been made in new units designed to remove sulfur dioxide from refinery emissions and from the fuels they make. The addition of

hydrotreaters and hydrogen plants has contributed to the industry's success in removing up to 98 percent of sulfur from its emissions.

Companies look to Montana State University/Billings for both new hires and as a training ground. The school's College of Technology offers a two-year course for process operators, and training in a range of applications for refineries, chemical plants and power plants.

ExxonMobil's Malek points out that not only do the school's programs help prepare a qualified workforce for the refineries, but also "they help make it possible for Montana graduates to stay in the state and find good work."

As part of its significant workforce, many of whom belong to the United Steel Workers union, Montana's refinery industry also hires hundreds of contractors and vendors. Local trucking companies deliver finished fuels to customers. Crane and heavy equipment companies do business with refineries that also purchase pumps and compressors, computers and software.

Speaking before the National Petrochemical and Refiners Association in May of 2010, Lynn Westfall of Tesoro Corp. noted, "For every job created by the refinery companies, eight jobs are created outside the refinery."

These jobs have been less cyclical than those found in some of Montana's other employer segments.

"For decades, refineries have been more stable employers than any of Montana's other extractive industries," Berg says.

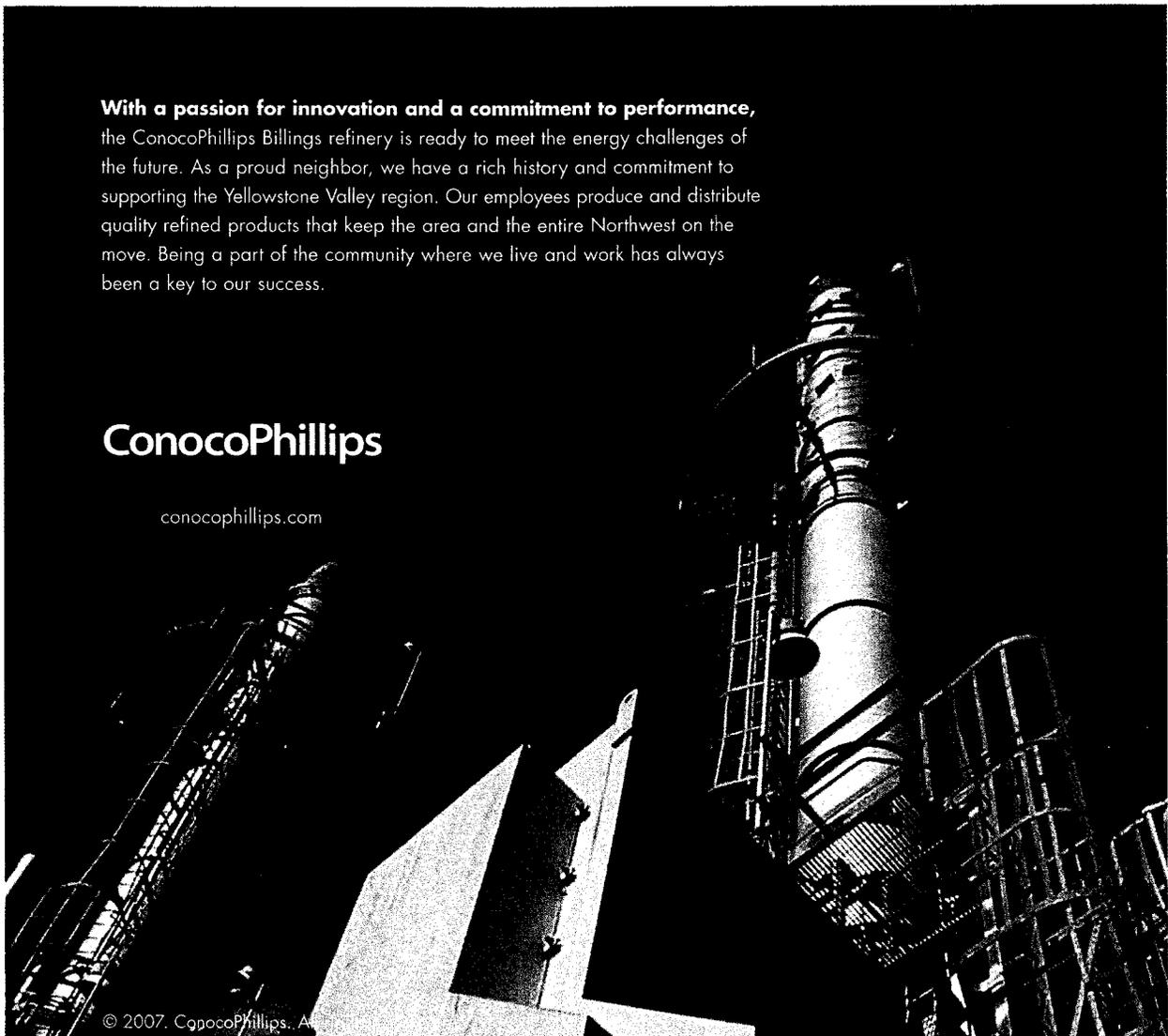
As major employers in Billings and Great Falls, the refineries have spurred economic development in those cities for decades. They have also found ways to invest in their communities through contributions to community groups and participation in business and economic development organizations. Refineries contributed over one million dollars to Montana nonprofit organizations in 2008.



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## Montana refineries remain steady employers while constantly innovating

As an example of a recent refinery/community partnership, ExxonMobil provided a \$354,000 grant in 2010 to support the Montana Weatherization Training Center at Montana State University-Bozeman. All of the refineries support their local United Way organization and participate in the annual fundraising campaign.

### Supplying the Region

Just one of the four in-state refineries could provide enough fuel for all of Montana, so the refinery industry is a major export business, sending finished fuel products to Utah, Idaho, Washington, North Dakota, and Minnesota.

Refineries remain as essential to Americans now as they were to a generation who lived through the hard times of

the Second World War. With a sprawling complex of big tanks and pipes, refineries don't appear from the outside to be as high-tech as a biotech lab or a computer factory. But inside they are incubators for technology, utilizing the latest breakthroughs to meet our region's demand for fuel ... and cleaner air.

The challenge of continuously innovating to produce greater quantities of higher-quality fuel products while remaining competitive is told by the numbers. At one time, over 100 oil companies ran refineries; presently, nine major producers, along with a few independent oil companies, make gasoline, diesel, kerosene and asphalt products. The fact that no new refineries have been built in the U.S. in the last 30 years

makes the existing refineries that much more essential to our everyday lives.

The number of refineries in the United States fell to about 150 in recent years from more than 300 in 1982, according to a January 2010 report in an industry publication, *Convenience Store/Petroleum*. This year, plants were shut down in Delaware, New Jersey, California and New Mexico. The recession and dampened demand for gasoline is one significant factor in these closures. At the same time, the nation's refining capacity grew by about 13 percent, as companies expanded their most efficient refineries, according to the story.

### What's Ahead?

In the years since those labeled "the



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best and brightest generation” returned from fighting a war overseas in the 1940s, our country has faced many challenges. Perhaps none is more compelling today than the need to strengthen our domestic energy security.

If the U.S. continues to increase reliance on foreign countries for crude, prices to consumers will go up. If our refinery infrastructure is not able to grow and adapt to meet growing demand for fuels in the future, we will find ourselves in a position of vulnerability.

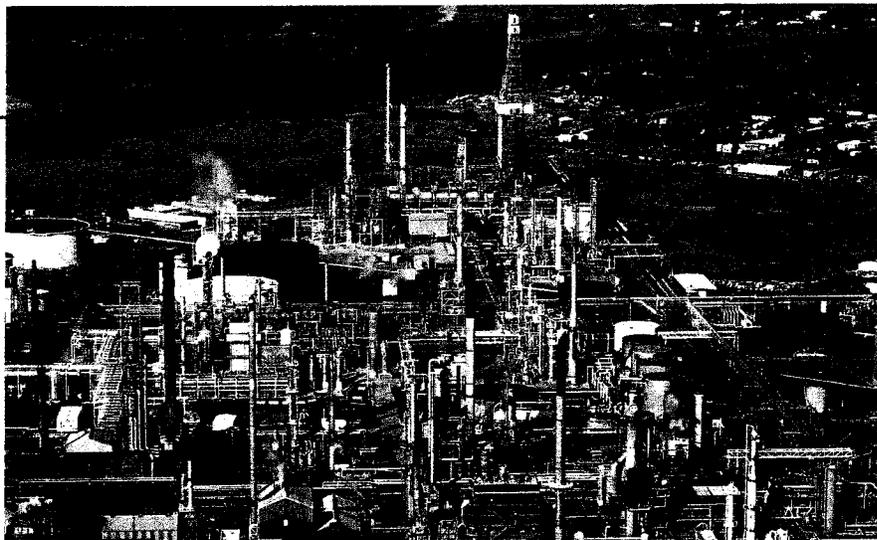
Refineries in Montana and across the country are struggling every day to remain competitive. Through commitment and innovation, they have reduced nearly all sulfur emissions from operations and finished fuels. However, a breaking point will be reached very soon if government regulators continue to raise the bar on sulfur standards without considering whether such standards are even attainable.

#### What about Renewables?

Will renewable fuels change the energy picture for the U.S.?

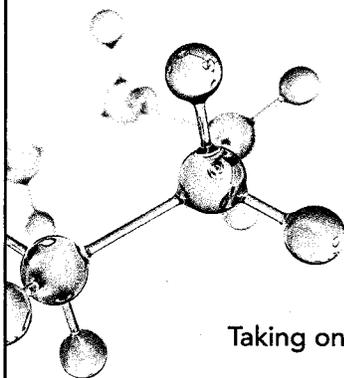
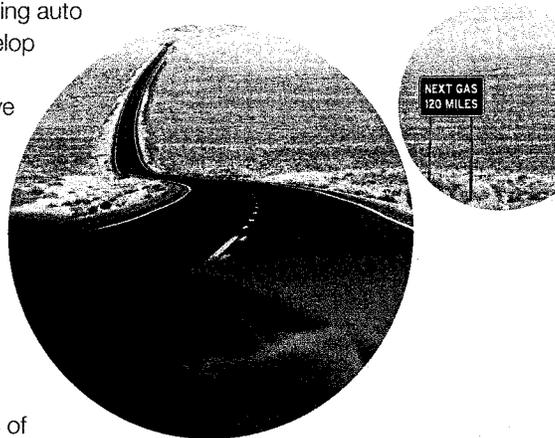
“Renewable fuels are a bridge to the future,” says Berg, the chemical engineer. “But petroleum will be an essential part of our lives for a long time to come. Montana’s refineries will continue to play a very important part in producing the fuels that let us work, play and travel. If Montana’s four refineries were to close tomorrow, it would be catastrophic - not just for Montana, but for our region.”

Each of Montana’s refineries is different, but all are committed to the same goals: improving energy efficiencies, providing stable jobs, and reducing our impact on the environment. We are all committed to a safer workplace, and to being a good neighbor in our communities. And all are preparing for difficult times ahead if government policies continue to ratchet up emissions standards to the point of unachievable. ♦



# working to improve fuel economy while reducing emissions is a good road to be on.

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# Economic and fiscal impacts of Montana's oil and gas industry

By Scott Rickard, Ph.D.  
Center for Applied Economic Research, MSU-Billings

## Introduction

Montana's oil and gas industry has an economic and fiscal value far greater than that of many other Montana industries employing far greater numbers of Montanans. This article will describe the 2009 economic impact of the upstream part of this industry, from the land man conducting title searches through to the pipeline technician sending the refined product to its final destination across the U.S. Montana's oil and gas industry has endured the recent recession, but declining drilling activity in Montana may be a reason for concern.

## Oil and Gas Production

In 2009, nearly 28 million barrels of oil and 105 million Mcf of gas were produced from Montana wells. This production was worth an estimated \$1.88 billion (see Figure 1). Richland and Fallon counties accounted for 54 percent and 24 percent of production, with the rest of production spread across the other 26 oil-producing counties. Natural gas production is somewhat less concentrated, with five counties producing 77 percent of the state's total output and 25 counties producing the remaining 23 percent (see Table 1).

Montana currently ranks twelfth in the nation in terms of the percentage of U.S. total fossil fuel production, accounting for 2.1 percent of the nation's crude oil production<sup>1</sup>. Between 2000 and 2009, over 257 million barrels of oil and 993 MCF of natural gas have been produced by MT wells. Total annual production of both peaked in either 2006 or 2007, and has since declined as the rate of 12 percent per year for oil and 16 percent per year for natural gas. In 2009, there was less oil produced in

County	Production Mcf	Percent of State Total
Fallon	26,245,940	25%
Phillips	17,139,638	16%
Richland	15,477,618	15%
Big Horn	12,298,732	12%
Blaine	10,124,888	10%
Rest of State	24,016,357	23%

Figure 1 MT Natural Gas Production 2009

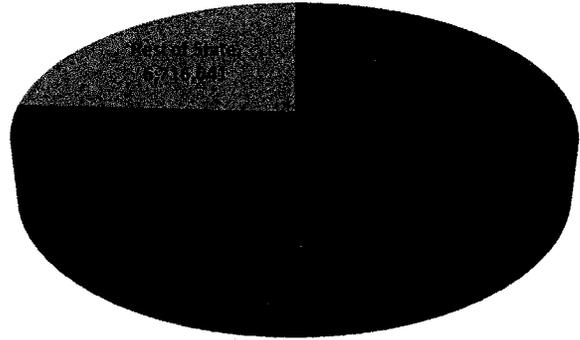
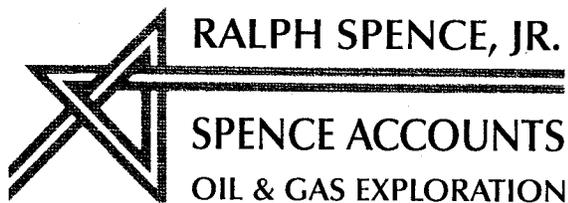


Figure 2 MT Oil Production 2009

22 out of the 27 producing counties and for the 27 out of 30 counties with natural gas production.

This decline in production mirrors a drop in drilling activity. Since 2007, the number of well permits for oil, gas, and CBM operations has fallen by nearly two-thirds, from 839 to 239<sup>2</sup>. Looking at rig counts, the numbers are even starker (see Figure 4). Between Jan. 2006 and Dec. 2009, the number of drilling rigs reported to be located in Montana declined by an average of 25

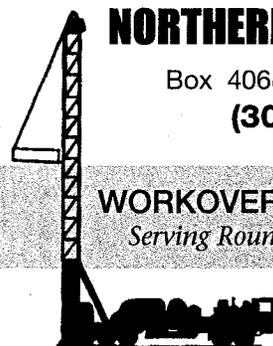


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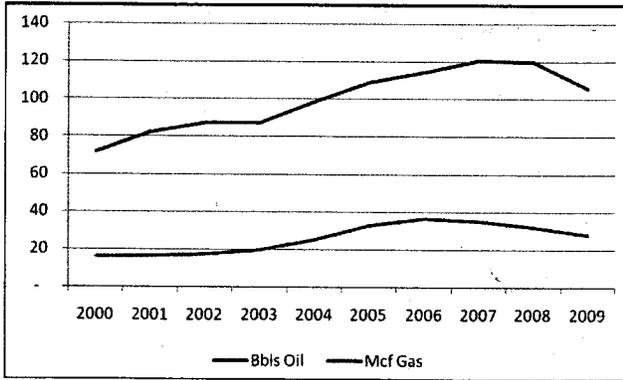


Figure 3 MT Oil and Natural Gas Production

percent per year, while the number of wells started each month fell by an average of 33 percent each year.

The relationship between drilling and production is tied to the fact that newer wells usually produce more oil or gas than older wells, and if fewer new wells are added compared to past years, overall production declines. Our current decline in drilling and production may be caused in part to a shift toward working in North Dakota, which has added rigs and drilling starts at roughly the same pace as Montana is losing them.

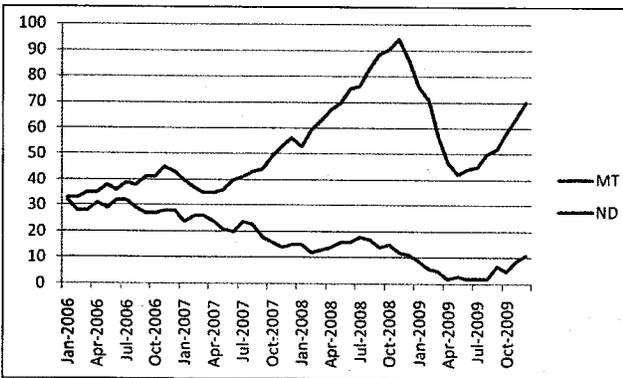


Figure 4 Monthly Rig Counts for MT and ND

**Refineries**

Refineries transform crude oil into refined products. In Montana, refineries produced approximately 60 million barrels of gasoline, diesel fuels, and other product in 2009, using mostly Canadian crude<sup>3</sup>. Unless there is a turn-around – where some

or all of a refinery shuts down for maintenance or expansion – refinery output doesn't vary much from year-to-year. Montana refineries are small compared to national averages, but their geographic location, close to where the oil is produced, give them additional value to their corporate owners.

**Oil and Gas Prices**

Between January 2007 and December 2008, Montana crude oil prices, like U.S. prices, skyrocketed, then collapsed (see Figure 6). By July 2008 prices nearly tripled, while in the next five months the average price had dropped nearly 80 percent as the U.S. economy experienced the most serious economic downturn in 50 years. Prices for natural gas were somewhat less volatile during the same period.

With this sort of recent history, the path of Montana's prices in 2009 – more than doubling to \$65 per barrel in 12 months – seems relatively calm<sup>4</sup>. This did represent a year-over-year 40 percent decline in average oil prices and 53 percent decline in average gas prices, but as 2008 will likely become one of those years always footnoted to remind the reader of the wild ride in prices, it may make more sense to view 2009 prices as returning to long-run averages.

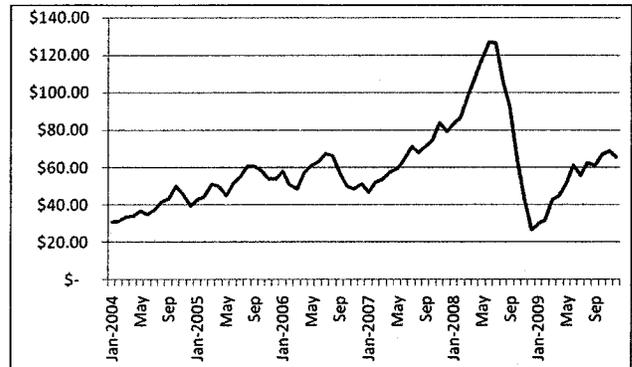


Figure 5 First Purchase Price per Barrel for MT Crude<sup>5</sup>

**Economic Impacts of the Oil and Gas Industry**

When you look at employment figures, the oil and gas industry's contribution is deceptively small. In 2008 Montana's total employment was 636,500. Of this 4,600 or seven-tenths of one percent worked in the exploration, production, or refining of oil or natural gas products<sup>6</sup>. The industry's impact becomes more

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# Montana State Legislature

2011 Session

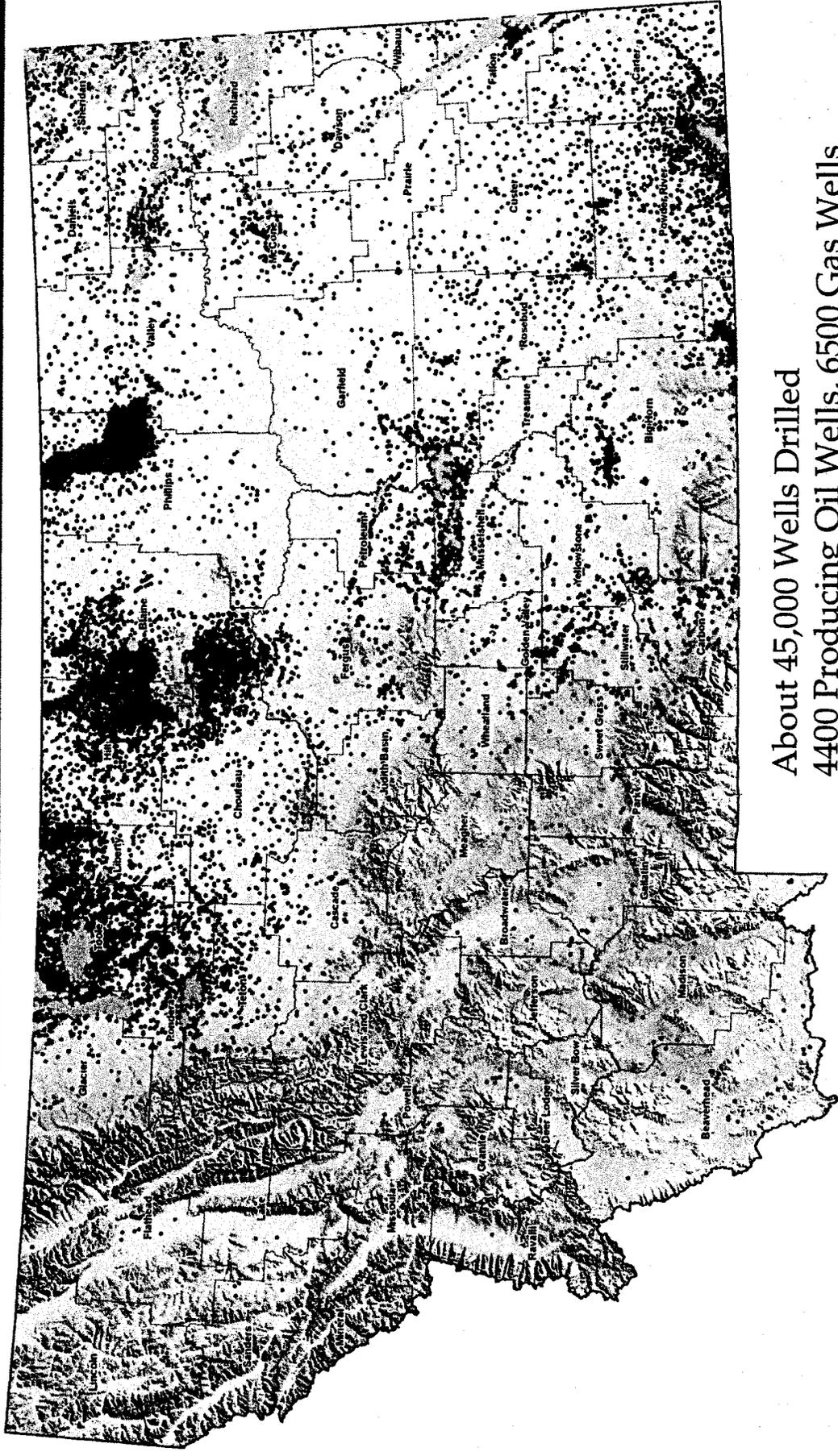
## **Exhibit 22**

**This exhibit is a full colored PPP which when scanned turns very dark intern makes the PPP pictures appears very black & dark.**

**The original exhibit is on file at the Montana Historical Society and may be viewed there.**

**Montana Historical  
Society Archives  
225 N. Roberts  
Helena MT 59620-1201  
2011 Legislative Scanner Susie Hamilton**

# Montana Production and Penetrations



About 45,000 Wells Drilled  
4400 Producing Oil Wells, 6500 Gas Wells

Updated as of May, 2009

# MSU-Billings Economic Study Points

- ◆ \$9 BILLION: Total economic impact
- ◆ 12,000 TOTAL JOBS
  - 4,500: Direct jobs
  - 7,500: Indirectly supported jobs
- ◆ Economic impact of an additional 1 million barrels of oil produced
  - 86 Full time positions
  - \$18.5 million in labor income
- ◆ A 10% increase in drilling activity could lead to 315 additional jobs.

## Industry Economic Impacts 2009

- ◆ 0.7% of MT's Jobs
- ◆ Three-Times MT's Average Annual Wage (with Benefits)
- ◆ One-Eighth of MT's Total Value Added
- ◆ 4,600 Employees in Exploration, Production, or Refining
- ◆ Average Annual Refining Wage: \$91,000
- ◆ \$1.7 Billion Upstream, \$8.2 Billion Refining



# Oil and Natural Gas Productions Tax Revenue Collections



Total State Share: \$839,867,401

Total Local Share: \$848,272,507

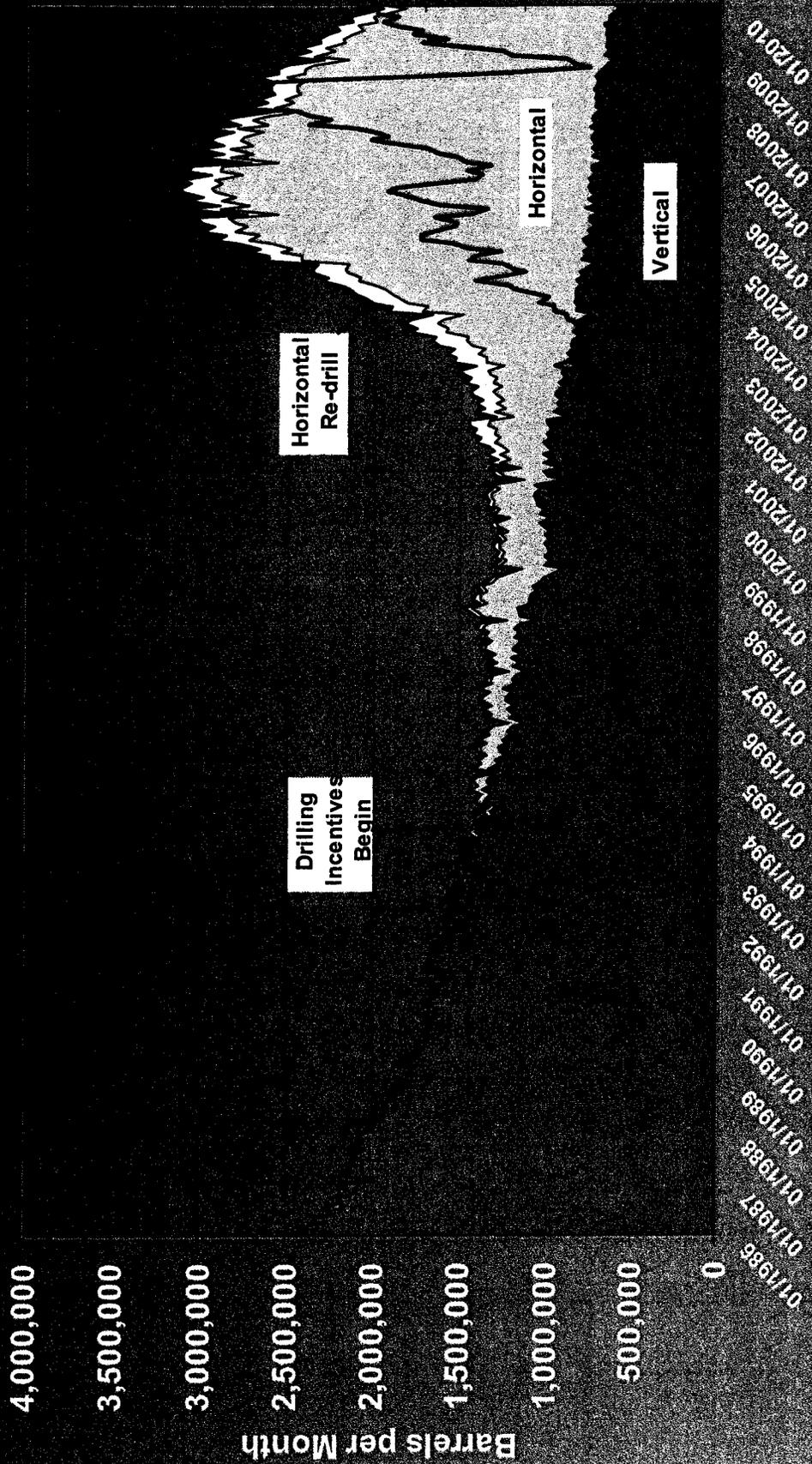
**TOTAL** \$1,688,139,908



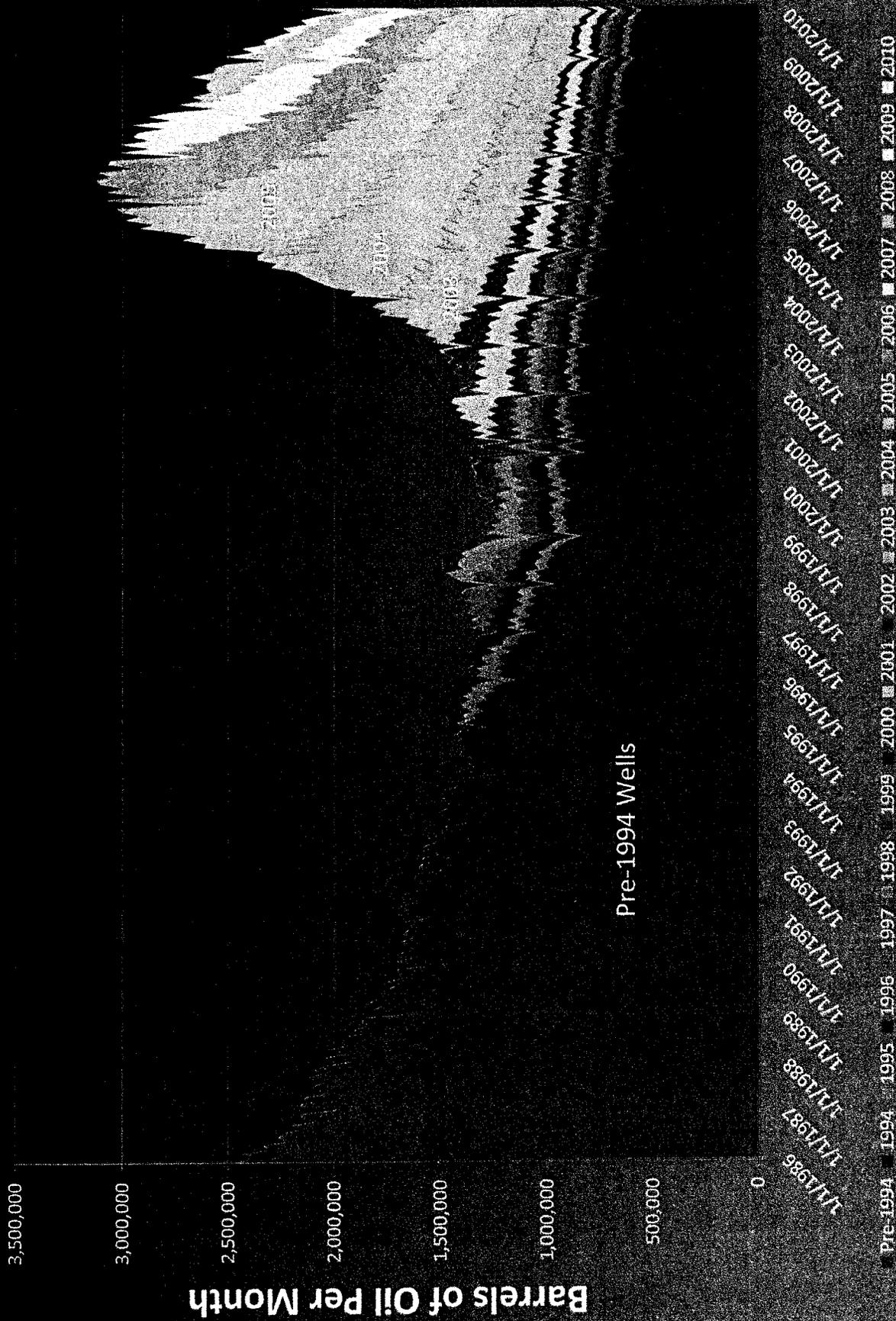
# State & Federal Lands Oil and Gas Revenue by Fiscal Year



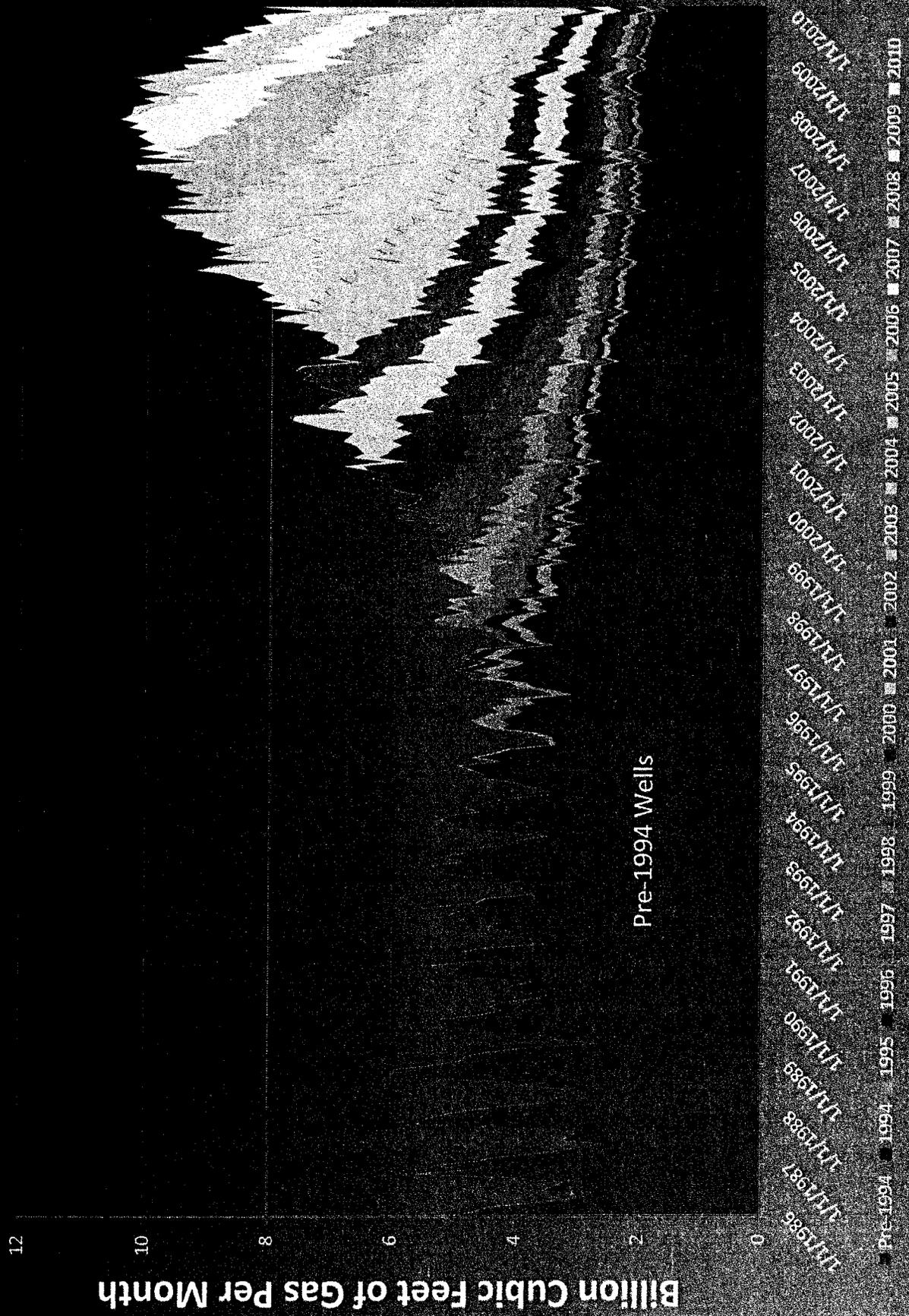
# Monthly Oil Production, Vertical vs. Horizontal Wells January 1986 through March 2010



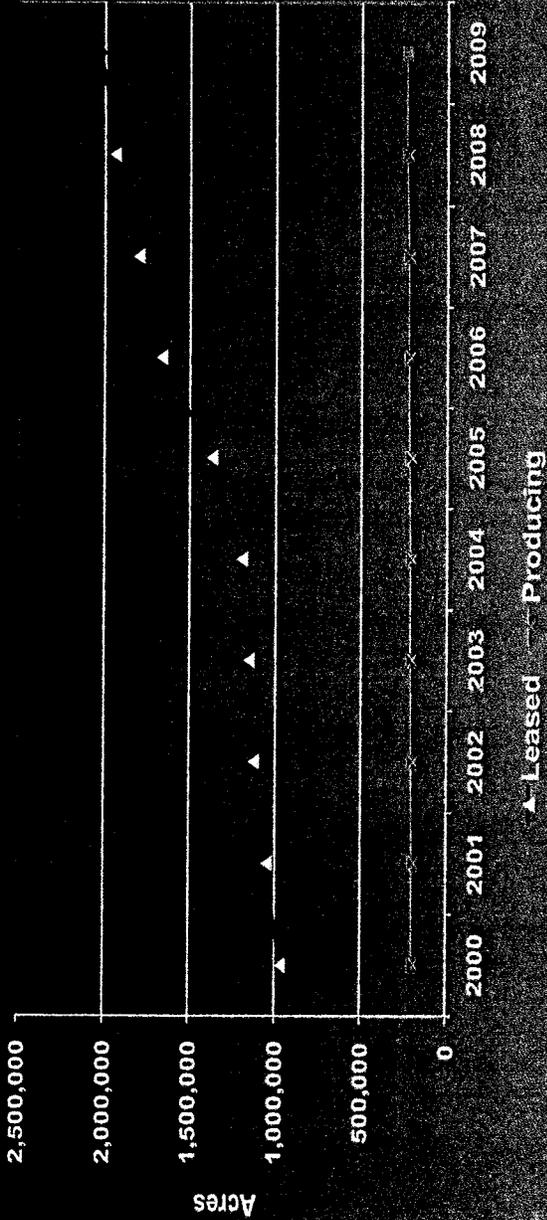
# Montana Statewide Oil Production by Completion Year



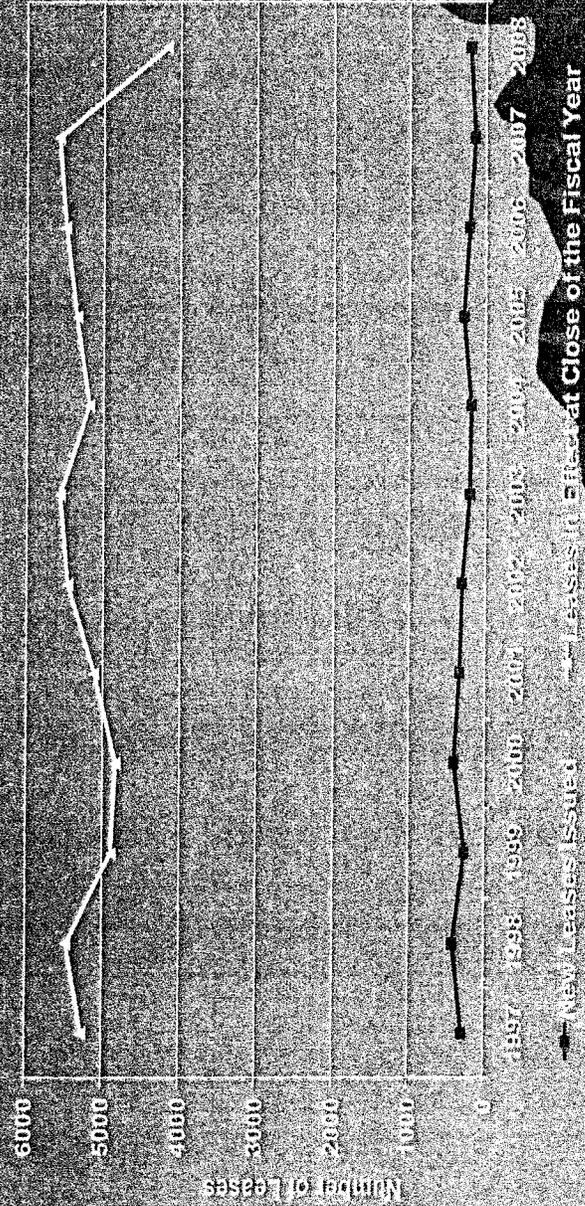
# Montana Statewide Gas Production by Completion Year



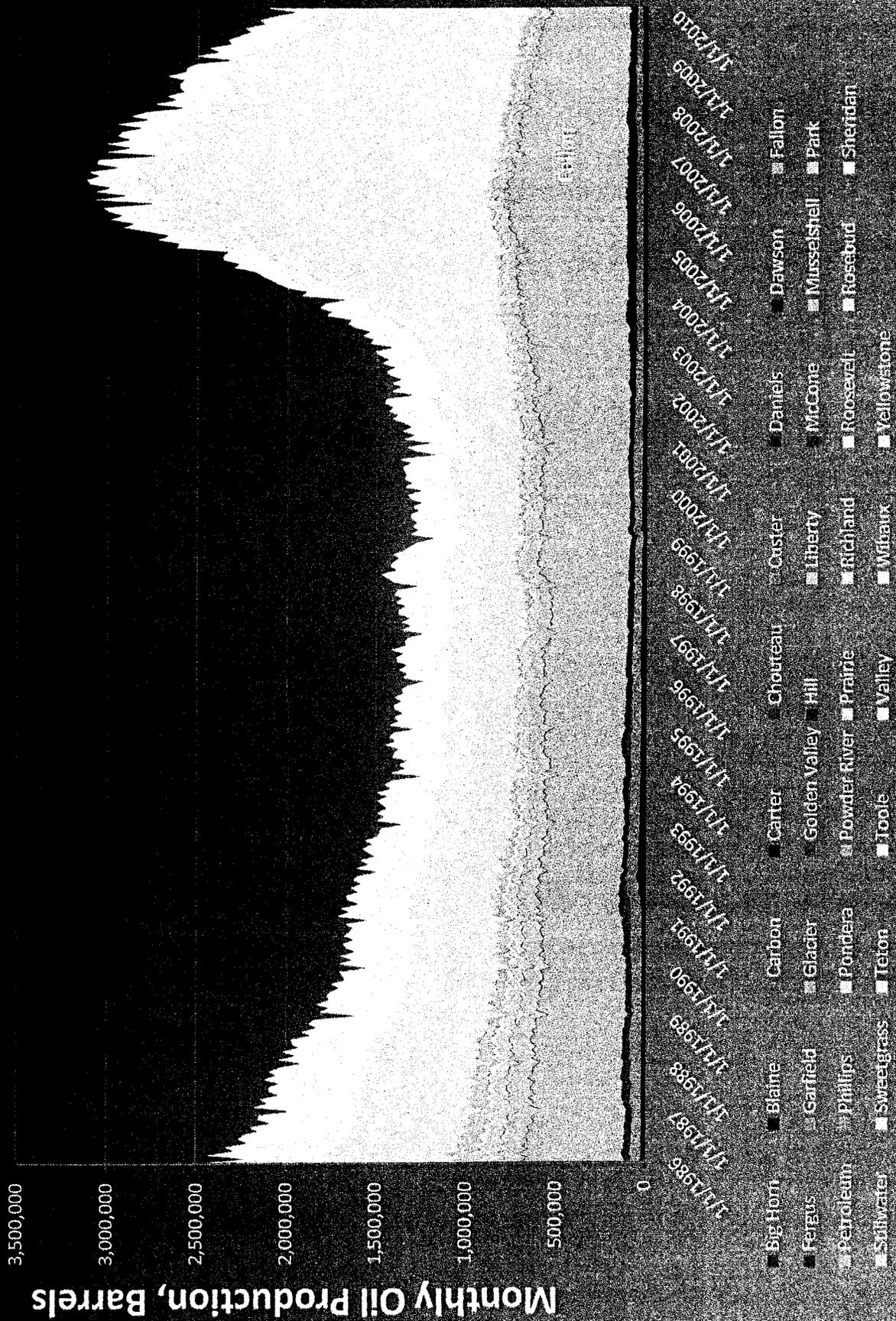
# State Acres Leased & Producing



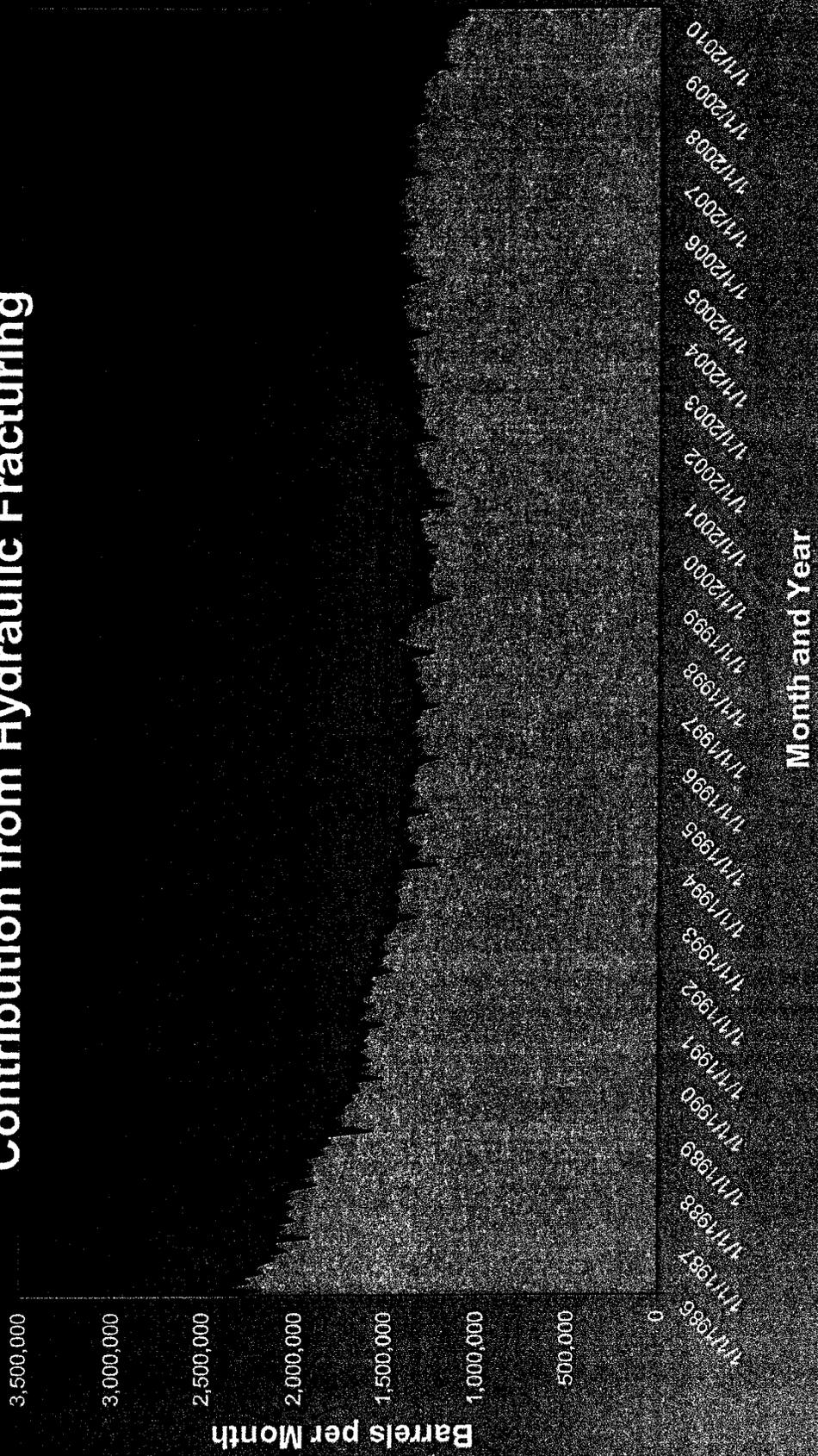
# Federal Leasing Activity In Montana



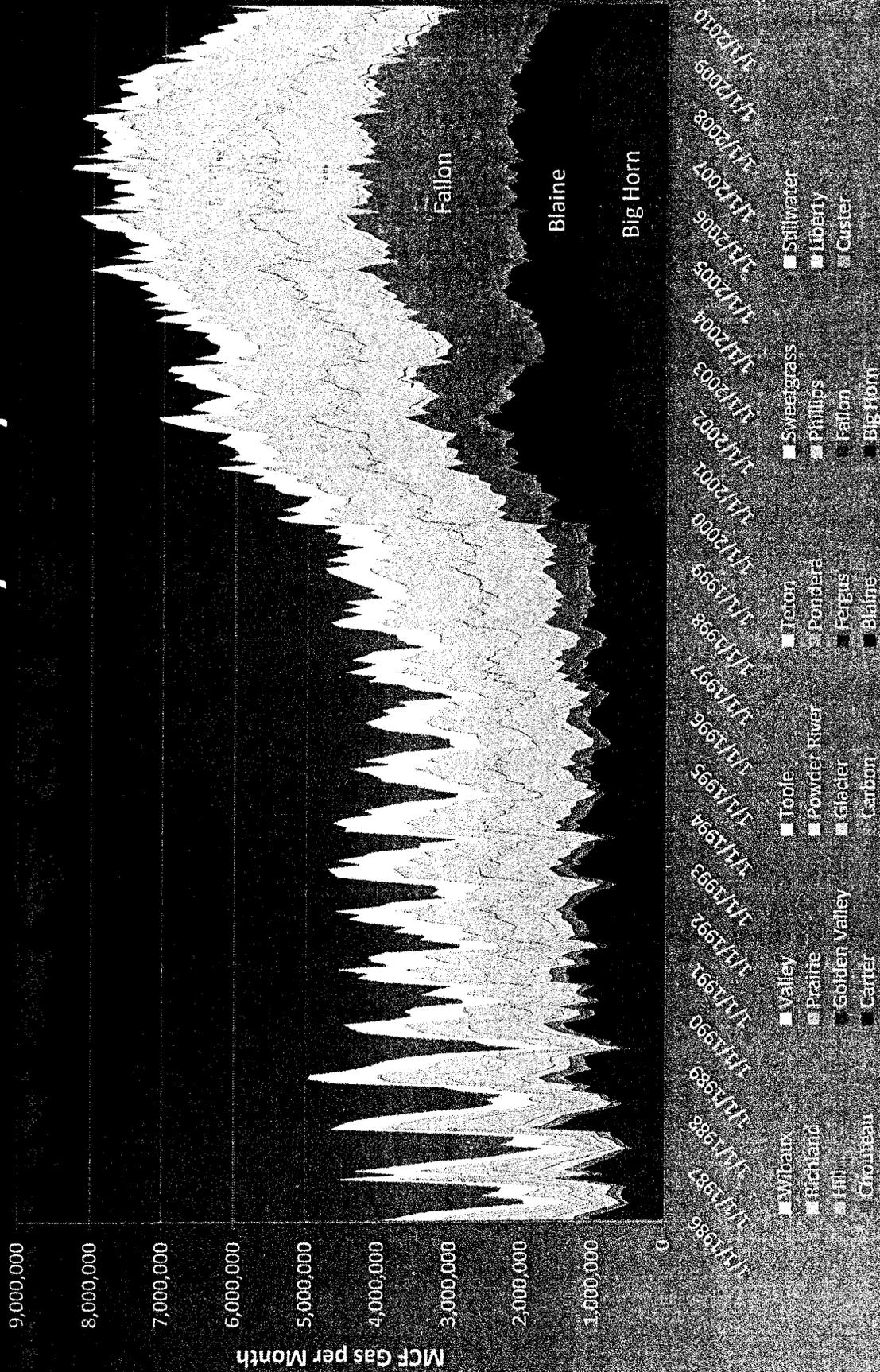
# Montana Oil Production by County



# Total Monthly Oil Production With Estimated Contribution from Hydraulic Fracturing



# Gas Production by County



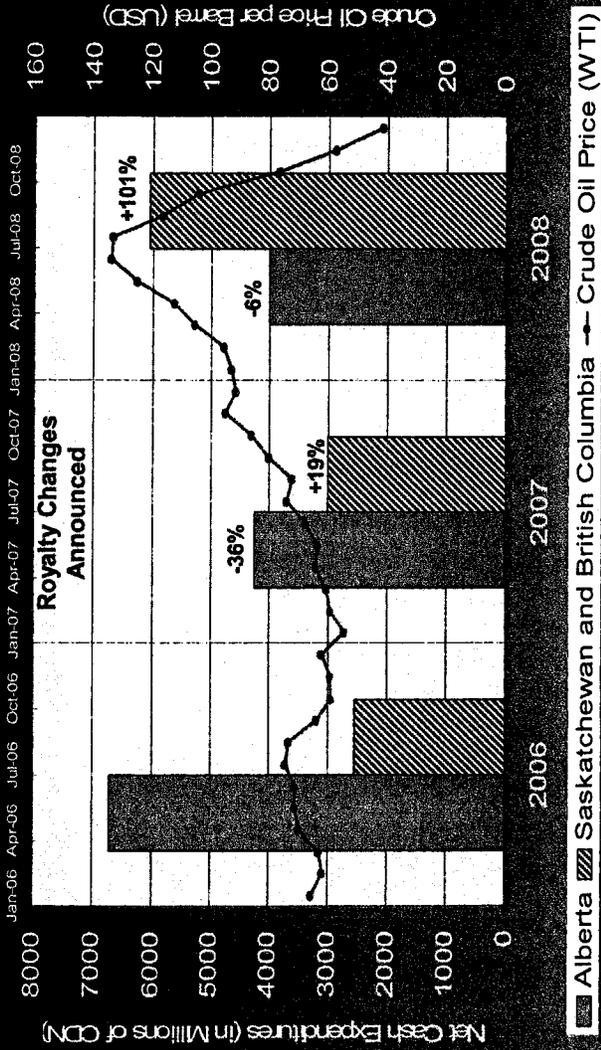
# Total Monthly Gas Production With Estimated Contribution from Hydraulic Fracturing



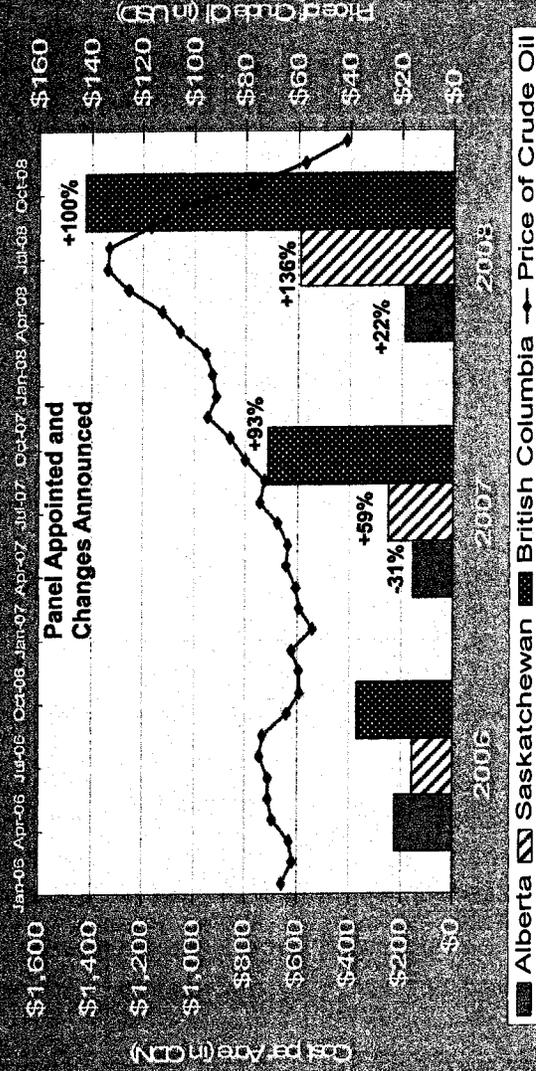
## **Alberta changes royalty structure: Decline in land sales, capital investments and production is result**

- ◆ In 2007, the provincial government increases royalties
  - Alberta “New Royalty Framework” results in decrease in O&G capital investment, new well completions, and mineral production
- ◆ Changes include:
  - Increases maximum royalty rate for production
  - Eliminates “grandfathering” existing wells under new rules
  - Goal is net increase in royalty revenues of 20 percent
- ◆ Net exploration and development investment in Alberta 40 percent
  - Exploration and development investment in British Columbia and Saskatchewan 2x
- ◆ Decline seen in value of land at AB auctions; meanwhile, BC and SK auctions see sharp increase in land values

# Royalty increase shifts CapEx in Western Canada



# Land auction values decline: Alberta vs. BC and Sask



Sources: Canadian Association of Petroleum Producers, 2009 Statistical Handbook

# Recognizing the error, Alberta revises royalty policy; sees investments return

◆ “The government has totally misunderstood the entire industry and how it operates...”

*-Matthew Johnston, the Western Standard*

- ◆ March 2010: after lengthy review of New Royalty Framework, Alberta government announces several changes intended to “energize investment”:
  - Maximum royalties reduced: 20 percent on oil; 39 percent on gas
  - Decrease in front-end royalties on conventional O&G wells
- ◆ July 2010: the result is largest land sale in Alberta in five years with a value of \$451 million (Cdn)
- ◆ Alberta now seeing an increase in oil and gas investment and is beginning to recover revenues lost under previous royalty program

# Refinery Production

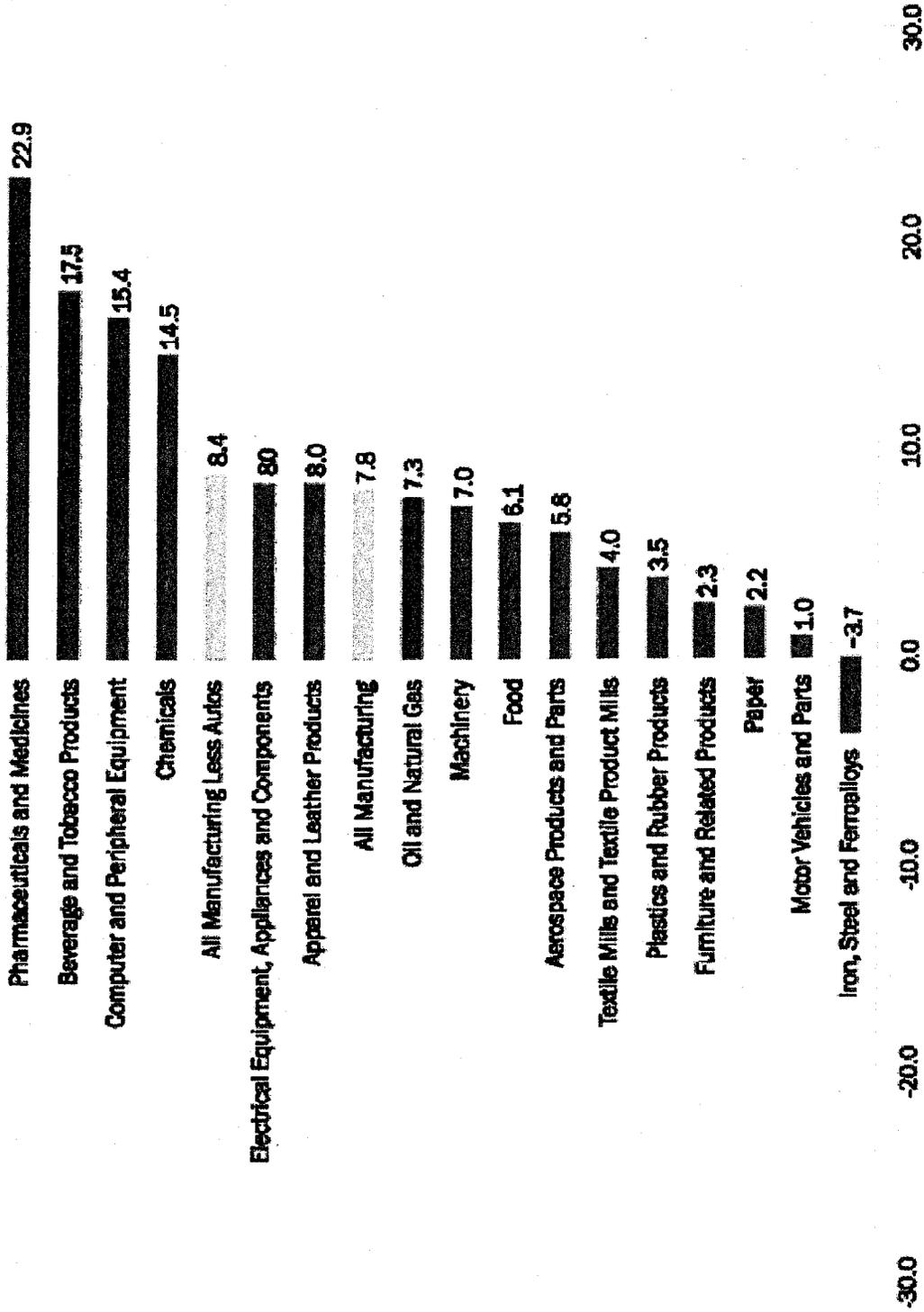
- ◆ 8.2 Million Gallons of Products per Day
  - 40% Distributed in Montana
  - 60% Exported to 7 Other States
- ◆ Value of Oil and Gas Extracted \$1.9 Billion

# Fuels Production

- ◆ Value of Refined Products Produced \$7.3 Billion
- ◆ 50% of the total Manufacturing Production
- ◆ 10% of the total Industrial Production



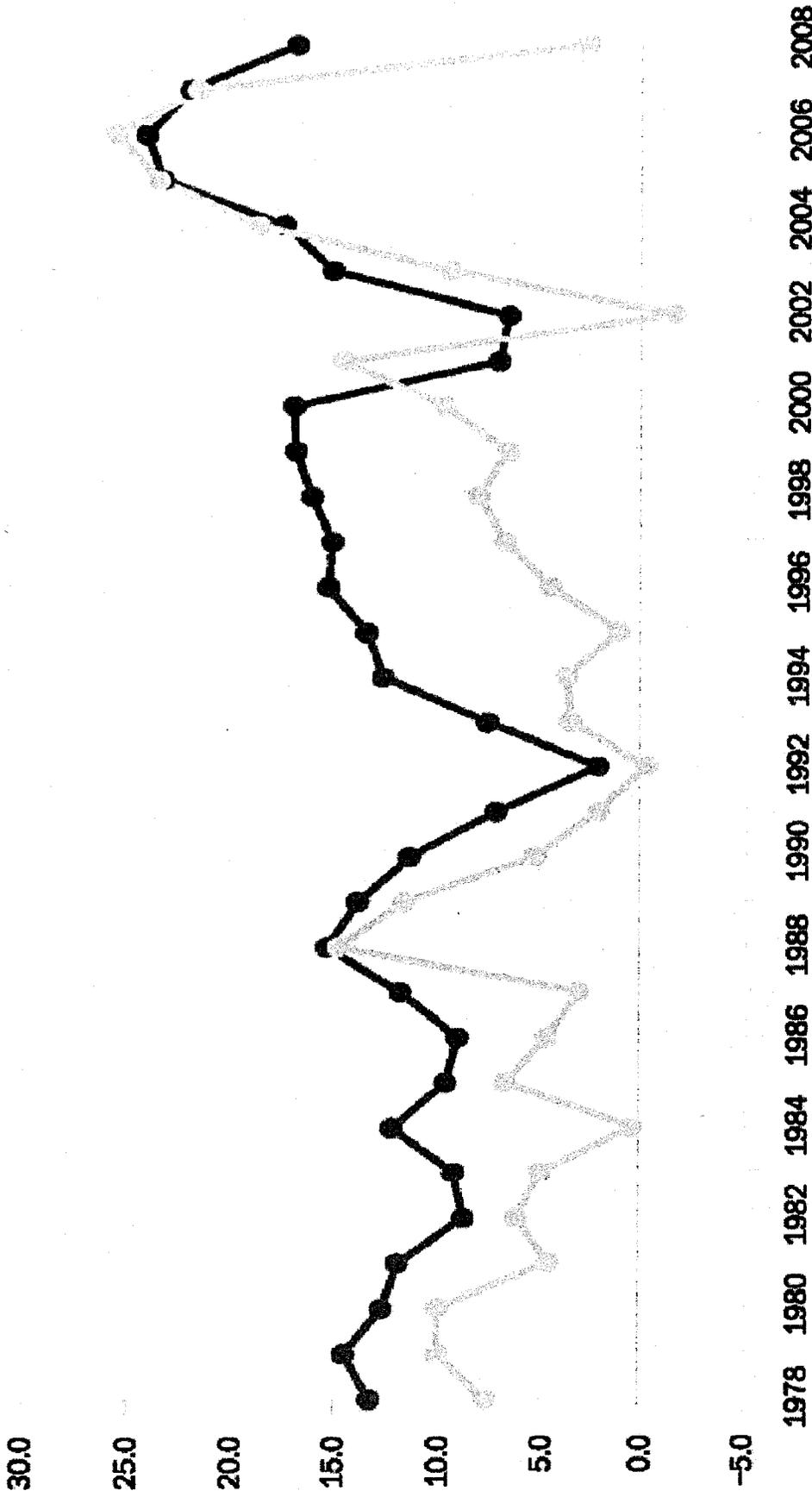
# First Quarter 2010 Earnings by Industry (net income/sales)



Sources: Based on company filings with the federal government as reported by U.S. Census Bureau and Of Daily.

# Return on Investment (net income/net investment in place)

● S&P Industrials    ◆ U.S. Refining



Source: EIA, Performance Profiles of Major Energy Producers, Table C-8 various issues and 2007 S&P figure compiled by PWC from Compustat data.



THE SECRETARY OF THE INTERIOR  
WASHINGTON

ORDER NO. 3310

Subject: Protecting Wilderness Characteristics on Lands Managed by the Bureau of Land Management

**Sec. 1 Purpose.** This Secretarial Order (Order) affirms that the protection of the wilderness characteristics of public lands is a high priority for the Bureau of Land Management (BLM), and is an integral component of its multiple use mission. The Order provides direction to the BLM regarding its obligation to maintain wilderness resource inventories on a regular and continuing basis for public lands under its jurisdiction. It further directs the BLM to protect wilderness characteristics through land use planning and project-level decisions unless the BLM determines, in accordance with this Order, that impairment of wilderness characteristics is appropriate and consistent with other applicable requirements of law and other resource management considerations.

**Sec. 2 Authority.** This Order is issued in accordance with the authorities contained in: Reorganization Plan No. 3 of 1950, as amended, 5 U.S.C. § 301, 43 U.S.C. §§ 1451, 1453; Federal Land Policy and Management Act of 1976, 43 U.S.C. § 1701 *et seq.* (FLPMA) (excluding 43 U.S.C. § 1782); Wilderness Act of 1964, 16 U.S.C. § 1131 *et seq.*; and National Environmental Policy Act of 1969, 42 U.S.C. § 4321 *et seq.* (NEPA); Section 1320 of the Alaska National Interest Lands Conservation Act (ANILCA), 43 U.S.C. § 1784.

**Sec. 3 Background.** In an increasingly developed world, public lands with wilderness characteristics (as defined in the Wilderness Act, 16 U.S.C. § 1131(c), and BLM policy guidance adopted in accordance with this Order) provide social, cultural, economic, scientific, and ecological benefits for present and future generations. Many of America's most treasured landscapes include public lands with wilderness characteristics that provide visitors with rare opportunities for solitude and personal reflection. In addition, many of these lands have culturally significant and sacred sites important to tribes. Many people and communities value these lands for hunting and fishing, observing wildlife, hiking, and other non-motorized and non-mechanized recreational uses. Lands with wilderness characteristics are also important for their scientific, cultural, and historic objects, which further our understanding of human and natural history, the functions of healthy ecosystems, and how human activities change our world. They also provide a variety of valuable ecosystem services, including carbon sequestration, watershed protection, and air purification, and may contain habitat for numerous threatened and endangered species and other rare biological resources worthy of protection. Managing an area to protect its wilderness characteristics provides unique opportunities and benefits for present and future generations that may otherwise be irreparably lost.

For all these reasons, proper management of public lands with wilderness characteristics is a high priority for the BLM, and the open and productive natural state of such lands should be

protected to the extent possible, consistent with the BLM's planning and management authorities.

**Sec. 4 Policy.** In accordance with Section 201 of FLPMA, the BLM shall maintain a current inventory of land under its jurisdiction and identify within that inventory lands with wilderness characteristics that are outside of the areas designated as Wilderness Study Areas and that are pending before Congress or units of the National Wilderness Preservation System. The BLM shall describe such inventoried lands as "Lands With Wilderness Characteristics," share this information with the public, and integrate this information into its land management decisions. All BLM offices shall protect these inventoried wilderness characteristics when undertaking land use planning and when making project-level decisions by avoiding impairment of such wilderness characteristics unless the BLM determines that impairment of wilderness characteristics is appropriate and consistent with applicable requirements of law and other resource management considerations. Where the BLM concludes that authorization of uses that may impair wilderness characteristics is appropriate, the BLM shall document the reasons for its determination and consider measures to minimize impacts on those wilderness characteristics. Where the BLM concludes that protection of wilderness characteristics is appropriate, the BLM shall designate these lands as "Wild Lands" through land use planning.

The BLM should develop recommendations, with public involvement, regarding possible Congressional designation of lands into the National Wilderness Preservation System.

The BLM shall ensure that all lands with wilderness characteristics outside of the areas designated as Wilderness Study Areas and pending before Congress or units of the National Wilderness Preservation System are managed in accordance with this Order and applicable law.

**Sec. 5 Implementation.** Consistent with Section 4, the BLM shall:

- a. Develop policy guidance (BLM Manual or Handbook) within 60 days of this Order that defines and clarifies how public lands with wilderness characteristics are to be inventoried, described, and managed in a manner consistent with this Order (hereinafter "BLM policy guidance").
- b. Ensure that wilderness characteristics inventories are conducted consistent with this Order and BLM policy guidance.
- c. Maintain a national wilderness database that is accessible to the public and updated annually. This database will describe all public lands identified by the BLM as possessing wilderness characteristics and the manner in which the BLM is managing these lands.
- d. Ensure that any new project-level decision or land use planning effort takes wilderness characteristics into consideration in accordance with this Order, subject to valid existing rights, as further provided below:

(1) Land Use Planning Decisions: Protection of Lands with Inventoried and Identified Wilderness Characteristics. Where lands with wilderness characteristics have been

inventoried and identified and the BLM is undertaking a land use planning process subsequent to this Order, the BLM planning decision shall designate these lands as Wild Lands unless the BLM determines, in accordance with this Order and BLM policy guidance, that impairment of wilderness characteristics is appropriate and consistent with applicable requirements of law and other resource management considerations. Wild Lands shall be managed to protect their wilderness characteristics as part of BLM's multiple use mandate.

(2) Project-Level Decisions for Lands Designated as Wild Lands. Where a land use plan has designated an area as Wild Lands, decisions regarding projects proposed for the area must include appropriate measures to protect the area's wilderness characteristics.

(3) Project-Level Management of Lands Not Previously Inventoried and Analyzed in a Land Use Planning Process Conducted in Accordance with this Order. For project-level decisions in areas where the BLM determines that the land appears to have wilderness characteristics that have not been both inventoried and analyzed in a land use planning process conducted in accordance with this Order, the BLM shall preserve its discretion to protect wilderness characteristics through subsequent land use planning, unless the BLM determines otherwise as set forth below. Where the BLM has determined that the land appears to have wilderness characteristics and the proposed project may impair those apparent wilderness characteristics, the BLM shall conduct an inventory. If the inventory identifies lands with wilderness characteristics, the BLM shall consider the potential effects of the proposed project on the wilderness characteristics and measures to minimize impacts on those characteristics as documented in an appropriate NEPA analysis. Based on this NEPA analysis, the BLM may approve a project that may impair wilderness characteristics if appropriate and consistent with requirements of applicable law and other resource management considerations consistent with this Order or necessary for the exercise of valid existing rights. The BLM shall, in BLM policy guidance developed pursuant to this Order, identify appropriate officials who may approve actions that may impair wilderness characteristics in accordance with this Order.

e. Submit a report to the Secretary of the Interior within six months of the date of this Order that describes the BLM's plan for considering wilderness characteristics in existing land use plans consistent with this Order.

f. This Order does not alter or affect any existing authority of the BLM. This Order does not change the management of existing Wilderness Study Areas pending before Congress or congressionally designated units of the National Wilderness Preservation System.

**Sec. 6 Effective Date.** This Order is effective immediately and will remain in effect until it is amended, superseded, or revoked, whichever occurs first.

**DEC 22 2010**

Date:



Secretary of the Interior

David A. Galt  
Executive Director

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June 15, 2010

Ms. Catharine Cyr Ransom  
Senior Environmental Policy Analyst  
U.S. Senator Max Baucus  
511 Hart Senate Office Building  
Washington D.C 20510

Dear Catharine:

Thank you so much for offering to submit questions to the Department of Interior, Bureau of Land Management for response. We have spent considerable time putting the attached questions together from our notes of the call.

On behalf of MPA, I was a participant on a national conference call organized by the Washington BLM office to address changes to the onshore leasing program they have recently released. We were provided with the opportunity to ask questions, but we heard few answers. While the meeting organizers were very polite and thanked us for each question, there were no answers of substance to any of our more difficult questions. They did record the conversation and answers may be in process at this time.

On behalf of MPA, I would like to express our deep concern regarding the changes that have been recently released. The current onshore leasing program is already time consuming and difficult. Onshore Order 1 and Gold Books standards have been developed with extensive involvement by the public and are seemingly being replaced by this new program developed without our comment. We are very concerned that the Washington Office has underestimated the time and money local staff will need to comply with these changes. It was clear on the call that no additional budget has been added to existing programs and that state directors will have authority and the responsibility to get these new practices implemented. Given the current backlog at local BLM offices, we fear the federal leasing program is in serious jeopardy.

MPA appreciates your offer to pass these questions to Department management. In the past, MPA has worked to keep each member of our Congressional delegation informed of our concerns on federal issues. Toward that end, I have copied Senator Tester and Congressman Rehberg with this correspondence.

Best Regards:



Dave Galt, Executive Director  
Montana Petroleum Association

cc: Senator Jon Tester  
Representative Denny Rehberg

## Questions regarding IM 2010-117, Leasing Reform

1. DOI/BLM has stated there will be no additional funds to implement the leasing reform program, which requires additional NEPA compliance and staffing. Since there is no budget provided for implementing this program, what level of program priority has been given to oil and gas leasing? Could these new leasing reform requirements result in no new leasing due to their postponement in favor of other NEPA analysis requirements for other projects, such as plan amendments for sage grouse in Wyoming or lease climate analysis in Montana and the Dakotas?

Answer: BLM will request some funding in President's budget, but they "hope" that there will be savings in time generated because the new rules will reduce protests and free up staff time that has been allocated to protest resolution.

2. What is the cost impact of this program to the U.S. Treasury? Have revenue losses to the affected energy states and counties in terms of lost royalty payments authorized under the Mineral Leasing Act been analyzed? Have the additional economic costs due to the loss of businesses in the western states while leasing is halted been analyzed? Did DOI/BLM do a job loss assessment?

Answer: BLM did not do a job loss impact statement and feels that there is not going to be additional costs. Since they are fixing the problem of protested sales after the program gets started it will result in expedited sales because of fewer protests.

3. The IM gives each state office 90 days to write an implementation plan.
  - a. Will lease sales be delayed while these plans are being formulated?
  - b. What activities will be allowed during this 90-day internal planning process and implementation of leasing analyses?
    - i. Lease sales based upon existing NEPA documentation?
    - ii. Approval of drilling permits while staff is working on the implementation plan?

Answer: Leases will not be delayed but work will be shared across offices in the States. BLM still intends to hold quarterly sales.

4. Has it been considered that by rotating lease analyses among field offices in a state, leasing in specific areas will likely be limited to once a year, thereby causing new project delays because leasing of an entire prospect is delayed?

Answer: They expect to still have a quarterly sale. Each office with the exception of Miles City will get two per year, so as they rotate there should not be a problem.

5. Will all future lease sales be delayed pending completion of the newly required lease analyses?
  - a. How long does BLM anticipate the new leasing analyses will take to be completed?
  - b. With respect to staffing concerns, will other activities be allowed to move forward while the new leasing analyses are being prepared?

Answer: BLM still plans on a quarterly sale and they expect other activities to stay on track.

6. How will BLM address existing leases nearing expiration while the new NEPA review process is being conducted? Will lease suspensions be granted? This is of particular concern in areas where there is unleased acreage within existing lease holdings that must be leased before drilling can proceed.

Answer: BLM believes this will not occur.

7. How does DOI/BLM expect Phased leasing to work? Has it been considered that phased leasing will certainly create significant drainage situations which will result in lost revenue to the Treasury and States? Phased leasing will deny companies their ability to protect their investment if they are unable to lease their entire prospect prior to conducting exploratory or development drilling. Has the fact been considered that phased leasing will undermine the domestic oil and gas program because companies will not invest capital into areas they cannot secure by leasing their entire geological target?

Answer: The new policy does not mandate phased leasing but will identify and discuss in the MLP. Phased leasing may be a best management practice in an area as a result of the MLP.

8. How does BLM intend to address leasing nominated areas with high, medium or low potential for oil and gas? Does the new policy set out guidelines for how these areas should be stipulated, i.e., so surface occupancy in areas with medium or low oil and gas potential?

Answer: BLM does not understand our concern, no impact.

9. Is the IM final agency action? If it is not final agency action, what additional agency action must occur?

Answer: The BLM answer here is strange, probably because of legal advice. They do not consider this final agency action and have not determined what additional agency action must occur.

10. Will lease nominees be informed in advance if BLM decides it must do a MLP?

Answer: Yes

11. How does the new policy differ from existing BLM Manual procedures and standards found in H-8100 (Foundation for Managing Cultural Resources), H-8110 (Identifying and Evaluating Cultural Resources), H-8120, H-8130 (planning for uses of cultural resources), H-8140 (protecting cultural resources), H-8150 (permitting cultural resources), H-8170 (Interpreting Cultural Resources for the public)?

Answer: BLM says it does not differ and that standards in H-8100 will be dealt with in the permitting phase.

12. For purposes of protecting species listed under the Endangered Species Act, how does the new policy differ from existing BLM direction, Manual 6840, Special Status Species Management?

Answer: The new policy does not differ. Every lease will have stipulations dealing with cultural resources and ESA species.

13. If the manuals for protection of threatened and endangered species and cultural resources differ from the new policies, what analysis or studies did BLM conduct to identify insufficiencies?

- a. If they do not differ, then does this not suggest that the policy is merely a public relations effort that omits the fact that BLM follows extensive review to protect cultural resources and special

status species, including threatened and endangered species?

Answer: The same policy manuals apply except that the manuals apply at the permit stage now, but will apply at the leasing stage making it easier to defeat challenges.

14. What input did BLM receive on its oil and gas leasing reform from organizations outside of the Department of the Interior?

Answer: Input was solicited from State offices. Since it is an internal policy change no further outreach was necessary.

15. The BLM Gold Book and Onshore Order No. 1 saw extensive public comment, what was BLM's reason for not having similar public comment on the IMs 2010-117 and 118?

Answer: IM documents are internal policy documents and are not required to have the extensive public comment that was done for the BLM Gold Book or Onshore Order number 1.

16. While BLM describes the new policy as merely internal direction, it has been described as oil and gas leasing reform that changes public land management. And if that is the case, why has BLM failed to provide for public comment, given these changes in public land management?

Answer: Same as question 15

**DISCUSSION PAPER**  
**Bureau of Land Management**  
**Treasured Landscapes**

**Our Vision, Our Values**

**I. Introduction -- BLM's Vision for Treasured Landscapes in the 21<sup>st</sup> Century**

Of the 264 million acres under BLM management, some 130- to 140-million acres are worthy of consideration as treasured lands. These areas, roughly equivalent in size to Colorado and Wyoming combined, are valuable for their unspoiled beauty; the critical role they play in habitat conservation; their historical, cultural, and paleontological significance; and their importance in maintaining the proper functioning of the larger ecosystems in which they exist.

In order to preserve these treasured landscapes for the 21<sup>st</sup> Century, the BLM proposes to manage them not as individual parcels, but as components of larger landscapes, ecosystems, airsheds, and watersheds. We now know that these large-scale ecosystems, watersheds, airsheds, and migratory pathways exist and function only at their natural scales, regardless of jurisdictional boundaries. Therefore, in order to facilitate the transition from the current land management system, which is based on jurisdictional boundaries, to a modern landscape-level management system, the BLM proposes to "designate, rationalize, and manage-at-scale" its treasured landscape holdings.

Over the next 25 years, the BLM intends to: (1) finalize appropriate conservation designations and fully account for the ecosystem services values of its lands; (2) rationalize and consolidate its fragmented landholdings; and (3) commit to planning and allocating resources and resource uses and at their natural scales, in effective coordination with other Federal, State, and Tribal governments. The BLM believes that together, the three components of this vision will allow us to utilize 21st century science to preserve our celebrated assets and guarantee that our treasured landscapes will be conserved for the enjoyment of future generations.

To achieve our Treasured Landscape objectives, the BLM will need to enlist the aid of the administration and Congress to ensure that we possess both the legal tools and financial means to make our vision of integrated landscape-level management a reality.

**II. Background -- BLM's Treasured Lands: Vast, Varied, and Vital**

The BLM's lands include fragile ecosystems essential to rare animal and plant species, cultural resources that date back to the beginning of America's Native populations, stunning paleontological resources that increase our understanding of the natural world, breathtaking vistas and recreational areas, and nationally significant historic sites and trails that tell the story of our growing Nation.

The bulk of the BLM's existing treasured lands have been arrayed, by Presidential declaration, legislative enactment, or administrative management, into four separate management categories, together amounting to nearly 130-million acres--about half of BLM's total land portfolio:

- **The National Landscape Conservation System:** The BLM's transition to public land management on a landscape scale began a decade ago when then-Secretary Babbitt created America's newest, permanently protected collection of public lands—the National Landscape Conservation System (NLCS). By statute, the NLCS now consists of all BLM-managed National Monuments, National Conservation Areas, Wilderness, Wilderness Study Areas, Outstanding Natural Areas, Wild and Scenic Rivers, National Scenic and Historic Trails, and Conservation Lands within the California Desert—a set of public lands together comprising almost 27 million acres. These lands have been designated by Congress or Presidential proclamation to be specially managed to enhance their conservation values, while allowing for the continuation of certain multiple uses. The mission of the NLCS is to conserve, protect, and restore, for present and future generations, the nationally significant landscapes that have been recognized for their outstanding archaeological, geological, cultural, ecological, wilderness, recreation, and scientific values.
- **Special Areas identified and designated through the land use planning process:** Outside the NLCS, BLM land-use plans have designated about 75 million additional acres for the primary purpose of conservation and recreation. These areas include Areas of Critical Environmental Concern, Special Recreation Management Areas, Globally Important Bird Areas, Significant Caves, Research Natural Areas, National Natural Landmarks, and others.
- **Areas that provide critical habitat for listed and sensitive wildlife and plant species:** Further, the U.S. Fish and Wildlife Service has designated 25-million acres of BLM lands (not included in either of the two previous categories) as critical habitat for listed and sensitive wildlife and plant species.
- **Wild Horse Preserves:** Finally, as a result of the Secretary's October 2009 proposal to create a sustainable wild horse program, the BLM now has the opportunity to acquire preserves in the Midwest or East as part of the BLM's Treasured Landscapes initiative. America's iconic wild horses are powerful national symbols of the West, and adding federally owned wild-horse preserves to the BLM's Treasured Landscapes portfolio will provide an opportunity to expand appreciation of the BLM's conservation mission to new areas.

Because the BLM's vast landholdings hold such great promise for the Department's ambitious conservation objectives, the BLM's landscape-level preservation efforts should play a central role in the Department's Treasured Landscapes agenda.

### III. The Vision: A Well-Managed System of Treasured and Protected Lands

The BLM believes that the successful management of its treasured landscapes over the next twenty-five years will require BLM to undertake three initiatives:

- First, so that lands are placed in appropriate management regimes and land-use decisions are well-informed, the BLM should ensure that its existing landholdings have received appropriate conservation designations and that the ecosystem-service values of its lands (including benefits such as carbon sequestration and air and water purification) have been adequately inventoried and considered.
- Second, to allow for more effective landscape-scale management, the BLM should aim to rationalize its land holdings by eliminating existing “checkerboard” land-holding patterns where possible, and by acquiring parcels adjacent to its current holdings, if important to preserve ecosystem integrity.
- Third, to ensure that BLM’s specific land-use decisions are properly situated in their broader contexts, the BLM should commit to managing its consolidated and expanded landholdings at their natural scales, and to coordinating with other federal, state, and tribal land owners for the purposes of maintaining healthy wildlife populations, ecosystems, airsheds, watersheds, and riparian areas.

**A. Completing Conservation Designations and Accounting for Ecosystem-Service Values: Expanding the NLCS, Designating New National Monuments, and Managing for Conservation in the Land-Use Planning Process.**

The first component of BLM’s treasured landscapes vision would ensure that the special lands already in BLM’s ownership are managed under the appropriately protective management regime.

BLM-managed public lands include rugged mountains, wild deserts, and America’s last vestiges of large, untrammeled landscapes. These landscapes first captured the pioneer spirit and cultivated America’s romantic ideals of the Wild West. In order to expand this network of treasured lands to include the diversity of landscapes currently managed by the BLM and to protect world-class ecological and cultural resources, the BLM believes that lands especially deserving of protection should be placed in the National Landscape Conservation System; that the administration should consider designating significant and immediately threatened lands as national monuments; and that the BLM’s land-use planning process should properly account for ecosystem-service values and manage for conservation values.

To that end, the BLM proposes that the Administration:

1. Support Congressional efforts to expand the NLCS legislatively through the designation of new National Monuments, National Conservation Areas, Wilderness Areas, Wild and Scenic Rivers, and Historic Trails. Designation efforts should not be focused solely in the West, but should also include areas in the rest of the country that warrant such protection.

2. Consider use of the Antiquities Act to set aside new National Monuments where there are immediate threats to nationally significant natural or cultural resources on lands deserving NLCS status. However, the BLM recognizes that public support and acceptance of preservation status is best achieved when the public has an opportunity to participate in a land-use-planning or legislative process.
3. Use the BLM's land-use planning process to manage for conservation values. This will allow the BLM to protect lands that, while ineligible for Monument designation and/or unlikely to receive legislative protection in the near term, are nevertheless worthy of conservation.

The BLM estimates that approximately 35 million acres of its current land holdings, all of which have been identified by the public as worthy of special protection, should be considered for a new and/or heightened conservation designation.

1. **Supporting Congressional Expansion of the NLCS through Legislation Designating New Wilderness or National Conservation Areas, and Resolving the Status of BLM's existing Wilderness Study Areas.**

The BLM believes that the Secretary's Treasured Landscape initiative would benefit greatly from resolution of long-standing issues relating to wilderness designations on BLM-managed public land. Currently, the BLM manages more than 545 areas, amounting to nearly 12.7 million acres, that it has identified as potentially appropriate for wilderness designation. There are strongly held opinions on each side as to whether these lands, now termed "Wilderness Study Areas," should ultimately be designated as Wilderness or released for other uses. This contentious debate will continue until Congress makes a final determination as to the permanent status of these lands.

Further, the BLM recommends looking beyond its Wilderness Study Areas and building on the Secretary's expressed interest in the model of local leadership and cooperation exemplified in the recent congressional designations of Dominguez-Escalante National Monument in Colorado; Wilderness and Wild and Scenic rivers in Idaho; and National Conservation Areas, Wilderness, and Wild and Scenic Rivers in Utah. There are currently a number of locally driven proposals that would benefit from the Administration's support, including a proposal to designate New Mexico's Rio Grande del Norte as a National Conservation Area.

As a critical part of the BLM's conservation agenda, the BLM proposes working closely with the Administration and Congress to determine whether other public lands are suitable for management as National Conservation Areas. Attachment 3 contains a list of BLM-managed lands that may be appropriate for Wilderness or National Conservation Area designation.

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2. **Considering New National Monument Designations under the Antiquities Act**

Should the legislative process not prove fruitful, or if a nationally significant natural or cultural land resource were to come under threat of imminent harm, BLM would recommend that the Administration consider using the Antiquities Act to designate new National Monuments by Presidential Proclamation.

The Antiquities Act allows the President to act quickly and decisively in defense of our natural and cultural treasures. Since President Theodore Roosevelt first used the Act, 15 Presidents have exercised their authority to protect nationally important places, including the Grand Teton, Carlsbad Caverns, Mount Olympus (now Olympia National Park), Arizona's Petrified Forest, and Alaska's Denali.

For much of the history of the Act, lands designated as National Monuments were taken from the BLM and entrusted to the National Park Service. This changed in 1996, when President Clinton gave management jurisdiction over the Grand Staircase-Escalante National Monument to the BLM, reflecting a growing understanding that park-style management was not necessarily appropriate for all conservation lands. Fourteen of the 22 National Monuments created or expanded by President Clinton - totaling more than 4 million acres - remained under BLM stewardship. Today, these lands form the heart of the NLCS. BLM's management of these areas, without the trappings of visitor centers and other man-made improvements, has met with wide public support. These lands symbolize the American spirit, and their remoteness and solitude remain poignant reminders of a bygone era.

Attachment 4 contains a list of lands that may be appropriate for designation under the Antiquities Act.

### 3. Utilizing the Land-Use Planning Process to Account for Ecosystem-Service Values and to Protect Lands that are Ineligible for Monument Designation.

The final aspect of the first component of BLM's Treasured Landscapes vision recognizes that new conservation designations should not be the only - nor, perhaps, even the primary - means of managing for conservation on BLM's public lands. To that end, BLM also recommends emphasizing conservation values in its land-use planning process, with particular attention focused on two considerations: (a) accounting for the ecosystem-service values of BLM lands, and (b) the special legal context of conservation management in Wyoming and Alaska.

#### a. Accounting for Ecosystem-Service Values in the Land-Use Planning Process.

Consumptive or ground-disturbing uses of public lands often yield benefits that are readily quantifiable—BLM's timber-sale plans, for example, may be expected to yield a certain number of board feet, contribute to the creation of a definite number of jobs, and provide local communities with an estimable amount of economic activity. By contrast, non-consumptive and conserving uses of public lands have not historically been thought to yield values that are as readily quantifiable.

The modern interest in accounting for the "ecosystem services" value of lands aims to regress this imbalance. Better accounting for the value of public lands left in a condition closer to the land's natural state—whether measured in the amount of carbon sequestered by a stand of trees or native grasslands, by the economic value to local communities of undisturbed ecosystems, natural purification of air or water, or by the number of jobs retained as a result of recreational opportunities saved in an area closed to development—is designed to allow land-use decisionmakers to act with a fuller knowledge of the trade-offs involved in the choice to conserve an existing landscape, or permit new development.

Appreciating the conservation component of its multiple-use mission, the BLM proposes for its land-use planning process a new commitment to accounting for the value of the services provided by conserved ecosystems.

**b. The Special Circumstance of Wyoming and Alaska**

Last, it merits special mention that Congress has limited the President's authority to designate new national monuments in Wyoming and Alaska. Nevertheless, there are several landscapes in Wyoming and Alaska that contain critical ecological and cultural resources that deserve special attention and possibly enhanced protections.

The BLM therefore particularly proposes that the Administration use the BLM's land-use planning process to identify the management actions, including possible mineral withdrawals, necessary to protect sensitive resources in Wyoming and Alaska. The BLM also recommends that the Administration begin a dialogue with Congress to encourage the conservation of these areas.

Attachment 5 contains a list of areas that, though they are ineligible for Monument designation, merit protection.

**B. Rationalizing BLM's Fragmented Lands; Consolidating the BLM's Checkboard-Pattern Landholdings and Enabling Landscape-Scale Ecosystem Management By Acquiring New Lands and Divesting Parcels Identified for Disposal**

The second component of BLM's Treasured-Landscapes vision would involve changing the composition of BLM's public-lands portfolio.

The BLM manages what remains of the United States' once consolidated public domain. For much of the 19<sup>th</sup> and early 20<sup>th</sup> centuries, the public domain passed into private ownership (or management by other Federal agencies) under public land laws that made no attempt to preserve ecosystem integrity. In some cases, large swaths of land were patented to railroad companies in a checkboard pattern. The resulting pattern of alternating land tenures creates extreme management difficulties, habitat fragmentation and, increasingly, user conflicts. In addition, there are today roughly 125,800 acres of inholdings in BLM-managed National Conservation Areas (excluding the California Desert) and 283,857 acres of inholdings in BLM-Managed National Monuments.

As the second component of its Treasured Landscape initiative, the BLM proposes to rationalize its existing public land holdings. Through consolidation of its protected land base and reduced fragmentation, the BLM will be better able to mitigate adverse impacts on wildlife habitat, recreation, vegetation, cultural resources, and other values. To that end, the BLM will (1) pursue a program of land consolidation to address its checkerboarded lands—particularly in Nevada, Oregon, California, Wyoming, and Utah, where the problem is most acute, (2) seek to acquire properties adjacent to its current holdings, if needed to preserve ecosystem integrity, and (3) attempt to divest itself of the scattered and low-value landholdings that it has identified for disposal through a land-use planning process.

To achieve these objectives, the BLM will rely on its land-exchange and land-acquisition programs and depend on the availability and vitality of three critical management tools: (1) the Land and Water Conservation Fund, (2) the Federal Land Transfer Facilitation Act; and (3) a new program of renewable energy offsets.

#### 4. The Land and Water Conservation Fund (LWCF)

The Land and Water Conservation Fund (LWCF) provides a primary means for BLM to acquire lands worthy of long-term protection. LWCF funds may be used to acquire privately owned lands and waters that are adjacent to or within BLM special areas, including National Conservation Areas, National Historic and Scenic Trails, National Wild and Scenic River corridors, Wilderness, Areas of Critical Environmental Concern, and Special Recreation Management Areas.

The President's budget for 2010 includes a total of \$419.9 million for LWCF programs, including \$25 million for BLM, \$65 million for USFWS, \$68 million for NPS, and \$12.1 million for appraisal services.

In FY 2010, the BLM requested LWCF funding to acquire 52,500 acres in 37 areas, with an estimated value of \$58 million. In FY 2011, the BLM requested LWCF funding to acquire 47,100 acres in 40 areas, with an estimated value of \$82 million. The outyear funding estimates for LWCF needs are based on a number of recent land acquisition opportunities. The majority of these monies would be used to acquire land for the NLCS and other BLM Treasured Landscapes. See Attachment 1 for more detailed LWCF funding information.

#### 5. The Federal Land Transaction Facilitation Act (FTFLA)

The BLM is the lead agency for administering the Federal Land Transaction Facilitation Act (FLTFA). Prior to the passage of FLTFA, funds generated by BLM land sales were deposited directly into the U.S. Treasury, providing no direct conservation value to the nation.

FLTFA established the Federal Land Disposal Account that allows the BLM to sell lands with low conservation values to generate funds for the purchase of lands with high conservation

values. Since passage of FLTPA, the sale of low-conservation value lands in the Western States has generated more than \$106 million.

The BLM carefully prioritizes limited land acquisition funds to ensure every dollar is spent on only the most important and well-planned conservation projects. Typically, the BLM takes a phased approach to ensure that larger acquisitions can be completed despite temporal funding limitations. The BLM undertakes land acquisition projects within and/or contiguous to units of the NLCS and within and/or contiguous to Areas of Critical Environmental Concern.

The FLTPA expires on July 24, 2010; reauthorization legislation has been introduced by the House (H.R. 3339) and the Senate (S. 1787). To continue to allow the revenues generated from BLM's sales of isolated and difficult-to-manage public-land tracts to be an important source of funding for the acquisition of environmentally and culturally significant lands, BLM encourages the administration to strongly support the reauthorization of FLTPA. See Attachment 2 for more information regarding FLTPA disposals and approvals.

### 3. Using Proceeds from Renewable Energy Projects to Acquire and Protect Treasured Landscapes.

Last, as a greater amount of BLM lands are dedicated to renewable-energy projects, the BLM recommends that the administration work with Congress to enable BLM to dedicate a portion of renewable-energy proceeds to the protection and acquisition of treasured lands. In particular, BLM proposes that the administration work with Congress to (a) require developers of renewable-energy projects to contribute to "mitigation funds," the proceeds of which would be made available to the BLM to protect public lands and mitigate the effects of development, and (b) mandate that a portion of any royalties collected from renewable-energy projects on public lands be made available to BLM to acquire additional conservation tracts.

#### C. Managing Problems and Ecosystems at Scale: Increasing the Use of Eco-Regional Assessments and Coordinating with other Federal, State, and Tribal Governments to manage Wildlife, Watersheds, Airsheds, and Ecosystems.

The final component of the BLM's Treasured-Landscapes vision emphasizes connectivity, and BLM's commitment to manage at a level appropriate to the issues under consideration.

The BLM recognizes that many problems and ecosystem considerations have a natural scale, and that its land-management decisions have ramifications beyond their immediate effect on BLM lands. Certain issues (such as the quality of air in a particular airshed, or the decline of a sage grouse populations in a particular region) may be best assessed, not within the confines of an artificial planning boundary, but on scales that are suggested by the physical or biological features of the issue (at the airshed, or regional sage-grouse habitat levels, for example). The BLM is just beginning to use and rely on a set of "eco-regional assessments" that are designed, in part, to enable the BLM to meaningfully engage with problems and ecosystems that cross planning-boundary lines. As the BLM looks to the next quarter century, it proposes to make increasing use of its eco-regional assessments tool.

Further, the BLM, with its extensive experience in public participation and land-use planning, coupled with the breadth of the public lands and their critical resources, stands ready with the expertise and the unparalleled capacity to coordinate with other Federal, State and Tribal Governments to tackle initiatives on a national (and even international) scale. In particular, ongoing global climate change has elevated the importance of nascent efforts to focus on cross-jurisdictional landscape connectivity and to create extensive wildlife-habitat corridors. The BLM hopes to participate fully in the effort, and to help lead the charge.

#### IV. Necessary Funding: Preliminary Cost Estimates

Implementing BLM's three-part Treasured Landscapes vision will require an increased investment of resources.

Over the past 10 years, funding to protect and manage lands with natural and cultural resources for use and enjoyment by current and future generations has generally remained flat when adjusted for inflation. At the same time, the West is rapidly urbanizing and the public and local governments increasingly view BLM-administered public lands as an extension of their backyards. BLM lands contribute significantly to the quality of life in the West. Taking into account the increased demands on the public lands, the BLM believes the full cost of managing Treasured Landscapes at a level commensurate with public expectations and need for conservation would be in the range of \$2 to \$4 per acre.

The BLM manages NLCS units for \$2.21 per acre and the rest of the public lands at \$1.70 per acre, totaling \$59.7 million for NLCS units and \$187.4 million for other Treasured Landscapes in 2010. The BLM has demonstrated that the NLCS model for conservation is significantly cost efficient in protecting landscape level resources. For example, the National Park Service operates and manages units comparatively for an average of \$9.57 per acre management cost. At \$4 per acre, existing and potential NLCS units could be funded for a total of \$248 million by the year 2015. Other specially designated areas and habitat vital for species recovery within the BLM could be managed at \$2 per acre, totaling \$150.4 million by the year 2015.

The BLM recommends that any major funding increases be phased in over a five-year period to allow the BLM time to build capacity (e.g. hiring staff, developing partnerships, and processing requisitions) in order to accomplish the increased workload. This would include increased law enforcement and protection activities, expanded resource restoration and conservation activities, improved visitor services, information, education and interpretation and other activities needed to meet the increasing public demand and expectations for conservation. By the year 2015, funding for Treasured Landscapes would total \$398.4 million. Projected funding needs for managing both the NLCS and the other lands comprising the BLM's Treasured Landscapes are presented in the table below by subactivity.

#### Proposed Funding for Treasured Landscapes showing incremental increases by Subactivity



Soil, Water, Air	58,621,000	30,242,829	33,139,019	33,615,208	39,847,588
Ridge Mgmt	73,493,000	38,699,615	42,405,665	43,015,011	50,990,148
PD Forestry	10,443,000	3,326,711	3,645,292	3,697,673	4,383,235
Riparian	22,518,000	12,784,058	14,008,317	14,209,608	16,844,120
Cultural	15,631,000	8,874,128	9,723,954	9,863,682	11,692,444
Wildlife	35,447,000	17,099,906	18,737,470	19,006,717	22,530,631
Fisheries	13,640,000	5,068,860	5,554,277	5,634,089	6,678,669
T&B Species	22,112,000	12,553,561	13,755,746	13,953,409	16,540,421
Wilderness	18,221,000	21,169,980	23,197,313	23,530,646	27,893,311
Recreation	49,471,000	28,301,239	31,011,494	31,457,112	37,289,373
Planning	48,861,000	27,796,440	30,458,353	30,896,023	36,624,265
Law Enforcement	27,957,000	12,847,637	14,077,985	14,280,278	16,927,892
NMs & NCAs	28,801,000	31,754,970	34,795,970	35,299,969	41,839,967
Challenge Cost					
State	9,500,000	5,393,398	5,909,895	5,994,817	7,106,277
O&C Forest Mgmt	31,584,000	14,906,780	16,334,320	16,569,036	19,640,994
O&C Reforestation	24,155,000	10,689,142	11,712,783	11,881,089	14,083,885
O&C Other					
Resources	37,544,000	18,290,428	20,042,002	20,329,994	24,099,248
O&C Planning	3,769,000	1,534,903	1,681,893	1,706,060	2,022,370
O&C NMs&NCAs	833,800	967,771	1,060,449	1,075,687	1,275,123
<b>TOTAL</b>	<b>532,701,000</b>	<b>302,428,290</b>	<b>331,390,187</b>	<b>336,152,084</b>	<b>398,475,878</b>

In addition to the funding increases necessary to support its proposed treasured-landscape management and planning functions, BLM has also prepared a series of discrete cost estimates for its highest priority landholding rationalization efforts. They are presented in attachment 6.

#### V. Conclusion - Making the Vision Real

Today's Bureau of Land Management holds great promise and untapped opportunity to reflect the values of the American people. More than ever before, the public is communicating that it values healthy habitats, clean air and water, an improved quality of life, cleaner energy, and the BLM's role in supporting local economies. With the appropriate vision, the BLM can rededicate itself to the preservation of the irreplaceable cultural and historic resources in its charge, and to the effective management and conservation its treasured public lands. In doing so, it will honor the values of today's public and inspire the hopes of future generations.

**Attachment 1**  
**Land and Water Conservation Fund (LWCF)**

**Historic BLM Funding from the Land and Water Conservation Fund  
Congressional Appropriations**

<b>FY 2000s</b>
<b>FY2000: \$48,750,000</b>
<b>FY2001: \$56,670,000</b>
<b>FY2002: \$49,820,000</b>
<b>FY2003: \$33,450,000</b>
<b>FY2004: \$18,600,000</b>
<b>FY2005: \$9,850,000</b>
<b>FY2006: \$8,622,000</b>
<b>FY2007: \$8,634,000</b>
<b>FY2008: \$8,939,336</b>
<b>FY2009: \$14,775,000</b>

**Future Anticipated BLM Funding Needs from the Land and Water Conservation Fund**

<b>FY 2010s</b>
<b>FY 2010: \$25,029,000 (President's Budget Request)</b>
<b>FY 2011: \$32,479,000 (President's Budget Request)</b>
<b>FY 2012: \$60,000,000 +</b>
<b>FY 2013: \$75,000,000 +</b>
<b>FY 2014: \$75,000,000 +</b>
<b>FY 2015: \$75,000,000 +</b>
<b>FY 2016: \$75,000,000 +</b>
<b>FY 2017: \$75,000,000 +</b>
<b>FY 2018: \$75,000,000 +</b>
<b>FY 2019: \$75,000,000 +</b>
<b>FY 2020: \$75,000,000 +</b>

Tentative

**Attachment 2  
The Federal Land Transaction Facilitation Act (FLTFA)**

**FLTFA Receipts for BLM Land Disposals**

<b>FY 2000s</b>
<b>FY 2001: \$1,206,528.98</b>
<b>FY 2002: \$2,343,807.37</b>
<b>FY 2003: \$1,078,316.45</b>
<b>FY 2004: \$15,799,647.48</b>
<b>FY 2005: \$10,549,206.27</b>
<b>FY 2006: \$57,468,523.49</b>
<b>FY 2007: \$7,063,674.63</b>
<b>FY 2008: \$11,555,099.52</b>
<b>FY 2009: \$1,880,238.23</b>
<b>Total: \$108,905,042.42</b>

**FLTFA Acquisition Approvals**

<b>FY 2000s</b>	<b>BLM</b>	<b>FWS</b>	<b>NPS</b>	<b>ES</b>
<b>FY 2007</b>	<b>\$10,150,000</b>	<b>\$1,780,000</b>	<b>\$2,600,000</b>	<b>\$3,500,000</b>
<b>FY 2008</b>	<b>\$16,473,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$13,086,950</b>
<b>FY 2009</b>	<b>\$5,935,000</b>	<b>\$800,000</b>	<b>\$1,080,000</b>	<b>\$1,665,250</b>
<b>FY 2010<sup>1</sup></b>	<b>\$14,335,000</b>	<b>\$502,000</b>	<b>\$0</b>	<b>\$10,357,000</b>

<sup>1</sup>Pending Secretarial Approval

**Attachment 3  
Conservation Designations:**

**Introduced and Expected Wilderness and National Conservation Area Legislation**

***El Rio Grande Del Norte, NM***

On April 23rd, 2009, Senator Jeff Bingaman introduced legislation that would protect more than 300,000 acres of wild public land in northern New Mexico. The bill is cosponsored by Senator Tom Udall. S.874, the "El Rio Grande del Norte National Conservation Area Establishment Act" would protect approximately 235,980 acres of BLM-managed public land. On June 17, 2009, Deputy Assistant Secretary for Land and Minerals Management Ned Farquhar testified before the Senate Energy and Natural Resources Committee in support of S.874. Creation of the National Conservation Area and Wilderness areas would give local communities a natural attraction and resources to use as part of a long-term sustainable economic development plan. The area is also the Rio Grande Migratory Flyway – one of the great migratory routes in the world. Eagles, falcons and hawks make the basalt walls of the Gorge their nesting homes.

***Gold Butte, NV***

Northeast of Las Vegas, Gold Butte is named for a historic mining town and tent city of 1,000 miners in the early 1900's. Gold Butte is much more than remnants of early mining. It is 360,000 acres of rugged mountains, Joshua tree and Mojave yucca forests, outcroppings of sandstone, and braided washes that turn into slot canyons. Gold Butte is important to numerous wildlife species, including desert tortoise, desert bighorn sheep, the banded Gila monster, great horned owls and a great variety of reptiles, birds and mammals. Gold Butte has abundant archaeological resources, including rock art, caves, agave roasting pits and camp sites dating back at least 3,000 years, and notable historical resources that deserve conservation, including Spanish and pioneer mining camps dating back to the 1700s. Legislation was introduced in the 110th Congress by Representative Shelley Berkley and similar legislation may be introduced later this year.

***Organ Mountains and adjacent Wilderness, NM***

Senator Bingaman has been working with community leaders and individuals in Doña Ana County in Southern New Mexico have endorsed a plan to protect 330,000 acres as wilderness and another 100,000 as a National Conservation Area in New Mexico's Organ Mountains. The mountains are home to a variety of grasses, mixed desert shrubs, piñon-juniper woodland, mixed mountain shrubs, and ponderosa pines. One of the steepest mountain ranges in the West, the Organ Mountains encompass extremely rugged terrain with steep-sided crevices, canyons, and

***John Day Basin, OR***

The 500 mile-long John Day is the second longest free-flowing river in the lower 48 states. The river is prime habitat for wild steelhead, Chinook salmon, and bull and west slope cutthroat trout.

(all protected under the Endangered Species Act). In March 2009, a bill sponsored by Senator Ron Wyden passed Congress that establishes 10,000 acres of new wilderness in the Spring Basin area of the John Day. There is potential for significant additional public land designations along this river, which would enhance recreational activities, as well as enhance habitat for one of the last strongholds for wild salmon and steelhead in the lower 48 states.

*Dolores River Basin, CO*

The Dolores River carves one of America's premier wild river canyons on the east side of the Colorado Plateau. The spectacular scenic landscape hosts remote wilderness, sheer-walled canyons, and magnificent stands of old-growth ponderosa pine. There is potential for up to 500,000 acres of protected public lands in this river basin. In July 2009, Representative John Salazar unveiled a proposal to establish more than 63,000 acres of wilderness and special management areas in the headwaters of this basin.

*Hidden Gems (CO)*

Support is being developed for legislation in north-central Colorado that would contain more than 400,000 acres of Forest Service and BLM wilderness. The areas are contained within Rep. Polis's (D-CO) and Rep. Salazar's (D-CO) districts.

*Mojave Desert/Sand to Snow, CA*

Located in the southern California Desert, this area includes desert tortoise habitat, critical wildlife corridors and pristine desert landscapes that have captured the imagination of Americans for decades. Senator Dianne Feinstein plans to introduce the California Desert Conservation and Recreation Act to create two new National Monuments and numerous wilderness designations.

*San Diego County Wilderness, CA*

This legislation would add additional acreage to the Beauty Mountain Wilderness Area in San Diego County, designated in the Omnibus Public Land Management Act. Legislation may be introduced this fall.

*Utah Wilderness*

Following the success of the Washington County, UT, legislation (as part of the Omnibus Public Land Act), several Utah counties including Emery, Grand, Wayne, Beaver, and Piute, have expressed interest in wilderness legislation. No county has developed legislation to date, but one or more may be developed in the 111th Congress.

**Attachment 4**  
**Prospective Conservation Designation:**  
**National Monument Designations under the Antiquities Act**

Many nationally significant landscapes are worthy of inclusion in the NLCS. The areas listed below may be good candidates for National Monument designation under the Antiquities Act; however, further evaluations should be completed prior to any final decision, including an assessment of public and Congressional support.

*San Rafael Swell, UT*

Located in South-Central Utah, the San Rafael Swell is a 75 by 40 mile giant dome made of sandstone, shale and limestone - one of the most spectacular displays of geology in the country. The Swell is surrounded by canyons, gorges, mesas and buttes, and is home to eight rare plant species, desert big horns, coyotes, bobcats, cottontail rabbits, badgers, gray and kit fox, and the golden eagle. Visitors to the area can find ancient Indian rock art and explore a landscape with geographic features resembling those found on Mars.

*Montana's Northern Prairie, MT*

The Northern Montana Prairie contains some of the largest unplowed areas of grasslands in the world and some of the best habitat regions in all the Great Plains. Unfortunately, we are losing our grasslands and northern prairies at alarming rates, and few opportunities exist to conserve grassland ecosystems and their native biota on large scales. If protected, Montana's Northern Prairie would connect more than 2.5 million acres of protected grasslands bordering Bitter Creek Wilderness Study Area and Grasslands National Park in Canada. This cross-boundary conservation unit would provide an opportunity to restore prairie wildlife and the possibility of establishing a new national bison range. This landscape conservation opportunity would require conservation easements, willing seller acquisitions, and withdrawal from the public domain.

*Lesser Prairie Chicken Preserve, NM*

This 58,000-acre Preserve is prime habitat for both the lesser prairie chicken and the sand dune lizard. This area of sand dunes and tall bluestem grasses is ideal habitat for both species. The Preserve contains more than 30 percent of the occupied lesser prairie chicken habitat in southeastern New Mexico. Recent monitoring of the area concluded that this habitat is in good to excellent condition. Protection of this area offers the best opportunity to avoid the necessity of listing either of these species as threatened or endangered.

*Berryessa Snow Mountains, CA*

The public lands of the Berryessa Snow Mountain region stretch from the lowlands of Putah Creek below Lake Berryessa, across remote stretches of Cache Creek, and up to the peaks of Goat Mountain and Snow Mountain. This vast expanse - nearly 500,000 acres in the wild heart of California's inner Coast Ranges - provides habitat and critical long-term movement corridors for many species of wildlife and an unusually rich part of the California Floristic Province, a biological hotspot of global importance.

*Heart of the Great Basin, NV*

The Heart of the Great Basin contains Nevada's wild heart - a globally unique assemblage of cultural, wildlife, and historical values. Here, Toiyabe, Toiyabe, and Monitor peaks tower to 12,000 feet. Thousands of petroglyphs and stone artifacts provide insight to the area's inhabitants from as long as 12,000 years ago. The region contains varied ecosystems including alpine tundra, rushing creeks, aspen groves, and high desert sage grouse habitat. The area is also a center of climate change scientific research, (e.g., Great Basin Pika is a keystone species for climate research), and one of North America's least appreciated wildland mosaics.

*Otero Mesa, NM*

Stretching over 1.2 million acres, Otero Mesa is home to more than 1,000 native wildlife species, including black-tailed prairie dogs, mountain lions, desert mule deer, and the only genetically pure herd of pronghorn antelope in New Mexico. These vast desert grasslands of Otero Mesa, once found throughout the region, have disappeared or been reduced to small patches unable to support native wildlife. Otero Mesa is one of the last remaining vestiges of grasslands - America's most endangered ecosystem.

*Northwest Sonoran Desert, AZ*

The Sonoran Desert is the most biologically diverse of all North American deserts. This area west of Phoenix is largely remote and undeveloped, with a high concentration of pristine desert wilderness landscapes. There is potential for up to 500,000 acres of new wilderness and National Conservation Area designations.

*Owyhee Desert, OR/NV*

Last year, Congress protected a significant portion of the Owyhee Canyonlands region in Idaho. However, a significant portion of the Owyhee region in Oregon and Nevada remains unprotected. The Owyhee Desert is one of the most remote areas in the continental United States, characterized by juniper covered deserts, natural arches, mountains and ancient lava flows. The many branching forks of the Owyhee River form deep, sheer-walled canyons between desert wilderness and entice river runners from around the Nation. The Owyhees are home to the world's largest herd of California bighorn sheep, elk, deer, cougar, Redband trout, sage-grouse and raptors.

*Cascade-Siskiyou National Monument, CA (expansion)*

In 2000, Cascade-Siskiyou National Monument was established to protect the extraordinary biodiversity and vegetation found in southwestern Oregon. Unfortunately, because of political constraints, the Monument's southern boundary was artificially established at the California State line. Therefore, the Monument does not include the ecologically important Klamath River tributaries and cuts out sections of important eco-regions from protection. Connectivity of landscapes is essential to protect and maintain healthy wildlife populations especially in the face of global climate change. In addition, this expansion could connect Cascade-Siskiyou with the proposed Siskiyou Crest National Monument. Expansions on the Oregon side may also be worth consideration.

*Vermillion Basin, CO*

The Vermillion Basin, located in northwest Colorado, is a rugged and wild landscape containing sweeping sagebrush basins, ancient petroglyph-filled canyons and whitewater rivers. Besides its scenic qualities, the basin is a critical migration corridor and winter ground for big game species such as elk, mule deer and pronghorn, in addition to being vital sage grouse habitat. This unique high desert basin is currently under threat of oil and gas development, which will forever alter the region.

*Bodie Hills, CA*

The remote Bodie Hills, located in the eastern Sierra Nevada, provide habitat for the imperiled sage grouse and the iconic pronghorn antelope, rare in California. The ghost town of Bodie State Historic Park, managed by the State of California, lies at the center of the Bodie Hills. Bodie State Historic Park is known as the best preserved ghost town in the West and receives several hundred thousand visits annually. Numerous gold mining operations have been proposed in the Bodies, and a new proposal is pending. Bodie Hills provides an opportunity to link both ecotourism and cultural tourism providing benefits to the surrounding communities.

*The Modoc Plateau, CA*

Tucked away in California's northeast corner, the Modoc Plateau contains some of the State's most spectacular and remote lands. This wild and largely undiscovered region features an array of natural riches: unbroken vistas, abundant wildlife, and millions of acres of intact, undisturbed landscapes. Spanning close to three million acres of public land that is laden with biological and archeological treasures, the Modoc Plateau is one of the State's most important natural landscapes. The crown jewel of these areas -- the Skedaddle Mountains -- covers close to a half-million acres in California and Nevada. The California portion alone is the second largest unprotected wilderness area in the state.

*Cedar Mesa region, UT*

For more than 12,000 years, generations of families from Paleo-Indian big game hunters to Mormon settlers traveled to the area now within southeastern Utah's Cedar Mesa region. Their stories are now buried among the area's estimated hundreds of thousands of prehistoric and historic sites. Cedar Mesa also contains thousands of largely intact cliff dwellings and open-air sites built between A.D. 750 and 1300 by later prehistoric farmers known as the Ancestral Puebloans or Anasazi.

*San Juan Islands, WA*

This cluster of hundreds of islands along the Nation's northern border contains a wealth of resources. The deep channels between islands and placid, reef-studded bays are home to myriad marine species and support major migratory routes for Orcas. The islands contain healthy pine and fir forests which protect a wide variety of wildlife species. The outstanding scenery and a historic lighthouse support diverse recreation opportunities. This area also supports sailing and sea kayaking opportunities that are unique in the Northwest.

Attachment 5

Conservation Designations:

Areas worthy of protection that are ineligible for Monument Designation and unlikely to receive legislative protection in the near term

*Bristol Bay Region, AK*

Bristol Bay, located in southwest Alaska, is pristine wild country encompassing Alaska's largest lake, rugged snow-capped peaks and tundra laced with countless winding rivers. Bristol Bay has been called the world's greatest salmon fishery, home to the largest sockeye salmon fisheries and one of the largest king salmon runs in the world. The region is also home to caribou, brown and black bear, moose, sandhill cranes, and myriad migratory birds. Conservationists have expressed that Bristol Bay is threatened by proposed open pit gold mining, which would forever alter this pristine and delicate watershed, potentially exposing the salmon and trout habitat to acid mine drainage.

*Teshkepkuk Lake, AK*

Teshkepkuk Lake is a 22-mile wide lake located on the north slope of Alaska. Due to climate change and loss of habitat, Teshkepkuk Lake has been called one of the most important areas for wildlife population survival in the entire Arctic. The Lake and surrounding land is both a migration and calving ground for 46,000 caribou and home to 90,000 summer geese. In addition, hundreds of species of birds migrate from six continents to spend part of the year at Teshkepkuk Lake.

*Red Desert, WY*

The Red Desert's rich landscape offers spectacular desert structures and wildlife habitat. The Desert provides world class pronghorn and elk hunting; the area is home to the largest desert elk herd in North America and the migration path for 50,000 pronghorn antelope. Early explorers, pioneers, and Mormon settlers used the unique features in the Red Desert as landmarks to guide them Westward. The Pony Express Trail traverses the northern section of the Red Desert. One of the unique features in the Red Desert is Adobe Town, an astonishing and remote set of badlands and geologic formations. Visitors can see fossils of long-extinct mammals, reptiles and invertebrates.

Attachment 6

Cost Estimates: High Priority Land-Rationalization Efforts

(i) *Checkerboard Consolidation*

The BLM proposes a program of land consolidation for its checkerboarded lands, particularly in Nevada, Oregon, California, Wyoming, and Utah.

**Cost estimate:** The BLM estimates this initiative could be accomplished, where consistent with BLM land-use plans and in areas where there is a willing seller, over the next 10 years at an annual expenditure of approximately \$5 million. Conversely, the BLM may use land exchanges or sales to dispose of lands within checkerboard areas consistent with land use plans as it attempts to meet our management goals for a specific area or region.

(ii) *Alpine Triangle, CO*

The Alpine Triangle contains a dramatic, high elevation, alpine tundra ecosystem unusual for BLM land. This wild area contains about 25,000 acres of patented mining claims that could be used to support backcountry cabins and second home development, which would threaten the landscape. Pursuing acquisition of environmentally sensitive lands here would help consolidate BLM land ownership in this nearly 200,000-acre block of high value conservation land.

**Cost estimate:** BLM estimates that there are approximately 2,400 patented mill sites and mining claims totaling roughly 25,000 acres. Recent Forest Service acquisitions of similarly situated groups of patented mining claims in the area were purchased for approximately \$1,400 per acre. A 2008 formal appraisal for a BLM land exchange involving a small number of patented mining claims within the Triangle estimated the claims to be worth \$1,700 per acre. Therefore using an average estimated value of \$1,500 per acre, the total dollar amount to acquire the 25,000 acres would be about \$37.5 million. This management area also includes some Forest Service Land; however, the BLM counted only patented mining claims that would fall under BLM jurisdiction if acquired. Careful analysis would be required because some claims are known to be contaminated, which would affect BLM's ability to acquire the properties.

(iii) *Upper Missouri River, MT*

This project is located from Fort Benton downstream to the Fort Peck Dam, a.k.a. "Fort to Fort," on the main stem of the Missouri river, along the Upper Missouri National Wild and Scenic River and Missouri Breaks National Monument, and including the Charles M. Russell National Wildlife Refuge. The stretch features a small number of very large privately owned ranches with river frontage, such as the PN Ranch along the Judith River and nearby ABN Ranch. Conserving these private ranches would benefit the Lewis and Clark National Historic Trail, the exceptional scenery along the area, and important wildlife habitat.

**Cost estimate:** Based on recent market activity, prices in the \$300 per acre for raw land are common. For the 80,000 acres of inholdings, that would make the cost of acquiring the inholdings roughly \$24 million. This would not include improvements such as houses and outbuildings, and would not necessarily include mineral rights or existing leases. The State of

Montana has also indicated a desire to divest itself of 39,000 acres of inholdings in the same area.

*(iv) Pioneer Range, ID*

Roughly 140,000 acres of private lands provide a critical nexus between low-elevation BLM land in the Craters of the Moon National Monument and high-elevation Forest Service lands in this region. Only about 7 percent of these lands have been protected from development by conservation easements to date. Local landowners are working with conservation groups in the Pioneers Conservation Alliance to protect this important landscape.

**Cost Estimate:** Costs per acre in the Pioneer Range area vary widely, from \$1,000 to \$20,000 per acre. Total costs would depend on the location of willing sellers.

*(v) John Day River, OR*

This initiative would consolidate BLM land of the John Day Wild and Scenic River in Oregon benefitting salmon recovery and allowing for more effective management of recreation along this highly scenic and popular river.

**Cost estimate:** To consolidate BLM lands within a quarter mile of the currently designated sections of the John Day Wild and Scenic River, it would cost approximately \$67 million, working with willing sellers. This rough estimate does not factor in State and Forest Service ownership.

*(vi) Upper Green River Valley, WY - Wyoming Range to Wind River Range*

This initiative would focus on conserving large private ranches that are located at the base of the Wyoming and Wind River Ranges in the Upper Green River Valley to benefit sage grouse, big game species and the path of the pronghorn antelope.

**Cost estimate:** The BLM, the State of Wyoming, Conservation Fund, Jonah Interagency Office, Green River Valley Land Trust, Rocky Mountain Elk Foundation, Wyoming Wildlife Foundation, the Bridger Teton National Forest, and a host of other private/public partnerships are all working cooperatively in the area between the Wyoming Range and the Wind River Range to provide big game migratory corridors and wildlife habitat improvement through easements and landscape level improvement projects. These cooperative efforts pay big dividends to the State, Federal and private partners involved by increasing individual ownership and responsibility for projects, and decreasing cost and burden to Federal and State governments.

To acquire land, property values are variable based on location, features, access/availability of water, elevation, and real improvements. In order to have an accurate portrayal of costs, serious appraisal work would be required. With that in mind, a preliminary estimate of a private land purchase in the area may be calculated as follows:

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Field Office Total (all ownerships)	1,618,140 acres
State & Private land:	397,210 acres (nearly a quarter of the field office area, from the Wyoming Range to the Wind River Mountains)

---

Average asking price per acre: \$6,000.00  
Total: \$2,383,260,000

(vii) *National Historic and Scenic Trails (multiple states)*

This initiative would explore acquisition of key historic properties along National Historic Trails (NHTs). Willing land owners and local, State and Federal agencies work with the BLM on land acquisition, exchanges, sales, easements, and cooperative agreements, providing public access along missing segments of national scenic trails, and protection for critically important historic sites, segments, and settings along national historic trails.

**Cost Estimate:** Under the Secretary's Treasured Landscape initiative, the BLM would focus over the next 10 years on connecting critical scenic trail segments and the associated trail qualities, and properties that are key to the story of Western settlement and the associated diverse American cultures - including the Hispanic trails in the southwest, the journey of Lewis and Clark, the Nez Perce flight, emigrant travels West, Pony Express sites, and the Iditarod Trail between native Alaskan villages. An estimated \$7 million per year would provide a substantial base for an aggressive willing seller program along the BLM's National Scenic and Historic Trails.

David A. Galt  
Executive Director

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September 15, 2010

Mr. Robert Abbey, Director  
Bureau of Land Management  
1849 C Street NW, Rm. 5665  
Washington DC 20240

Dear Mr. Abbey:

Thank you for taking the time and making the commitment to visit Malta, Montana to discuss concerns related to federal land use policy. Montana is a big state, the fourth largest in land area in the nation. The Federal government controls 40 percent of the mineral acreage and 28 percent of the surface. As Director of BLM, you, have quite a bit of responsibility for the economic vitality of the nearly 1 million people who live and work in Montana every day. A big job! Your land policies not only directly affect the BLM lands that you directly manage, they have the same affect on the adjoining fee owners, the local communities and schools that are dependent upon a healthy tax base and jobs.

The Montana Petroleum Association (MPA) is a statewide, non-profit trade association representing oil and gas producers, fuels, natural gas and crude oil pipeline companies, service providers to the petroleum industry, and all four petroleum refineries in Montana. According to a recent analysis by Montana State University in Billings, the petroleum industry provides 4,600 direct jobs, another 7,500 indirect jobs and \$9 billion dollars in economic benefits. Montana's average wage is slightly over \$34,000 per year; one of the lowest in the country. However, direct jobs in the petroleum industry average between \$54,000 and \$91,000 depending upon the sector. At a time when this country is begging for jobs, our industry has delivered.

With a third of the oil and gas minerals in Montana under your control, the BLM is a vital partner to our State's oil and gas industry. However, MPA is seriously concerned regarding the non-transparent activities within the Department of the Interior regarding conservation efforts presently being discussed at the department's highest levels. Currently, 25 percent of the federal oil and gas minerals in Montana are unavailable for development. Millions of additional acres are being put off limits through processing delays and studies that take years to complete. The position of the MPA regarding federal lands is that there shall be no decrease in federal acreage designated for multiple use and that oil and gas development be allowed on statutorily available multiple-use lands. Quite simply, neither we nor Montana can afford any further loss of public lands for public use.

Based on the language and tone of the treasured landscapes memorandum, it is hard to believe this is simply a visioning document. This document does not represent the vision of local stakeholders. MPA is stunned that people within the Federal government believe that over half the lands under your jurisdiction are in need of consideration as "Treasured Lands". MPA is opposed to the creation of more national monuments, in particular, those mentioned in the Treasured Landscapes document. Of equal or perhaps greater concern is the comment on page 4 that states: *"Use BLM's land use planning process to manage lands for conservation values. This will allow the BLM to protect lands that, while ineligible for Monument designation and/or unlikely to receive legislative protection in the near term, are nevertheless worthy of conservation."* This statement directly contradicts the mandate of the Federal Lands Policy and Management Act (FLPMA) which directs BLM to manage public lands according to the principles of multiple-use and sustained-yield in a manner that balances the need for commodity uses of federal resources and environmental protection. Further, this vision will erode and devastate the jobs and tax base that a rural State like Montana is dependent.

The comments from BLM in the "treasured landscape" document are inconsistent with its own policy. In the recently released environmental assessments regarding the leasing program in Montana and the Dakotas, BLM states: *"It is the policy of the BLM to make mineral resources available for use and to encourage development of mineral resources to meet national, regional and local needs"*. We agree with that policy statement, but it does not reconcile itself to the whole "treasured lands" concept. It is even more disconcerting to MPA that BLM appears willing to manipulate the planning process to meet conservation goals in direct conflict to the agency's stated policy and FLPMA. Keep in mind, most lands under the administration of BLM in Montana are currently under a RMP revision process or soon will be.

There also needs to be some discussion regarding the myths of what a monument designation will and won't do. MPA has been told that under the creation of the Upper Missouri Monument that existing oil and gas mineral leases will be honored. While that looks good on paper, the reality is that trying to get permits to drill existing leases has become so burdensome that many of our members who have those leases have given up. Those oil and gas developers who have bought the leases in good faith have seen their investments devalued by federal action (or inaction). Mineral rights owners in the area have seen their property rights devalued by federal action. And our nation is deprived of domestic energy that your policy recognizes as important. To state that a monument designation will not impact existing BLM and fee leases is disingenuous and simply not true.

Furthermore, you must acknowledge that even after completing an exhaustive land use planning process for the new Upper Missouri Monument, the plan has been challenged by extreme environmental organizations as not protective enough. What makes anyone think that a future designation will be any different?

Again based on the economic analysis in the Malta EA on green house gas emissions, BLM notes a 26% decline in population in Phillips County since 1970. The document says this decline in population has resulted in an erosion of the local economic base. MPA thinks BLM has that backwards. It is the loss of jobs in the region that has led to declining population. Oil and gas operations have been active in Phillips County for years and that activity has provided jobs that are considered good paying in any region, let alone rural Montana. I can not tell you how many times I have heard members of the "conservation" community say they are concerned about the viability of rural communities. MPA believes that good paying jobs are a cornerstone to viable

rural communities and the ability to develop oil and gas resources has, and will continue, to provide the jobs necessary to help make rural communities viable.

One final comment, it appears that the standard response from the DOI is that no monument plans will be considered without extensive public comment. MPA feels this is a hollow statement. We both know that public comment will be accepted from all over the United States. In reality the comments that are the most important are those from the communities that border the effected public lands, those who have property rights (surface and mineral), and the local governments and schools in the region which also suffer from federal decisions that fail to carefully consider their impacts on the economic viability of local communities. These are the same people that have maintained these lands for generations with a true vision of stewardship.

Regards:

David A. Galt  
Executive Director

cc: Senator Max Baucus  
Senator Jon Tester  
Congressman Denny Rehberg  
Governor Brian Schweitzer



February 17, 2011

The Honorable Ken Salazar  
Secretary of the Interior  
U.S. Department of the Interior  
1849 C Street, N.W., Room 6151  
Washington, DC 20240

Dear Secretary Salazar,

We, the undersigned Governors, express our extreme displeasure over both the policy and the process by which Secretarial Order 3310 (Order) was developed and issued. As you know, the wilderness issue is one of great concern and intense debate in the western states.

In your own talking points, the Bureau of Land Management (BLM) states "The fact is: Americans love the wild places where they hunt, fish, hike and get away from it all, and they expect these lands to be protected wisely on their behalf." Federal laws are already in place to "wisely" protect these "wild places" such as the Federal Lands Policy and Management Act (FLMPA), National Environmental Protection Act and the Endangered Species Act. New wild lands designations will likely lead to "de facto wilderness" impeding the multiple-uses our citizens currently have on BLM lands. Our states have experienced such de facto wilderness restrictions before.

The BLM oversees over 245 million acres of lands in western states. We value the authority provided to states through FLPMA for consultation with federal land management agencies as planning decisions are made. We also value the limitations imposed on the Executive Branch in FLPMA, which ensures that the multiple-use mandate is not simply overridden by executive fiat. Your Order ignores these limitations, and we have serious concerns that the new policy does not comply with either the spirit or the letter of the law.

In most instances our relationship with the federal land management agencies works successfully to ensure that state governments are treated as partners in land management decisions. However, developing a substantive new policy on a topic as controversial as wilderness or, in your parlance, "Wild Lands" Designation, without

**Sean Parnell**  
Governor  
State of Alaska

**Jan Brewer**  
Governor  
State of Arizona

**C.L. "Butch" Otter**  
Governor  
State of Idaho

**Susana Martinez**  
Governor  
State of New Mexico

**Jack Dalrymple**  
Governor  
State of North Dakota

**Gary Herbert**  
Governor  
State of Utah

**Matt Mead**  
Governor  
State of Wyoming

notification and comment from western states, ignores our authority through FLPMA, ignores existing state and federal partnerships, and does not respect the executive's obligation to engage in formal rule making. This type of executive decision-making is not a productive way to develop long-lasting policy.

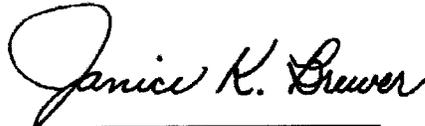
We insist that you withdraw your Secretarial Order 3310.

We urge this action because you have not respected the role of the public or states in land use planning under FLPMA. The policy itself should be reconsidered in light of the limitations on your executive authority under the law. A regulatory process that seeks notice and public comment, including an advanced notice of proposed rulemaking should be pursued. This is an extraordinarily important and controversial subject matter, and it deserves regular and appropriate opportunities for notice, comment, administrative challenges and all normal remedies allowed by law. A Secretarial Order with pre-developed departmental manuals and handbooks lacks the type of "transparency" professed to be a hallmark of this administration.

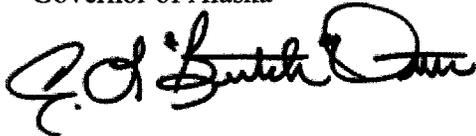
Sincerely,



Sean Parnell  
Governor of Alaska



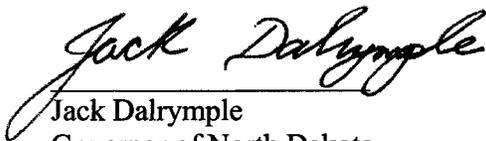
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Governor of Arizona



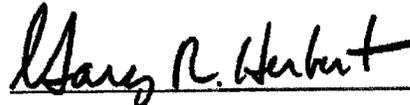
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Governor of Idaho



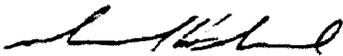
Susana Martinez  
Governor of New Mexico



Jack Dalrymple  
Governor of North Dakota



Gary Herbert  
Governor of Utah



Matt Mead  
Governor of Wyoming

## BLM Wild Lands Policy

### **BACKGROUND**

In accordance with Section 603 of the Federal Land Policy and Management Act of 1976 (FLPMA), BLM inventoried *all* public lands in two phases which resulted in identification of over 700 Wilderness Study Areas (WSAs) totaling about 26.5 million acres in eleven western states. These lands remain subject to a “non-impairment” standard to protect their wilderness viability. The Interior Department was required by law to forward its final wilderness recommendations to Congress by October 1993 for its consideration.

Immediately after DOI’s wilderness recommendations were submitted to Congress, wilderness advocates began criticizing BLM for excluding “eligible areas” even though they did not appeal most of these “omissions” in the final 1980 wilderness inventory report. In 1996, BLM conducted a wilderness re-inventory in Utah (other states had much more limited inventories) which resulted in the Secretary of Interior issuing a 1999 report which identified an additional 2.6 million acres of public lands in Utah that purportedly contained wilderness characteristics. The Secretary of Interior directed BLM to initiate a statewide planning effort to determine if additional WSAs should be established based on the new findings. The State of Utah challenged BLM’s wilderness re-inventory, arguing DOI’s authority had expired under FLPMA’s 1991 deadline to complete the nationwide wilderness inventory and its 1993 deadline to forward its wilderness recommendations to Congress. While the Court found that wilderness inventories were not prohibited by law, it did find that BLM could not impose the WSA non-impairment standard on newly identified lands with wilderness characteristics.

Settlement of the case was reached in 2003 and BLM was required to withdraw policies that were adopted and to manage “re-inventory areas” under the existing land use plans for multiple-use. BLM would continue to inventory public lands for resources or other values, including wilderness characteristics, as a part of managing the public lands and land use planning. Information provided by the public about resources and other values would be considered along with all other resource information in the planning process.

It was further agreed that following expiration of the FLPMA Section 603(a) process, there was no legal authority for the BLM to designate lands as WSAs or for management pursuant to the non-impairment standard prescribed by Congress for Section 603 WSAs.

### **WILD LANDS SECRETARIAL ORDER 3310**

Secretary of Interior Salazar is circumventing the settlement agreement by issuing Secretarial Order 3310 in December 2010 that requires BLM to protect lands with wilderness characteristics and establishes a new class of lands to be managed for preservation: “Wild Lands,” a land designation not subject to Congressional approval.

In addition to the 191 designated Wilderness Areas covering 7.7 million acres and the remaining 545 WSA’s covering nearly 12.7 million acres in the Western States and Alaska, BLM must now assess how many of the 220 million acres of unclassified, multiple-use lands should be set aside from multiple-use via a Wild Lands classification. These reviews could be accomplished as part of the plan revision process or in a project proposal analysis required for all project approvals. Such reviews would apply to ALL uses of public lands, including oil and gas leasing and exploration projects, grazing permits, recreation permits, etc.

While BLM must develop new wilderness policy guidance, DOI has already drafted a new 6300-1-Wilderness Inventory Manual requiring BLM to maintain a current inventory of wilderness resources. Inventories will be updated when:

- Wilderness characteristics are raised as an issue during scoping for land use planning or project level analysis;
- An RMP, RMP revision or amendment is being initiated;
- New lands with wilderness characteristics are identified by the public
- Lands appear to have wilderness characteristics and a proposed project may impair their character
- New lands are acquired.

### **CONSEQUENCES**

- As the US economy continues to recover from the challenges of an economic crisis, the current administration is promoting programs that will hinder this recovery. Access to public lands is necessary to provide new supplies of American oil and natural gas to fuel that economic recovery—not only through increased energy supply, but also by creating well-paying jobs to bring this energy online.

- All public lands are up for grabs, which could curtail not just oil and natural gas leasing and development, but also mining projects, grazing and recreational uses, including camp grounds and off-road vehicle use.
- Secretarial Order 3310 directs BLM to use land use planning and other NEPA analyses to withhold lands from multiple-use by establishing a new land preservation designation outside the National Wilderness Preservation System.
- This policy gives BLM veto power over all other uses simply when special interests propose an area for Wild Lands designation, despite the economic needs of local communities or the demand for domestic energy by the American people.
- No provision for releasing lands from Wild Lands consideration is included in the order

### **IMPACTS ON OIL AND NATURAL GAS LEASING**

The Western states produce 27 percent of domestic natural gas and 14 percent of domestic oil, 42 percent of which was produced from federal lands. Federal lands hold 69 percent of the nation's undiscovered oil and 51 percent of its natural gas; however, 60 percent of these lands are inaccessible to leasing and development.<sup>1</sup>

- Leasing for and production of oil and natural gas from federal lands has declined by 50 percent over the past two decades, with this decline escalating to an even greater degree under the Obama administration. According to a recent report by Western Energy Alliance<sup>2</sup>, the Obama administration has issued 76 percent fewer acres for lease than the first two years of the Clinton administration and 71 percent fewer acres than the first two years of the Bush administration.
  - Revenue to the federal treasury from onshore royalties on production and rents and bonuses paid for leases declined by 33 percent between 2008 and 2010, from \$4.2 billion to \$2.8 billion. It is notable that approximately 50 percent of this revenue is shared with states in which these leasing and production activities occur.
- Of the 700 million acres of federally managed mineral estate, only 6.4 percent is currently leased for oil and natural gas, less than 1 percent of total public lands in the Western United States.
- In order to conduct new wilderness inventories, BLM will divert staff responsible for granting operational approvals, e.g., drilling permits and maintenance operations. This will result in major delays in obtaining operational approvals, a hindrance for timely development of oil and gas assets which already exists on federal leases and the likelihood projects will have to be modified due to concerns regarding wilderness characteristics.

### **WHY WE NEED CONTINUED FEDERAL LEASING AND DEVELOPMENT**

- The average Western oil and gas industry employee typically earns 68 percent more in wages than the regional average
- Nearly 500,000 employees receive over \$27 billion in annual labor income (10.3% of the West's total labor income)
- The elimination of domestic oil and gas leasing and development from public lands will result in even higher energy costs and the loss of thousands of more jobs along with their significant benefits to national and regional economies
- Eliminating significant portions of our domestic resources places our national energy security at risk, forcing us to further increase our reliance on foreign supplies.
- Without access to these and similar resources through reliable federal energy and leasing policies, the US will be ill-equipped to help compensate for expected future energy supply shortages by utilizing resources available here in the U.S.

### **ACTION REQUESTED**

- Oppose the use of "Wild Lands" to set aside multiple-use public lands for preservation as de-facto wilderness
- Point out that land withdrawal policies will hinder economic recovery and negatively impact state and local economies
- Challenge the administration's anti-energy policy and its giving preferential input to environmental constituents to set aside lands from multiple-use

<sup>1</sup> EPCA Phase III Report, 2008, BLM, FWS, FS

<sup>2</sup> Western Oil and Natural Gas Dashboard, 12/9/2010, Western Energy Alliance