

[BLM Order 2018-034: Updating Oil and Gas Leasing Reform - Land Use Planning and Lease Parcel Reviews](#)

Revises and overturns a number of Obama administration environmental regulations concerning oil and gas extraction on Bureau of Land Management lands.

Updated last **June 4, 2018**



WHAT IT DOES

In its [instructional memorandum](#) titled “Updating Oil and Gas Leasing Reform – Land Use Planning and Lease Parcel Reviews,” the Bureau of Land Management (BLM) updates its land use planning and lease parcel review procedures. The memorandum’s goal is to “streamline the leasing process” between an oil or gas company and the BLM for that company to access parcels of federal land and any oil and gas that may be stored there.

These updated regulations are meant to expedite offerings of lands for lease and provide a more defined process for oil and gas leases. BLM will now have a maximum of six months prior to the lease sale to review parcels of land to ensure they meet BLM and [National Environmental Policy Act \(NEPA\)](#) compliance processes, such as through [environmental impact assessments](#). This shortened time frame also cuts the amount of time allowed for environmental review of the impact of oil removal and spills on the surrounding environment. The allotted amount of time for a public protest of the sale of a parcel was also shortened to ten days after the sale notice is posted. During the event of a public protest of a lease, the land can still be sold but the buyer will not be given the lease until the protest has been resolved at BLM’s discretion.

This policy also applies to the leasing of minerals such as cobalt, a rare earth metal used in rechargeable batteries, jet engines, gas turbines, medical tracers, and magnetic steels. This order is a part of the Trump Administration’s [plans](#) to roll back regulation on land use management and allow for more extraction on over 245 million acres of public land and 700 million acres of below the surface mineral rights. This policy also eliminates the [Master Leasing Plan](#) policy implemented during the Obama Administration that allowed for further protections of public land proposed for lease that contain important cultural artifacts.

BACKGROUND

Since President Obama took office in 2008, oil and gas production on federal lands has [decreased](#). The BLM under the Obama Administration leased less than [half](#) the amount of offshore parcels for oil and exploration leased under the Clinton Administration. In 2016, Obama permanently banned oil and gas drilling leases in parts of the Arctic and Atlantic Oceans using [Section 12\(a\)](#) of the [Outer Continental Shelf Lands Act](#). This provision allows for a president to withdraw certain lands for use and may not allow for a future president to rescind a withdrawal, though this interpretation is [contested](#).

Due to ideological differences, the Trump Administration has worked to [roll back](#) energy regulations completed by President Obama. The Trump administration has sided with oil and gas producers by [lifting bans](#) on offshore drilling put in by the previous administration and increasing the amount of land open for oil and gas leases. On March 29, 2017, the BLM was directed by the Interior Secretary Ryan Zinke to review their previous rules as a part of “promoting Energy Independence and Economic Growth” in [Order No. 3349](#). This memorandum from BLM is in line with the Trump Administration’s [goal](#) to decrease the amount of regulation and increase the amount of land leased for oil and gas use in previously protected public lands.

BLM [manages](#) roughly 10% of the land in the United States and accounts for 30% of its minerals. The rest of the minerals are managed by other Federal agencies and private land owners. The [leasing process](#) for BLM-managed lands is to first have industry representatives or the public nominate or request a parcel that they want to lease. The area then must be reviewed for resource management plan compliance and resource conflicts before it can go up for sale. The term length for these leases are typically 10 years. The land then goes on notice for sale online and is auctioned to the highest bidder in person or online. The winning bid must have turned in a lease bid form, paid the administrative fee, and pay the balance of the bid within 10 working days of the auction.

There are typically competitive and noncompetitive leases for development on lands and oil and gas exploration. Noncompetitive leases are typically leases that were competitive originally but failed to receive a bid. An offer may be then submitted for the land by submitting a form and advance payment on the rental. If multiple offers are received the first day following the failed auction day, a randomized public drawing will pick the new leaser. In 1987, Congress passed the [Federal Onshore Oil and Gas Leasing Reform Act](#), which requires that public lands be auctioned first for competitive leasing if they are to be used for oil and gas exploration.

RELEVANT SCIENCE

Science Modules: [Unconventional Fossil Fuels](#), [Stream Ecology](#)

Land Use Planning

Governmental land use planning [seeks to manage](#) public land by balancing the use of natural resources with its possible impacts on the surrounding environmental and population. Land management includes reviewing the land and water for potential use and account for the societal and economic benefits associated with the land use. Increase in land use for oil and gas development can lead to [disturbances](#) in surface vegetation along with changes to the radiative and hydraulic properties of the land. These can have direct impacts on infrastructure development, such as the of construction of roads and buildings, within 100 meters of the source of disturbance and persist for decades.

Ecology

Oil and gas extraction may damage the natural environment through [deforestation](#), [wildlife](#), and [polluting nearby waters](#). This can cause habitat loss and decrease [biodiversity](#) in the surrounding areas. Extracted petroleum also [increases the amount of greenhouse gases](#) in the atmosphere as carbon dioxide and other greenhouse gases are emitted through combustion.

Environmental Toxicology

Petroleum is a complex mixture of hydrocarbons, of which the [most toxic compound](#) is benzene. Fossil fuels and their extraction has been shown to be lethal to [fish](#), decrease algae productivity, and linked to [cancer](#) and [premature births](#). Oil and gas extraction allows for fuel to rise to the surface and potentially [contaminate surrounding](#) soil and waterways.

CONTROVERSIES & IMPLICATIONS

The primary source of contention from this memorandum is whether prior regulation was redundant with other [environmental checks](#) on leasing through the Environmental Protection Agency. The main environmental check for federal agencies is review through the [National Environmental Policy Act](#), which is meant to assess the environmental impact a proposal will have on public lands. Another point of controversy is if expediting oil and gas leases hampers the amount of time needed for a full environmental and archeological review of the land. If so, this raises question of whether natural resources are being appropriately protected under the Trump administration. Some commentators have pointed to this memorandum as [evidence](#) that the Trump administration favors the oil and gas industry over preservation of the natural environment.

The BLM's push to auction this oil and gas leases across Western states in April [has raised alarm](#) in many of those states. Some are concerned about how thorough the agency is at looking at the [effect](#) of the states' landscape if these leases were sold. In March, a Montana Federal Court ruled against opening 15 million acres of public land for oil and gas extraction. Its [conclusion](#) was that the BLM failed to adequately consider the impact to climate and environmental resources from the oil and gas development.

ENDORSEMENTS & OPPOSITION

Endorsements

Kathleen Sgamma, President of the Western Energy Alliance, in an [interview](#): "Anything that can be done to make that time frame more predictable is welcome, because for years companies can't move forward at all if they don't have a lease. If you constantly require more process and study, then you never actually get to a point where you can lease and develop."

Opposition

Taylor McKinnon, public lands campaigner for the Center for Biological Diversity, in an [interview](#): "This is the new paradigm, and a significant amount or a majority of acres being planned never face any site-specific review before those leases are committed to industry. We're going to see a lot of sensitive lands offered, sensitive habitats offered, and we're going to see a lot of controversy that could be avoided or resolved administratively find its way to court."

Greg Zimmerman, deputy director of the Center for Western Priorities, in an [interview](#): "MLPs might not have much in the way of pizzazz, but they are incredibly important tools to help land managers and local communities plan where and how oil and gas development happens, while avoiding conflicts between outdoor recreation, wildlife, and water supplies."

STATUS

The Instructional Memorandum went into immediate effect on February 1, 2018 and expires September 30, 2021.

RELATED POLICIES

[Oil and Gas; Hydraulic Fracturing on Federal and Indian Lands](#), Bureau of Land Management - 03/26/2015

[Bureau of Land Management's Rescission of 2015 Hydraulic Fracturing Rule](#), Bureau of Land Management - 12/29/2017

[Bureau of Land Management's Proposed Cutback of the 2016 Methane and Waste Prevention Rule](#), Bureau of Land Management - 02/22/2018

POLICY HISTORY

February 25, 1920 - The [Mineral Leasing Act of 1920](#) is passed and begins to allow for oil and gas extraction on public lands.

May 17, 2010 - First [Leasing Reform Policy](#) announced by BLM.

January 24, 2017 - President Trump releases an [executive order](#) to expedite "Environmental Reviews and Approvals" for infrastructure, including pipelines carrying oil and gas.

March 28, 2017 - [Executive Order 13783](#) is issued to promote "energy independence and economic growth" by reviewing regulations alleged to impede the growth of the energy sector for oil, gas and coal production.

July 5, 2017 - [Secretarial Order 3354](#) is issued to improve the oil and gas leasing processes for onshore federal lands.

January 31, 2018 - BLM memorandum rescinds the previous Administration's memorandum to speed up leasing lands for oil and gas development.

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ENERGY SUBCATEGORY

[Source](#)

RECOMMENDED CITATION

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