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U.S. House of Representatives
Committee on Natural Resources
Washington, DC 20515

June 30, 2016

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The Honorable Neil Kornze
Director, Bureau of Land Management
U.S. Department of the Interior
1849 C. Street NW
Washington, D.C. 20240

Re: "Draft Environmental Impact Statement for Previously Issued Oil and Gas Leases in White River National Forest, Colorado"

Dear Director Kornze:

I write to strongly encourage the Bureau of Land Management (BLM) to revise, and re-open comments on, the "Draft Environmental Impact Statement for Previously Issued Oil and Gas Leases in White River National Forest, Colorado"¹ (WRNF DEIS). Since the WRNF DEIS comment period closed in January, 2016, significant new information on the quantity and importance of the oil and gas resources addressed in the document has been published by the U.S. Geological Survey.²

Members of this Committee are very troubled by BLM's stated intention to cancel 25 of the 65 leases addressed in the WRNF DEIS for a lease issuance mistake *made by BLM* over a decade ago.³ Lease cancellation under these circumstances damages the critical relationship between the federal government and private enterprise in the development of federal oil and gas, contrary to the intent of the Mining and Minerals Policy Act.⁴

¹ BLM, "Draft Environmental Impact Statement for Previously Issued Oil and Gas Leases in White River National Forest, CO," 80 *Fed. Reg.* 72,733 (November 20, 2015).

² Hawkins, S.J., Charpentier, R.R., Schenk, C.J., Leathers-Miller, H.M., Klett, T.R., Brownfield, M.E., Finn, T.M., Gaswirth, S.B., Marra, K.R., Le, P.A., Mercier, T.J., Pitman, J.K., and Tennyson, M.E., "Assessment of Continuous (Unconventional) Oil and Gas Resources in the Late Cretaceous Mancos Shale of the Piceance Basin, Uinta-Piceance Province, Colorado and Utah, 2016: U.S. Geological Survey Fact Sheet 2016-3030 (May 2016) (USGS Mancos Shale Report). Available at: <http://dx.doi.org/10.3133/fs20163030>.

³ John Stroud, "BLM aims to cancel Divide leases outright," Glenwood Springs Post Independent (Feb. 10, 2016).

⁴ The Mining and Minerals Policy Act explicitly requires that the Secretaries of the Departments of the Interior and Agriculture "foster and encourage private enterprise in . . . the development of domestic mineral resources to help assure satisfaction of industrial, security, and environmental needs." 30 U.S.C. § 21(a).

I question BLM's authority to take such a drastic step of canceling valid leases, particularly when it is doubtful whether such action has been taken based on the best available information. To do less would violate the standards in the National Environmental Policy Act (NEPA) and the Information Quality Act.⁵ The BLM has prepared the WRNF DEIS based on a 2014 NEPA document prepared by the U.S. Forest Service for future leasing in the area.⁶ In that document, the Forest Service assumed "future [oil and gas] development will follow past development trends"⁷ and discounted the emerging Mancos Shale development in the area. BLM, in reliance on this flawed Forest Service analysis, has made the same error in the WRNF DEIS. The May 2016 USGS Mancos Shale Report is the best available scientific information to inform BLM's NEPA process and decision; therefore, BLM must reconsider the WRNF DEIS alternatives and reanalyze the environmental and socio-economic impacts of the proposed action using the information contained in this report.

The USGS Mancos Shale Report updates a previous USGS assessment in 2003. The USGS explains, "[s]ince the last assessment, more than 2,000 wells have been drilled and completed in one or more intervals within the Mancos Shale of the Piceance Basin . . . [and] the USGS Energy Resources Program drilled a research core in the southern Piceance Basin that provided significant new geologic and geochemical data that were used to refine the 2003 assessment of undiscovered, technically recoverable oil and gas in the Mancos Shale."⁸ The USGS described the estimated 66 trillion cubic feet⁹ of undiscovered, technically recoverable shale gas as "the 2nd-largest continuous/shale gas assessment we've ever done, behind the Marcellus and ahead of the Barnett."¹⁰ In sum, it amounts to an astounding increase of *40 times* the technically recoverable reserves in the Piceance Basin.

NEPA directs that information in an environmental impact statement must "be of high quality" and allow for "accurate scientific analysis..."¹¹ NEPA further requires that a supplement to an environmental impact statement "shall" be prepared when "there are significant new circumstances or information relevant to environmental concerns and bearing on the proposed action or its impacts."¹² Similarly here, since the WRNF FEIS and Record of Decision have yet to be issued, BLM can and should reopen the DEIS to incorporate the updated mineral assessment the USGS has described as "significant." There can be no doubt about the objectivity, accuracy, reliability and high quality of this information. Nor can there be any doubt that the identification of the second largest shale play in the U.S. in the area of analysis is a "significant" new circumstance and provides information that is relevant and has a bearing on BLM's proposed action.

⁵ 44 U.S.C. §§ 3504(d)(1) and 3516; *see also* White House, Office of Management and Budget, Guidelines for Ensuring and Maximizing the Quality, Objectivity, Utility and Integrity of Information Disseminated by Federal Agencies," 67 Fed. Reg. 8452 (February 22, 2002).

⁶ See WRNF DEIS at 1-1, ES-1 and ES-8 referencing U.S. Forest Service, White River National Forest Oil and Gas Plan Amendment Final Environmental Impact Statement and Record of Decision (2015).

⁷ U.S. Forest Service, White River National Forest Oil and Gas Plan Amendment, Record of Decision (2015) at 5.

⁸ USGS Mancos Shale Report, at 1.

⁹ *Id.*, at 3. The USGS also estimates the Mancos contains 45 mb of natural gas liquids and 74 mb of recoverable shale oil.

¹⁰ Nathaniel Gronewold, "Natural Gas: USGS finds huge reserves in Colo.'s Mancos Shale," E&E News, EnergyWire (June 9, 2016) ("Western Colorado is home to the second-largest shale natural gas basin in the United States . . .").

¹¹ 40 C.F.R. § 1500(1)(b).

¹² 40 C.F.R. § 1502.9(c)(1)(ii).

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I hope that you will recognize the need to substantially revise the DEIS analyses and reopen the comments on a revised DEIS in light of the USGS Mancos Shale Report and our expressed interest that you do so. Because the Congress has a strong interest in ensuring BLM follows clear statutory requirements, I will continue oversight of this action. We, thus, request a written response to these concerns no later than July 15, 2016.

Sincerely,



Rob Bishop
Chairman

cc: The Hon. Raul Grijalva, Ranking Member, Committee on Natural Resources
The Hon. Jason Chaffetz, Chairman, Committee on Oversight and Government Reform
The Hon. Janice Schneider, Assistant Secretary for Land and Minerals Management, DOI
Ms. Ruth Welch, Colorado State Director for the Bureau of Land Management, DOI