US Department of the Interior Bureau of Land Management

## **Oil and Gas**

#### **Project Overview**

The Bureau of Land Management (BLM) issued the Uncompahgre Field Office (UFO) Approved Resource Management Plan (RMP) and Record of Decision in April 2020 and received three lawsuits challenging the decision. In spring 2022, the BLM entered into a settlement agreement in which the agency agreed to initiate two plan amendment efforts in response to issues identified in the lawsuits: a statewide RMP amendment for big game and a rangewide RMP amendment for Gunnison sage-grouse. Both planning efforts are currently underway. In summer 2022, the BLM entered into settlement agreements on the remaining two lawsuits stipulating that the BLM would initiate an RMP amendment within 60 days of the Notice of Availability for whichever of the two initial planning efforts occurs later. In response to the terms, the BLM published the Notice of Intent for the Uncompany Field Office RMP Amendment in the Federal Register on January 5, 2024.

The BLM needs to undertake this planning process to fulfill its responsibilities under the settlement agreements that resolved litigation challenging the 2020 Uncompany Field Office Approved RMP. The purpose of this effort is to consider different management of oil and gas, lands with wilderness characteristics, and previously proposed and analyzed areas of critical environmental concern within the specific scope described in the settlement agreements.

### Oil and Gas Leasing and Constraints

Federal fluid mineral estate acres subject to oil and gas leasing decisions (including helium and methane) in the UFO RMP Amendment are greater than BLM-administered surface acres. The decision area is comprised of 678,400 acres of BLM-administered lands and 963,300 acres of federal mineral estate. Federal mineral estate in the decision area includes mineral estate underlying BLM-administered lands. It also includes the federal mineral estate underlying privately owned lands, city lands, and state-owned lands (split estate). Although minerals beneath National Forest System lands are part of the federal mineral estate, they are not part of the decision area. To lease minerals beneath National Forest System lands, the BLM must receive consent to lease from the Forest Service and incorporate any accompanying stipulations required by forest land use plans or forest-wide programmatic leasing analyses.

Uncompahgre Field Office Plan

anuary 2024

Resource Management Plan Amendment

In areas closed to leasing, oil and gas resources (including helium and methane) are not available for new development. No surface occupancy (NSO) and controlled surface use (CSU) are areas where new leasing is permitted with constraints. Areas identified as NSO are open to oil and gas leasing, but surface disturbance and disruption associated with development cannot be conducted on the land surface. Access to oil and gas deposits requires horizontal drilling from outside the NSO boundary. CSU is a development constraint that permits some use and occupancy of the land surface but allows the BLM to require special operational stipulations, or relocation within a specified buffer to protect a specific resource or value.

#### **Current Conditions**

Most of the hydrocarbon production in the planning area has targeted and resulted in the production of methane gas. There are two types of unconventional methane gas plays within the planning area: coal bed methane (gas trapped in the pore space of coal bearing formations) and shale gas (gas trapped within shale formations), both of which are produced horizontally, and completed using a variety of hydraulic fracturing techniques. Methane resources are located generally in two areas within the planning area: the North Fork of the Gunnison River area (North Fork area) and the west end of Montrose and San Miguel Counties area (West End area). The North Fork area lies in the northeast corner of Delta County and the northwest corner of Gunnison County and is the focus of the most recent shale gas development. In this area of the Piceance Basin, the Mesaverde System (upper cretaceous), and Mancos Shale (upper cretaceous, Ferron/Wasatch Plateau System) have the greatest potential for production.

Development of shale gas resources using horizontal drilling technology and hydraulic fracturing completion is anticipated to encompass all development over the next 20 years as technology for gas production has shifted away from vertical development. The oil and gas potential ranking is shown below in Figure I, Oil and Gas Potential.

Between January 1, 2010, and December 31, 2022, 58 completions were permitted, with 15 of those completions resulting in 12 wellbores producing resources from the Mancos Shale. No completions in the same time period have taken place into the Mesaverde System within the study area.

During the 2019 RMP revision process, the BLM produced a Reasonably Foreseeable Development Scenario (RFD), including projections of anticipated future development over the 20-year planning period based on observed trends for the planning area. As part of this Uncompanyer RMP Amendment/EIS, those projections of anticipated future development are under re-evaluation in an addendum to the 2012 Uncompany Field Office RFD. The RFD addendum will address technological shifts and economic forces impacting both well density and wellbore quantities anticipated from the UFO planning area (all production, inclusive of federal and private mineral estates). It is expected that approximately 933 new wells will be developed in the planning area over the next 20 years, 313 of which are expected to produce from federal mineral estate. The UFO is still analyzing the projections associated with the 2012 RFD addendum and additional updates to current forecasts are anticipated prior to publication of a Draft RMP Amendment/Draft EIS.

Information from the 2019 Proposed RMP/Final EIS is available on that project website: <u>https://eplanning.blm.gov/eplanning-ui/project/62103/570</u>

### **Decisions to be Made**

The decision to be made is which portions of the decision area should be closed to new oil and gas leasing; which areas should be open to leasing with NSO or CSU constraints; and which areas should be open to leasing with standard stipulations.

Per the terms of the settlement agreements, the BLM will analyze an alternative which considers the following management for oil and gas leasing:

 Increasing the total number of acres closed to new oil and gas leasing (including helium and methane) compared to Alternative B/B.1 in the 2019 UFO Proposed **RMP/Final EIS.** 

- Closing new oil and gas leasing in all areas analyzed as closed to leasing or open with NSO constraints under Alternative B/B.1 in the 2019 UFO Proposed RMP/Final EIS.
- A minimum of 350,000 acres previously analyzed as open with CSU constraints under Alternative B/B.1 in the 2019 Proposed RMP/Final EIS as NSO (subject to geospatial verification).
- In addition to the settlement alternative, the BLM could formulate additional alternatives for oil and gas leasing within the scope of the RMP amendment. As it becomes available, updated information and documents related to the Uncompany Field Office RMP Amendment/EIS will be provided on the project website: <u>https:// eplanning.blm.gov/eplanning-ui/project/2026528/510</u>



# Decisions Outside the Scope of this RMP Amendment

The scope of this RMP amendment is limited to elements identified in the settlement agreements, including oil and gas leasing decisions. Therefore, several management decisions sometimes associated with fluid mineral leasing will not be addressed. Examples of decisions that are outside the scope of this RMP amendment include:

- Geothermal leasing and geophysical exploration allocations in the 2020 Uncompany Field Office Approved RMP and Record of Decision will not be modified.
- Timing limitations in the 2020 Uncompany Field Office Approved RMP applicable to all surface disturbing and/or disruptive activities will not be modified.
- Ground disturbance and site-specific relocations in the 2020 Uncomphagre Field Office Approved RMP applicable to non-oil and gas related surface disturbing activities will not be modified.
- No land use allocations for uses other than those identified in the settlement agreements will be modified.

