

How Noncompetitive Leasing Threatens Our Public Lands



Wyoming

Noncompetitive leasing is an antiquated practice that encourages speculators to lease our nation’s public lands for as little as \$1.50 an acre in places where there is virtually no likelihood for oil and gas development. That these leases are truly speculative in nature is backed up by a 2020 Government Accountability Office (GAO) report which showed that 99% of noncompetitive leases issued between 2003 and 2009 never entered oil and gas production. Unfortunately, this wastes taxpayer dollars by incurring unnecessary administrative costs and it ties up land that could generate revenue through expanded outdoor recreation opportunities. It also prevents land managers from adequately managing wildlife habitat in these areas.

This report documents just how widespread the problem is in five Western states: Colorado, Montana, Nevada, Utah, and Wyoming. It also shows how these leases are sold over-the-counter on lands that have very little likelihood for energy development, but have tremendous potential for wildlife conservation and outdoor recreation.

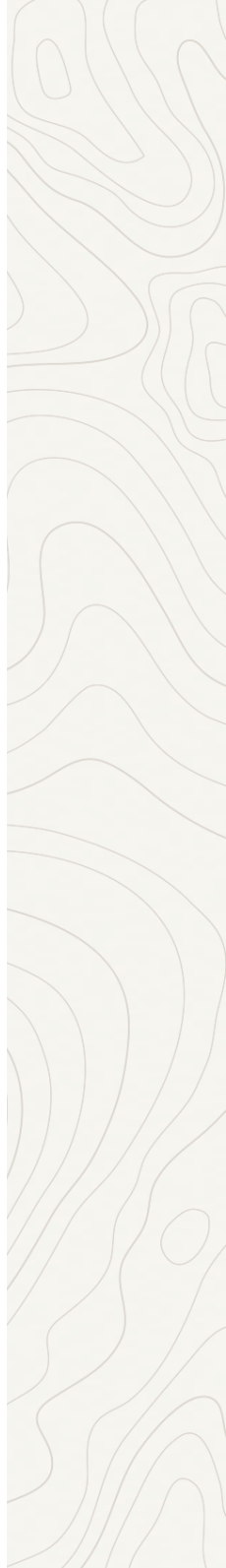
We analyzed the 1,141 noncompetitive leases sold between 2012 and 2020¹, assessed the potential for energy development of those lands, and determined how close the parcels of land were to the nearest producing or authorized federal lease² and to the nearest active well – whether that well was on federal, state, or private land³⁴.

66% of noncompetitive leases sold in the five Western states between 2012 and 2020 are on lands with low development potential for oil and gas

Overall, we found that 66% of noncompetitive leases sold in the five Western states between 2012 and 2020 are on lands with low development potential for oil and gas and 74% of all noncompetitive leases are more than 5 miles from an active well.

These findings show that what GAO found in its November 2020 report was not just a fluke—noncompetitive leasing is truly a speculative practice, and results in the leasing of lands that are never going to be developed because they have known low potential⁵ for oil and gas development and/or they are miles away from lands that are already in production.

But while these lands are highly unlikely ever to produce any oil or natural gas, these lands do have high wildlife and conservation values which could be better managed if they weren’t under lease.





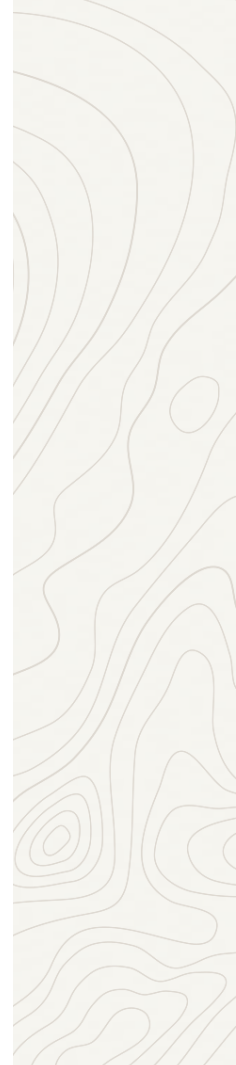
For example, nearly 950,000 acres of public land across the five Western states that were leased noncompetitively are in greater sage-grouse habitat, of which more than 20% is in priority sage-grouse habitat.

More than 327,000 acres of public lands leased noncompetitively are in big game winter habitat or migration corridors.

Approximately 255,000 acres of lands leased noncompetitively have wilderness characteristics.

The state-by-state analysis below can be used as a tool for identifying and screening out proposed public lands leases that are not likely to sell competitively, based on the development potential of the land and the proximity of the lease to existing oil and gas operations.

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- 1 The noncompetitive leases data were compiled by Rocky Mountain Wild from the Bureau of Land Management.
 - 2 The federal leases data were compiled from the Bureau of Land Management.
 - 3 Wells on state and private lands were included in addition to wells on federal mineral estate, in order to address the argument that noncompetitive leases may be purchased in areas where companies don't have any other federal leases but are operating wells on adjacent state or private lands.
 - 4 The wells data for CO, MT, UT, and WY were compiled by Western EcoSystems Technology, Inc. from state oil and gas commissions (COGCC, MBOGC, UDNR, WOGCC) and are current as of March 2021. The wells data for NV were compiled from NDOM and are current as of December 2021.
 - 5 The low potential lands data were compiled by Rocky Mountain Wild from the Bureau of Land Management.



COLORADO

96

noncompetitive leases have been issued on 59,201 acres

35 are more than 5 miles from an active well

53 are on lands that have been identified as low potential for energy development

26 are more than 5 miles from another lease

11 leases overlap greater sage-grouse habitat, including 1,467 acres of priority habitat

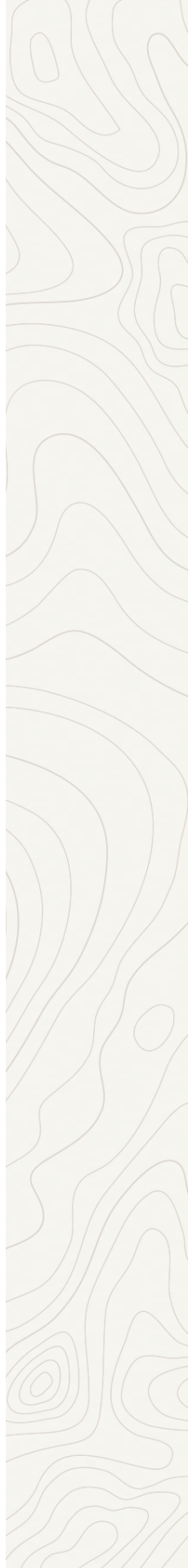
43 are more than 5 miles from a producing leass



CASE STUDY: PAWNEE NATIONAL GRASSLAND

Pawnee National Grassland is a spectacular shortgrass prairie located in northeast Colorado. It has become internationally known as a birding destination, where more than 300 different species have been documented. The lark bunting, Colorado's state bird, makes its home here, along with burrowing owls, mountain plovers, golden eagles, and Swainson's hawks. Pronghorn, swift fox, coyote, and black-tailed jackrabbits are among the diverse mammals that live in the grassland. In addition to bird watching, many visitors enjoy hiking, camping, horseback riding, and star-gazing. Rising some 300 feet above the prairie are twin buttes, which were memorialized in James Michener's novel *Centennial*. "They were extraordinary, these two sentinels of the plains. Visible for miles in each direction, they guarded a bleak and silent empire."

Unfortunately, there are a number of noncompetitive oil and gas leases that have been sold both within and just outside the Pawnee National Grassland. Most are on low-potential lands and not within 5 miles of a producing federal lease.



MONTANA



380 are more than 5 miles
from an active well

292 leases are on low
potential lands

393 are more than 5 miles
from a producing lease

368 leases overlap big game
winter habitat

228 are more than 5 miles
from another lease

312 leases overlap greater
sage-grouse habitat,
including 15,765 acres of
priority habitat



NEVADA



345
noncompetitive leases have
been issued on 921,175 acres

267 are more than 5 miles
from a producing lease

98 are more than 5 miles
from another lease

186 are on low potential
lands

205 leases overlap greater
sage-grouse habitat,
including 29,994 acres of
priority habitat

123 leases overlap lands
with wilderness
characteristics

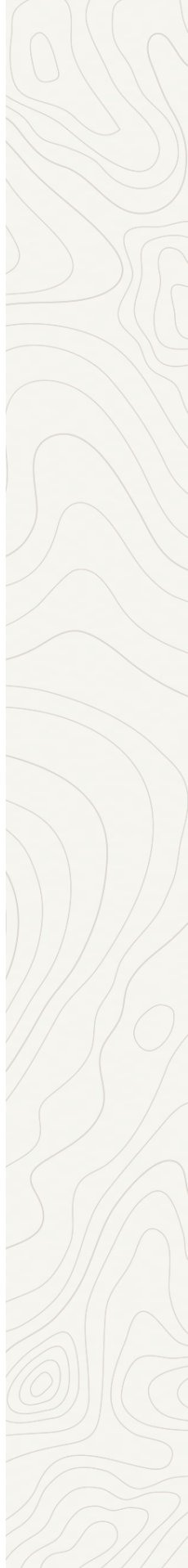
6 leases overlap Areas of
Critical Environmental
Concern (ACEC)



CASE STUDY: GREAT BASIN NATIONAL PARK

Located in Eastern Nevada, Great Basin National Park encompasses 77,000 acres of sagebrush steppe, high desert landscapes, ancient bristlecone pine groves, a vast underground cave system, alpine tarns, a glacier, and 13,064-foot Wheeler Peak. A diverse array of wildlife live in the park, including yellow-bellied marmots, beavers, porcupines, bighorn sheep, pygmy rabbits and ringtail cats. The park also offers a wide variety of outdoor recreation opportunities, including hiking, camping, fishing, wildlife watching and star-gazing.

This area is truly a wildlife and nature-lover's paradise but is threatened by energy speculation. Four noncompetitive leases have been sold on the doorstep of Great Basin National Park – despite less than optimal potential for oil and gas development.



UTAH

94

noncompetitive leases have been issued on 206,282 acres

58 are more than 5 miles from an active well

69 leases are more than 5 miles from a producing lease

38 are more than 5 miles from another lease

64 leases are on low potential lands

17 leases overlap greater sage-grouse habitat, including 16,263 acres of priority habitat

16 leases overlap lands with wilderness characteristics

6 leases overlap Areas of Critical Environmental Concern (ACEC)

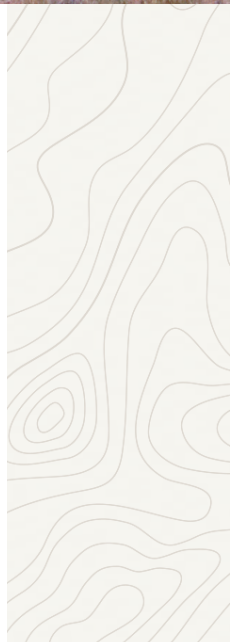




CASE STUDY: SAN RAFAEL SWELL

Located in central Utah, the San Rafael Swell is an arid desert filled with broad mesas, scenic buttes, soaring pinnacles and narrow slot canyons. Roughly 50 million years old, abundant stone ruins, petroglyphs, and pictographs tell the story of Indigenous people who once lived in the area. The rugged and remote terrain is home to pronghorn, bighorn sheep, lizards and snakes. Opportunities for outdoor recreation are endless and include hiking, climbing, mountain biking and just seeking solace, petroglyphs, and pictographs

There are several noncompetitive leases in the San Rafael Desert, all of which are on low potential lands and one that is also not within 5 miles of a producing federal lease.



WYOMING

199

noncompetitive leases have
been issued on 347,242 acres

50 are more than 5 miles from
an active well

43 are more than 5 miles from
a producing lease

161 are on low potential lands

194 leases overlap greater
sage-grouse habitat,
including 140,592 acres of
priority habitat

107 leases overlap big
game crucial range or
migration corridors

9 leases overlap Areas of
Critical Environmental
Concern (ACEC)

8 leases overlap Areas of
Critical Environmental
Concern (ACEC)

