Wilderness Workshop
High Country Conservation Advocates
The Wilderness Society
Western Slope Conservation Center

October 11, 2019

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Dear Public Land Managers:

This letter concerns three oil and gas leases within the Huntsman Roadless Area on the Grand Mesa, Gunnison and Uncompahgre National Forests. The leases are also within the Thompson Divide; there is extraordinary public support for protecting the area from new oil and gas development. Further, there is great concern that the terms of these three leases, now nearly 20 years old, do not adequately protect valuable public land resources in the area.[1]

Our review of files recently released pursuant to a Freedom of Information Act request reveals that these three leases should have expired by July of 2015 because the unit they were included in expired by operation of law, but that BLM is improperly maintaining them in suspended status. This letter provides evidence demonstrating that BLM violated the law and applicable regulations in suspending and otherwise extending these leases. We therefore request the agency take immediate action to confirm the leases expired.

I. Executive Summary

[1] Since 2000, when these leases were sold, circumstances have changed dramatically and there is a wealth of new information that was not considered by the agencies when the leases were issued. For example, just to highlight a few items, two roadless rules have been implemented that apply to the leased lands, applicable management plans are under revision because the old ones are outdated and stale, and the Huntsman Roadless Area is included in a proposed legislative mineral withdrawal that has been introduced in Congress three times.

[2] See 43 C.F.R. § 3165(b)(suspension requests must be filed prior to expiration); see also Jones-O'Brien, 85 I.D. 89, at 96 (1979) (holding that suspension requests filed after expiration cannot be granted because there

In August of 2000, BLM issued leases COC 63886, 63888, and 63889 with an effective date of September 1, 2000. The leases were issued for ten-year primary terms and set to expire on August 31, 2010. No drilling occurred on the leases. In February of 2010, over nine years into the leases' ten-year terms, the leaseholder filed one incomplete drilling permit application and a proposal to group the leases into a single unit, the Huntsman Unit. BLM approved the Huntsman Unit, COC 74403X, on March 16, 2010 and suspended the leases on the same day. The Unit expired automatically by operation of law six months later because no drilling occurred within it and no suspension was requested or granted to relieve the operator of unit obligations. At the very latest, the Unit expired five years after approval on March 16, 2015 for the same reasons. Instead of properly declaring the Unit invalid ab initio as required, BLM advised the unit operator to request a suspension of the Unit—advice directly contrary to the law. Based on BLM's advice, the unit operator filed a suspension request for the Unit in October of 2015 after the Unit had already expired. BLM then improperly granted the suspension request and continued to manage the Unit as valid. This error was compounded by subsequent BLM decisions to suspend the leases based on the need for more time to develop the expired Huntsman Unit. These decisions violate applicable laws and regulations. BLM must acknowledge that the Huntsman Unit terminated pursuant to its own terms and, as a result of the Unit's termination, the leases also expired. BLM's suspension decisions were made in error and must be vacated.

II. The Huntsman Unit Agreement expired by operation of law.

The public interest requirement of an approved unit agreement for unproven areas shall be satisfied only if the unit operator commences actual drilling operations and thereafter diligently prosecutes such operations in accordance with the terms of said agreement. 43 C.F.R. § 3183.4(b). Failure to fulfill the public interest requirement causes the unit agreement to expire ab initio and renders leases ineligible for extensions. Id. (If a unit agreement automatically expires at the end of its fixed term without the public interest requirement having been satisfied, the approval of that agreement by the authorized officer and lease segregations and extensions under § 3107.3-2 of this title shall be invalid, and no Federal lease shall be eligible for extensions under § 3107.4 of this title.); see also Premco W., Inc. v. Kempthorne, No. 05-2211-PCT-JAT, at *3 (D. Ariz. Mar. 27, 2007) ("approval of the Unit Agreement made clear that the 'approval shall be void *ab initio,* if the public interest requirement under Sec. 3183.4(b). . . is not met.'" (emphasis original)).

Section 9 of the 2010 Huntsman Unit Agreement required a test well to be drilled within 6 months after BLM approved the Unit. See Huntsman Unit Agreement Section 9 (on file at BLM's State Office). The same section provides that failure to comply with the drilling requirement "shall cause this agreement to terminate automatically." Id. BLM is not required to give notice of this termination, the law mandates that it happens automatically: "Failure to commence drilling the initial obligation well, or the first of multiple obligation wells on time and to drill it diligently shall result in the Unit Agreement approval being declared invalid ab initio by the AO [Authorized Officer]." Id.

Because the unit operator failed to drill a test well within 6 months of unit approval, the Huntsman Unit automatically terminated ab initio on October 16, 2010—6 months after the unit was approved.

By March of 2015 the Huntsman Unit expired for another reason too. Section 20 of the Unit Agreement states that: "This agreement shall become effective upon approval by the AO and shall automatically terminate 5 years from said effective date…." See Unit Agreement Section 20. There are a few exceptions that may save a unit from termination after 5 years, but none of those are applicable in this case. See Unit Agreement Section 20(a)-(d).

While a suspension of the Huntsman Unit could have relieved the operator of its obligations under the agreement, no such suspension was requested by the unit operator or granted by BLM before the Unit expired.[2] BLM did grant suspension of the leases, as discussed in more detail below. However, BLM regulations make clear that lease suspensions are not adequate to suspend unit obligations, and that unit obligations "shall be suspended only in accordance with the terms and conditions of the specific unit or cooperative plan." 43 C.F.R. § 3103.4-4(f); see also Unit Agreement Section 18(c) ("A suspension of drilling or producing operations limited to specified lands shall be applicable only to such lands.").

BLM officials understood that the Unit had never been suspended and that it should have expired ab initio. That is clear from correspondence between BLM officials and the unit operator after the Unit expired. In October of 2015, a BLM official wrote:

> I discovered that the Huntsman Unit (COC74403X) is currently active, but SG Interests has never drilled the unit obligation well and the unit is not currently suspended. Usually, I would declare the unit invalid ab initio at this point; however, I dug a bit more and discovered that the leases within the unit were suspended due to a delay in processing the APDs. To make sure I did not miss anything, do your records show that the Huntsman Unit was ever suspended?
>
> If the Huntsman unit was not suspended previously, the Huntsman Unit could be suspended with a request from SG Interests. If we do not receive a request, then I would have to declare the unit invalid ab initio. Would you be able to send a suspension request to this office?

See "Huntsman Unit: Unit Suspension?" correspondence between Peter Cowan, Petroleum Engineer, BLM, Colorado State Office, and Robbie Guinn, Vice President – Land, SG Interests (Oct. 2, 2015), attached as Exhibit 1. The correspondence continues:

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[2] See 43 C.F.R. § 3165(b)(suspension requests must be filed prior to expiration); see also Jones-O'Brien, 85 I.D. 89, at 96 (1979) (holding that suspension requests filed after expiration cannot be granted because there is nothing left to suspend and discussing policy reasons that approval of late-filed suspensions is improper); see also American Resources Management Corp., 40 IBLA 195, 199 (1979)(application for suspension must be filed prior to expiration); Teton Energy Co. Inc., 61 IBLA 47, 49 (1981)(collecting authority saying the same).

> … When the Huntsman Unit was formed, a well should have been drilled in the first 6 months; otherwise, the Huntsman Unit should be declared invalid ab inito. Since the APD was delayed due to permitting (my basic understanding of the situation) a lease suspension was granted for the leases within the unit. At that time, a unit suspension should have been requested/granted since SG Interests could not drill the unit obligation well.

Id. Here the BLM official understood that regulations required the Unit be declared "invalid ab initio." No request for suspension had been filed by the unit operator prior to expiration of the Huntsman Unit, and the Unit terminated by its own terms. Rather than properly confirming termination of the Unit and doing as regulations required, however, the official advised the unit operator to take actions that contravene those regulations and the spirit of the law.[3]

Based on this correspondence in October of 2015, the unit operator did file a request for a unit suspension. However, as explained above, the Unit had already expired. At the very latest, the Huntsman Unit expired automatically in March of 2015, months before any request for suspension was filed. BLM's subsequent decision to approve the operator's suspension request for the Unit was made in error. 43 C.F.R. § 3183.4(b). BLM cannot approve suspension requests filed after expiration because there is nothing left to suspend.[4]

Here, the leaseholder failed to fulfill the public interest requirement and diligently develop the Unit. Because those obligations were not suspended before the Unit expired, the Huntsman Unit was void ab initio as dictated by the terms of the Unit Agreement and applicable regulations. BLM must confirm as much now, rather than continuing to manage the Unit as valid.

III. Leases COC 63886, 63888, and 63889 also expired.

An oil and gas lease is issued for a primary term of ten years. 30 U.S.C. § 226(e); 43 C.F.R. § 3110.3-1. It can be extended indefinitely so long as oil or gas is being produced in paying quantities. 43 C.F.R. § 3107.2-1. However, a lease terminates by operation of law at the end of its primary term if by that date the lessee has failed to establish a well capable of production in paying quantities on the lease. 30 U.S.C. § 226(e); see also Coronado Oil Co., 52 IBLA 308,310 (1981); Atchee CMB, LLC, 183 IBLA 389,397, 406-08 (2013).

When the primary term expires an oil and gas lease automatically terminates, regardless of whether BLM takes some administrative action to note this in its files. Landmark Exploration Co., 97 IBLA 96, 101 (1987); see also Edward H Coltharp et al., 58 IBLA 234, 23

[3] Importantly, oil and gas operators are charged with knowledge of relevant statutes and regulations, so it was incumbent upon the unit operator and leaseholder in this case to comply with legal requirements governing the Unit. The burden of noncompliance falls on the leaseholder rather than BLM. See e.g., Coronado Oil Co., 52 IBLA 308, 312 (1981)(denying estoppel against government and upholding lease expiration because leaseholder held to know legal requirements and suspension regulations).

[4] See N. 2 supra.

7 (1981) ("Since there was no well capable of production on the expiration date of the lease, and no actual production, the lease would have terminated automatically even in the absence of the 60-day notice to produce given by [the agency] to the appellants.").

Prior to a lease expiration date, a lessee may request a suspension of operations and/or production pursuant to 43 C.F.R. §§ 3103.4-4 and 3165.1. Section 39 of the Mineral Leasing Act, and BLM regulations, authorize suspension of operations and production "in the interest of conservation of natural resources." 30 U.S.C. § 209; 43 C.F.R. § 3103.4-4(a). BLM regulations only allow the agency to consent to suspensions "in cases where the lessee is prevented from operating on the lease or producing from the lease, despite the exercise of due care and diligence...." 43 C.F.R. § 3103.4-4. Moreover, BLM has no authority to accept and grant an application for suspension on an expired federal oil and gas lease. Standard Energy Corporation, 185 IBLA 387, 392 (2015)(citing Harvey E. Yates Co., 156 IBLA 100, 105 ("Once the lease expires, there is nothing in existence for the Department to suspend."); cf. Ron Coleman Mining, Inc., 172 IBLA 387, 393 (2007) (same)).[5]

If approved by BLM, a suspension tolls the time remaining on the primary term and such time is carried over until the suspension is terminated (or "lifted"), at which point it begins again to count down. 43 C.F.R. § 3103 .4-4(b). A suspension terminates automatically, by operation of law, when certain regulatory events occur or as otherwise stated by BLM in its suspension approval decision. Id. § 3165 .1(c); Savoy Energy L.P., 178 IBLA 313, 319-20 (2010). Cf BLM Manual 3160-10 Suspension of Operations and/or Production, at .31 C.3 (1987) ("The authorized officer shall monitor the suspension on a regular basis to determine if conditions for granting the suspension are extent."). "Suspensions will terminate when <u>they are no longer justified in the interest of conservation</u> . . ." Id. § 3165.1(c) (emphasis added).

In this case, BLM suspended leases COC 63886, 63888, and 63889 at the leaseholder's request in April of 2010, four months before the leases were scheduled to expire on August 31. BLM suspended the leases due to delays associated with processing the unit obligation well for the Huntsman Unit.[6],[7] The lease suspension was extended in 2012, 2013, and again in 2015 for the same reasons. See BLM, Extension of SOP for COC 63886, 63888, 63889, Decision (Sept. 18, 2015)(attached as Exhibit 3). As discussed above, the operator never properly requested or received a suspension of unit obligations. For reasons discussed below, BLM's suspension decisions violated agency regulations and must be vacated to allow these leases to expire as required by law.

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[5] See N. 2 supra.

[6] BLM's 2010 suspension decision noted: "The leases are [ ] located in and committed to the recently approved Huntsman Unit. The BLM did receive an APD for lands within the Huntsman Unit on February 17, 2010. The well's proposed location has been identified as the first unit obligation well: Huntsman Federal Unit 10-89-31 #1 .... Discussions with the USFS Paonia District Office confirmed that due to "roadless issues" they will not be able to move forward with an environmental analysis at this time." See Exhibit 2.

[7] Importantly, much of the delay in this case is attributable to the leaseholder. See Section III infra (describing how this leaseholder has utilized suspensions as a loophole to retain federal leases beyond their contractual terms).

The record is clear that the operator was not prevented from operating or producing on leases COC 63888 and 63889. 43 C.F.R. § 3103.4-4. No drilling or operations were ever proposed on these leases at all. Instead the operator tried to group the leases into the Huntsman Unit to save them from expiring.[8] When the Unit expired because the operator failed to exercise due care and diligence, the rationale for suspending these leases also expired. Without the Unit, there was nothing to justify lease suspensions for leases COC 63888 and 63889. The leaseholder was not prevented from operations and production on these leases because those activities were never proposed, and it was improper for BLM to grant such relief.[9] Further, the lease suspension was no longer justified in the interest of conservation. 43 C.F.R. § 3165.1(c). There was no proposal to drill these leases and maintaining these old leases handicapped the ability of land managers to conserve other important public land values.[10] As a result the leases properly expired by their own terms four months after the termination of the Unit, which occurred on October 16, 2010.[11] At the very latest, these leases expired four months after the last possible expiration date of the Huntsman Unit in March of 2015. See p. 3 supra. After expiration, BLM had no authority to suspend the leases.

The analysis and conclusion should be the same for lease COC 63886, even though the operator proposed to drill a unit obligation well on that lease. The unit obligations expired with the Unit. Without a unit obligation, there was no need for more time to drill the unit obligation well or to undertake NEPA to approve that well.[12] After the leaseholder's failure to exercise due care and diligence resulted in expiration of the Unit that was supposed to hold all of this together, the rationale for suspension disappeared and it became improper for BLM to suspend the leases under the agency's regulations and applicable law.

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[8] BLM's decisions to suspend these leases consistently rely on the leases being part of the Huntsman Unit. See N. 6 supra; see also BLM's September 18, 2015 letter to the leaseholder extending the SOP and the agency's Decision Record discusses the "unitized leases" and the Huntsman Unit, and the Categorical Exclusion relied upon by BLM to support its decision states that the leases "are located in and committed to the approved Huntsman Unit." (Sept. 18, 2015 letter attached as Exhibit 3); see also BLM Categorical Exclusion DOI-BLM-CO-SO50-2015-0054 CX (Sept. 2015) and BLM, Decision Record DOI-BLM-CO-SO50-2015-0054 CX (Sept. 16, 2015) at 2 (attached together as Exhibit 4).

[9] In fact, BLM even stipulated in its Sept. 16, 2015 Decision Record that the suspension would expire on "the first day of the month the Huntsman Unit is contracted." Exhibit 4 at 9. This condition of expiration was met before the suspension even became effective.

[10] See pp. 9-10 infra (Allowing the undeveloped leases to expire would better enable protection of inventoried roadless lands and other natural resources of the Thompson Divide and the North Fork Valley. It also would provide the Forest Service with more decision space in the ongoing Forest Plan revision to consider management alternatives for this area without being encumbered by existing leases. If new leases were to be issued in the future, those leases should be issued within the framework of a contemporary management plan that reflects new information and changed circumstances, and with updated stipulations to protect valuable resources in the area.").

[11] Despite having been included in the Huntsman Unit for a time, these leases were not eligible for any two-year extension when the unit terminated because the public interest requirement for that unit agreement was never satisfied. 43 C.F.R. § 3183.4(b); see also p. 2 supra.

[12] Even if BLM decided to decouple the drilling application from the Huntsman Unit, which would be incongruous with the intent of the proposal, suspension of lease COC 63886 would be improper for reasons outlined in this letter (e.g., not in the interest of conservation, improper speculation, and NEPA violations).

Additionally, the Categorical Exclusion (CX) relied on to support the suspension extensions is arbitrary and capricious. The CX relies on the leases inclusion in the Huntsman Unit as a basis for approval despite the Unit having already expired. See e.g., Exhibit 4 at 2. The CX also erroneously concludes that granting the suspension and extending the subject leases would not trigger applicable exceptions in 516 DM 2 Appendix 2. In fact, extending these leases in the Huntsman Roadless Area and within the Thompson Divide to enable the leaseholder to develop the area triggers a number of the exceptions.

BLM's suspension extension decisions were based on inaccurate information, ignored the fact that the Huntsman Unit had expired, violated the agency's own rules and regulations, and violated NEPA. Resultantly, the decisions should be vacated altogether. Without the suspension, leases COC 63886, 63888, and 63889 expired by their own terms. That expiration should have occurred automatically four months after the Huntsman Unit terminated. At the very latest it occurred four months after the last possible termination date of the Huntsman Unit in March of 2015. BLM need exercise no cancellation authority to declare the leases expired, they expired by their own terms without any wells capable of producing oil and gas.[13] The agency should confirm as much now rather than continuing to manage the leases as valid.

IV. Expiration of these leases is in the public interest.

The laws and regulations governing development of publicly-held federal minerals, including the establishment of lease terms, are intended to protect the public interest. For example, the Mineral Leasing Act requires diligent development of federal oil and gas leases. See 30 U.S.C. § 187("Each lease shall contain provisions for the purpose of insuring the exercise of reasonable diligence…"); 30 U.S.C. § 226(e)(providing that a lease will expire after ten years unless oil and gas is produced in paying quantities). BLM's standard lease form 3100-11 at §4 also requires diligent development. These provisions are meant to ensure public land leases are developed in a timely manner for the benefit of the American public, or that the leases will expire and return to the public domain.[14] Timely expiration of undeveloped leases enables agency officials to decide whether public resources should be re-leased to another leaseholder intent on developing federal minerals, if new stipulations are necessary to protect resources or comply with new laws, or if circumstances weigh in favor of managing the leased area for other multiple uses and values rather than mineral development (e.g., recreation and conservation).

The practice of extending lease terms through suspensions in the absence of diligent pursuit of lease development does not constitute sound public policy, as it benefits private interests at the expense of the American public. The Wilderness Society has studied this matter in depth, including through a comprehensive review of all suspended federal oil and

[13] Where an oil and gas lease does not contain a well capable of producing oil or gas in paying quantities, and has expired by operation of law, there is no need to exercise the cancellation authority under section 31(a) or (b) of the MLA and 43 C.F.R. § 3108.3(a) or (b). Atchee CBM, LLC, et al., 183 IBLA 389, 389 (2013).
[14] Moreover, "forfeitures [of oil and gas leases] are favored by the law . . . and provisions for forfeiture strictly enforced." TNT Oil Co., 134 IBLA 201, 204 (1995).

gas leases in 2015 and a report and associated white paper describing how lease suspensions can and often do interfere with BLM's multiple use mandate, allow industry to evade Congressional intent to diligently develop public oil and gas resources, and cheat taxpayers of income from leasing and development. See Exhibits 5 and 6. The attached report and white paper demonstrate the need for BLM to more faithfully apply its guidance regarding lease suspensions, to diligently monitor suspensions to ensure the reasons they were originally granted are still relevant, and to deny suspensions when they are not in the interest of the American public.

In response to growing concern about BLM's administration of suspensions, the Government Accountability Office (GAO) recently studied this issue and determined that BLM could do a better job managing suspensions.[15] The GAO made recommendations to help BLM "ensure that federal lands are not being inappropriately kept from development—potentially foregoing revenue—or from other valuable uses of public lands" and to "promote more consistent monitoring to better ensure that leases suspensions in effect are warranted."[16] In response to the GAO report, BLM released Permanent Instruction Memorandum (IM) 2019-007 to supplement existing policy and guidance for conducting lease suspension reviews.[17] The IM requires BLM to regularly review suspended leases and provide procedures for monitoring to ensure that lease suspensions in effect are warranted.

Here, the suspensions at issue were improperly granted, should not be in effect, and they are not warranted. If BLM had properly monitored and managed the suspensions, that information would have come to light earlier and the Huntsman Unit and the subject leases would not still be managed as valid. The leaseholder had ten years to develop the subject leases, and chose not to do so. Instead, shortly before the leases were scheduled to expire, the company secured lease suspensions with last minute filings to keep the leases from expiring. The company, however, failed to secure a necessary suspension for the Huntsman Unit and the Unit expired by law. As described above, the leases then also expired.

Nonetheless, rather than terminating the Unit as required by law, BLM ignored governing regulations and advised the unit operator to submit a post-expiration suspension request. The agency then improperly granted the unit suspension, again in violation of rules and regulations, and ultimately relied upon the continued existence of the Huntsman Unit to approve yet another suspension of leases COC 63886, 63888, and 63889—which also should have expired. Rather than reward this speculation and malpractice, BLM must act now to confirm the expiration of these undeveloped leases and protect the public interest.

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[15] U.S. Government Accountability Office, "BLM Could Improve Oversight of Lease Suspensions with Better Data and Monitoring Procedures" (June 2018) available at https://www.gao.gov/products/GAO-18-411 (last accessed 10/6/19). The report was undertaken in response to questions from "[m]embers of Congress and others … about whether some suspensions, particularly those that have been in effect for more than 10 years, may hinder oil and gas production or adversely affect the use of federal lands for other purposes, such as recreation." See id at 2.

[16] See id. at p. 25.

[17] USDOI, BLM, Permanent Instruction Memorandum No. 2019-007 (June 14, 2019), available at https://www.blm.gov/policy/pim-2019-007 (last accessed 9/30/19).

The record shows that the leaseholder is utilizing suspensions as a loophole to retain federal leases beyond their contractual terms, to the detriment of the American public. The history of these leases and the Huntsman Unit spans nearly twenty years without diligent development. The company's last minute filings have consistently been incomplete and deficient.[18] The leaseholder's original drilling proposal was timed solely to support extension of the leases after years of inactivity. That drilling application, which has been consistently relied upon to justify suspensions, was not even considered complete by BLM until March of 2016—after the Huntsman Unit and the subject leases properly expired.[19] The U.S. Forest Service was still awaiting additional information from the company to resolve deficiencies as recently as April of 2019.[20] This pattern has persisted for years and reflects the leaseholder's intent to hold the leases rather than to develop them. In fact, the leaseholder is on record confirming the company is not interested in developing leases in the Thompson Divide at this point.[21] These facts do not show efforts at diligent drilling and development as required by law.

Importantly, the facts in this case are all too familiar. They follow a pattern that we've seen this same leaseholder engage in before—a pattern of last minute filings and bare minimum effort to maintain oil and gas leases without developing them.[22] The leaseholder is flouting regulations governing federal oil and gas leases as well as Congressional intent for the orderly development of federal minerals to speculate on public land leases. BLM's failure to properly administer its own rules and regulations has buttressed this leaseholder's impropriety—time and time again. The agency must do a better job monitoring and

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[18] See e.g., correspondence between Liane Mattson, Leasable and Saleable Minerals Program Leader, GMUG National Forest, and SG Representatives (March 26, 2010)(detailing "information the FS will need in the SUPOs in order to determine them complete.")(attached as Exhibit 10); see also correspondence between agency officials in October of 2015, five years after the initial drilling application was filed and after the last possible expiration date of the Huntsman Unit, noting "supplemental data submitted by the operator on September 4, 2015" and highlighting "outstanding data deficiencies and/or necessary information needed to perform a downhole geologic review for Federal 10-89-31 #1 APD."(attached as Exhibit 11).

[19] See BLM spreadsheet dated April 22, 2019 and listing APDs over 30 days old and still awaiting disposition (confirming that the application for the Huntsman Unit obligation well (10-89-31-1) was not even complete until March 21, 2016, nearly six years after that application was filed and more than a year after the last possible expiration date of the Huntsman Unit)(attached as Exhibit 12).

[20] Id. (noting that the U.S. Forest Service "requires additional information from the operator in order to proceed with NEPA.")

[21] See e.g., Dennis Webb, BLM to pay $1.5 million in canceled leases case, Grand Junction Daily Sentinel (June 22, 2018)("He said current natural gas prices make Thompson Divide drilling and a lot of other projects in the larger Piceance Basin not really economical for now, but that could change in the future."), available at https://www.gjsentinel.com/breaking/blm-to-pay-million-in-canceled-leases-case/article_74f44cf6-764d-11e8-8fdb-bb85d40dbc13.html (last accessed 9/27/18).

[22] SG Interests held other federal oil and gas leases elsewhere in the Thompson Divide and failed to propose any drilling on those leases until they were near expiration. In the 11th hour, the company requested a unit to try to hold thousands of acres, filed a few pretextual and incomplete drilling proposals, and then requested that BLM suspend its leases. The situation is described in comments filed on behalf of WW in 2013 and attached here as Exhibit 7. The company did the same thing in 2017, as described in our request for State Director review of BLM decisions related to suspension of other SG leases. See Exhibits 8 and 9. Here SG is perpetrating the same tactics to hold the Huntsman leases.

managing lease suspensions to protect the public interest and curb against improper speculation.

Confirming that leases COC 63886, 63888, and 63889 have expired is all the more important because the public lands encumbered by the subject leases are sensitive and unique. These National Forest lands are at the headwaters of the North Fork watershed, within the Huntsman Roadless Area and the Thompson Divide—which has been included in a proposed legislative withdrawal from future leasing that has been introduced in Congress three times, including in the current Congress. Allowing the leases to expire would better enable protection of inventoried roadless lands and other natural resources of the Thompson Divide and the North Fork Valley. It also would provide the Forest Service and BLM with more decision space in ongoing management plan revisions to consider management alternatives for this area without being encumbered by existing leases. If new leases were to be issued in the future, those leases should be issued within the framework of a contemporary management plan and with updated stipulations to protect valuable resources in the area. In short, confirming the expiration of these leases in accordance with relevant laws and policies is appropriate and necessary to protect the public interest and to properly conserve natural resources.

V. Conclusion

BLM should promptly confirm that leases COC 68836, 68888, and 68889, as well as the Huntsman Unit, expired and no longer exist. We request to be considered interested parties in any further decisions regarding these leases or the Huntsman Unit, and we request to be notified with an opportunity to comment.

We further request a formal response to this letter, and please let us know if you would like to discuss this issue in more detail.

Thank you for your attention to this issue,

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Cc: Senator Michael Bennet; Gunnison County; Colorado Department of Natural Resources

Attachments:

Exhibit 1	"Huntsman Unit: Unit Suspension?" correspondence between Peter Cowan, Petroleum Engineer, BLM, Colorado State Office, and Robbie Guinn, Vice President – Land, SG Interests (Oct. 2, 2015)
Exhibit 2	BLM, 2010 Lease Suspension Decision for COC 63886, 63888, 63889
Exhibit 3	BLM, Extension of SOP for COC 63886, 63888, 63889, Decision (Sept. 18, 2015)
Exhibit 4	BLM, Categorical Exclusion DOI-BLM-CO-SO50-2015-0054 CX (Sept. 2015) and BLM, Decision Record DOI-BLM-CO-SO50-2015-0054 CX (Sept. 16, 2015)
Exhibit 5	The Wilderness Society, Land Hoarders- How Stockpiling Leases is Costing Taxpayers (Dec. 15, 2015)
Exhibit 6	The Wilderness Society, Suspensions White Paper (Dec. 15, 2015)
Exhibit 7	Wilderness Workshop, Comments on SG's request for suspension of operations and production on oil and gas leases in Lake Ridge area (March 7, 2013)
Exhibit 8	Wilderness Workshop et al., Final State Director Review Petition - COC 70006 (June 2017)
Exhibit 9	Wilderness Workshop et al., Amended request for State Director Review of Decision suspending operations and production on oil and gas lease COC 70006 and Request for State Director Review of the subsequent termination of that decision (July 2017)
Exhibit 10	Email between Liane Mattson, Leasable and Saleable Minerals Program Leader, GMUG National Forest, and SG Representatives (March 26, 2010)
Exhibit 11	2015 Emails between agency officials detailing deficiencies - SG INTERESTS I Federal 10-89-31 #1 Supplemental Data Review
Exhibit 12	BLM spreadsheet dated April 22, 2019 and listing APDs over 30 days old and still awaiting disposition