



Highlights of [GAO-10-670](#), a report to the Chairman, Committee on Natural Resources, House of Representatives

Why GAO Did This Study

The development of oil and natural gas resources on federal lands contributes to domestic energy production but also results in concerns over potential impacts on those lands. Numerous public protests about oil and gas lease sales have been filed with the Bureau of Land Management (BLM), which manages these federal resources.

GAO was asked to examine (1) the extent to which BLM maintains and makes publicly available information related to protests, (2) the extent to which parcels were protested and the nature of protests, and (3) the effects of protests on BLM's lease sale decisions and on oil and gas development activities. To address these questions, GAO examined laws, regulations, and guidance; BLM's agencywide lease record-keeping system; lease sale records for the 53 lease sales held in the four BLM state offices of Colorado, New Mexico, Utah, and Wyoming during fiscal years 2007-2009; and protest data from a random sample of 12 of the 53 lease sales. GAO also interviewed BLM officials and industry and protester groups.

What GAO Recommends

GAO recommends that BLM (1) revisit the way it tracks protest information and in so doing ensure that complete and consistent information is collected and made publicly available and (2) improve the transparency of leasing decisions and the timeliness of lease issuance. Interior concurred with GAO's recommendations.

View [GAO-10-670](#) or [key components](#). For more information, contact Frank Rusco at (202) 512-3841 or ruscof@gao.gov.

ONSHORE OIL AND GAS

BLM's Management of Public Protests to Its Lease Sales Needs Improvement

What GAO Found

While BLM has taken steps to collect agencywide protest data, the data it maintains and makes publicly available are limited. Although in 2007 BLM required its staff to begin using a module, added to its lease record-keeping system, to capture information related to lease sale protests, GAO found that the information BLM collected was incomplete and inconsistent across the four reviewed BLM state offices and, thus, of limited utility. Moreover, in the absence of a written BLM policy on protest-related information the agency is to make publicly available during the leasing process, each state office developed its own practices, resulting in state-by-state variation in what protest-related information was made available. As a result, protester groups expressed frustration with both the extent and timing of protest-related information provided by BLM. In May 2010, the Secretary of the Interior announced several agencywide leasing reforms that are to take place at BLM. Some of these reforms may address concerns raised by protester groups, by providing earlier opportunities for public input in the lease sale process, thereby potentially giving stakeholders more time to assess parcels and decide whether to file a protest.

A diverse group of entities protested the majority of parcels BLM identified in its lease sale notices during fiscal years 2007 through 2009 in the four states, for a variety of reasons. GAO found that 74 percent of parcels whose leases were sold competitively during this period by BLM state offices in Colorado, New Mexico, Utah, and Wyoming were protested. In examining a random sample of lease sales, GAO found that protests came from various entities, including nongovernmental organizations representing environmental and hunting interests, state and local governments, businesses, and private individuals. Their reasons for protesting ranged from concerns over wildlife habitat to air or water quality to loss of recreational or agricultural land uses.

The extent to which protests influenced BLM's leasing decisions could not be measured because BLM's information does not include the role protests played in its decisions to withdraw parcels from lease sale. Regardless, BLM officials stated that the protest process can serve as a check on agency decisions to offer parcels for lease. In reviewing BLM's lease sale data in the four selected states during fiscal years 2007 through 2009, GAO found that 91 percent of the time, BLM was unable to issue leases on protested parcels within the 60-day window specified in the Mineral Leasing Act. Industry groups expressed concern that these delays increased the cost and risk associated with leasing federal lands. GAO found that, despite industry concerns, protest activity and delayed leasing have not significantly affected bid prices for leases; if protests or subsequent delays added significantly to industry cost or risk, it would be expected that the value of, and therefore bids for, protested parcels would be reduced. In addition, because federal lands account for a small fraction of the total onshore and offshore nationwide oil and gas output, the effects of protests to BLM leasing decisions on U.S. oil and gas production are likely to be relatively modest.