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June 29, 2018

Governor Matthew Mead Idelman Mansion 2323 Carey Ave. Cheyenne, WY 82002-0010

Dear Governor Mead,

I write to ask that you work with the Office of State Lands and Investments (OSLI) and the other members of the State Lands Board to withdraw some 34 stranded state land parcels in the Northern Red Desert that will be auctioned for oil and gas lease sale between July 11-17, 2018.

For decades, Wyoming people have sought to balance oil and development in the Northern Red Desert by identifying discreet places that should be off-limits to that use. The State of Wyoming supported many of these protections during the BLM's past management plan revision. Today, however, the state is proposing to auction for oil and gas development stranded state land parcels in the very same landscape.

Please see the enclosed narrative, photos and maps of the incredible places the state's upcoming lease sale threatens. These places include the Boars Tusk, the Oregon/California/Mormon National Historic Trail, the scenic South Pass historic landscape, several wilderness study areas, the Greater Sand Dunes area of critical environmental concern, Steamboat Mountain, areas in the Jack Morrow Hills where the BLM is "phasing-out" oil and gas development, and crucial habitat for a rare desert elk herd and other wildlife.

The leasing of these stranded state land parcels for oil and gas development is a scenario for future management conflicts. This is because some of these areas are so fragile, pristine or so easily disrupted, that a single well could significantly erode the integrity of the landscape or resource. Many of the state land parcels have no road or pipeline access—creating threats of future impacts where none exist today. The BLM has already imposed significant prohibitions on leasing, surface disturbance and rights of way and included visual resource and other protections on surrounding lands in order to prioritize scenic, historic, cultural and wildlife values. Successful bidders would encounter access and regulatory hurdles in addition to public scrutiny and controversy should they seek to develop. Although the OSLI website notifies successful bidders that there is no guarantee of access to parcels, we believe this is an insufficient backstop to curtail controversial development proposals after lands are leased.

Further, these lease sales would undermine decades-old decisions the public has supported that seek to protect these national treasures. Key constituencies, including sportsmen, the Shoshone and Arapaho tribes, historic preservation interests, members of the Mormon church, backcountry and recreational users of all stripes, tourism entities, conservation groups and the general public—all of whom have an interest in protecting the values in the Northern Red Desert—are likely unaware of what is at stake with the advent of this state lease sale.

And perhaps the most pertinent reason to withdraw these parcels, given the OSLI's constitutional mandate to generate the most revenue from state trust lands to benefit schools—a mandate we understand and support—is the fact that this lease sale is not a fiscally responsible decision. We believe the state has another option for these parcels that will ultimately be more lucrative than oil and gas leasing.

For two years the Legislature's Joint Agriculture, State and Public Lands and Water Resources Committee has been studying the opportunity for the state to exchange its stranded parcels for more accessible BLM lands elsewhere, where development makes sense. The OSLI has provided data to the committee showing more than 100,000 acres of stranded state land parcels. In fact, earlier this month the OSLI shared with the committee detailed lists and maps of these parcels, which include many of the same parcels that we now see up for sale in the Northern Red Desert.

A comprehensive list of these stranded parcels can be found on the Committee's materials docket at: <u>https://www.wyoleg.gov/InterimCommittee/2018/05-20180613StrandedStateLands.pdf</u>

At its last meeting, the committee voted to draft a resolution for the upcoming legislative session that would task our delegation to pursue, as many other western states have done, an exchange via federal legislation. We believe the state will have far greater economic development opportunities with a coordinated land exchange involving these Northern Red Desert parcels (and others). Leasing these parcels now forecloses this future option.

We ask the state to withdraw its offering of these parcels in order to commit fully to discussions already underway that address stranded parcels that fall within the Northern Red Desert and other protected public lands. Please pursue a course that gives Wyoming its best chance for a diversified and balanced economy that can benefit our state budget while protecting the places and values that we as a people hold dear. Thank you for your consideration.

Sincerely,

INSUDMIGER_

Lisa McGee

CC: Bridget Hill, OSLI Director

Enclosures: Narrative and photos of key Northern Red Desert state land parcels Maps #1, #2, #3 and #4

BACKGROUND REGARDING THE JULY 2018 STATE OIL AND GAS LEASE SALES IN THE NORTHERN RED DESERT

Wyoming's Northern Red Desert

The Northern Red Desert is the gem of Wyoming's wild west heritage—a place where sweeping vistas, iconic landforms, big game, cultural sites and diverse wildlife abound. It is a place that tells our Wyoming story, and it is a story that helps define our nation.

This landscape contains nine wilderness study areas and is reportedly the largest unfenced area in the lower-48 states. These lands support a diversity of wildlife and habitats, including the largest living sand dunes system in North America, ephemeral pools, badlands, a rare desert elk herd, and the southern reach of the longest mule deer migration in the world. It is a landscape laced with nationally historic trails such as



the Oregon/California/Mormon and Pony Express trails. In many places, due to protective designations, these trails retain the same huge open vistas that awed pioneers upon their continental crossing. Native American cultural sites like Boar's Tusk and Indian Gap, as well as historic abandoned ranches and fossils abound.

This landscape has been loved and passionately defended by generations of Wyoming residents. It is currently managed under the BLM's Green River Resource Management Plan. In 2006 an amendment was developed to protect the extraordinary values within this landscape. This is known as the Jack Morrow Hills Coordinated Activity Plan (CAP), which contains many provisions and special designations to ensure protection of its diverse resources into the future. It is our understanding that the State of Wyoming supported the final record of decision for the plan.

Oil and gas leasing on key state land parcels in the Northern Red Desert

The State of Wyoming is offering approximately 34 discrete lease parcels (some are combined into lease packages) within the Northern Red Desert landscape, including:

- 4 leases within the South Pass Historical Landscape Area of Critical Environmental Concern
- 3 or more leases along or on the Oregon/California/Mormon National Historic Trail and corridor and other historic trails
- 8 leases within or directly bordering wilderness study areas

- 2 leases within the Greater Sand Dunes Area of Critical Environmental Concern
- approximately 9 leases within Implementation Area 3 of the Jack Morrow Hills CAP, an area managed to phase out all oil and gas leasing by 2018
- 2 leases in the Steamboat Mountain Management Area
- and several leases in crucial, winter or other important big game habitat and sage grouse core areas.

The special designations and management areas listed above contain numerous restrictions on development including prohibitions on leasing, surface disturbance, rights of way, visual resource protections and more. In nearly all these cases, the state leases are in direct conflict with the management objectives of the federal lands surrounding them.

We have not been able to conduct an in-depth analysis of every state parcel offered for leasing in the area, but an initial review has revealed some shocking examples of how these state lease sales will harm significant resources within the Northern Red Desert.

Boars Tusk

Boars Tusk is an iconic landmark rising from the desert, visible for dozens of miles against a wild backdrop. This ancient volcanic plug is featured on the State of Wyoming's Tourism website; it is revered by Native American tribes for its sacred significance, and it



graced the 2015 Wyoming Archaeology Awareness Month Poster, which Governor Mead commemorated, affirming "the importance of Wyoming's cultural landscapes and the part they play in the state's heritage and collective identity."

The OSLI's lease parcel #166, which is subsurface rights only, is nearly in the shadow of this extraordinary natural feature and surrounded by the Greater Sand Dunes Area of Critical Environmental Concern. Please see attached map #1.



Oregon/California/Mormon National Historic Trail

The undeveloped nature of the segments of the Oregon Trail in Wyoming, especially in the location where pioneers crossed the continental divide at South Pass, are unlike anywhere else in the nation. These trails are managed by the National Park Service due to their historical significance. The surface of and visual perspectives from the trails are protected by several BLM Resource Management Plans. The OSLI is offering several leases directly on the Trail, in its protected view shed, or on other historic trails such as the South Pass-Point of Rocks trail. As specific examples, we include map #2 that shows OSLI parcel #144. This state land parcel crosses the actual Trail, falls within the protected trail corridor and is also within the South Pass Historical Landscape Area of Critical Environmental Concern. The attached map #3 shows OSLI parcel #175, which is also right on top of the Trail, and fairly close to the "Parting of the Ways." Drilling these historic trails is simply incompatible with their national, cultural and religious significance.

Alkali Draw and Greater Sand Dunes Wilderness Study Areas

The Northern Red Desert landscape contains nine BLM wilderness study areas (WSAs)—the largest concentration of desert wildlands in our state. The OSLI has proposed lease sales inside of or directly on the border of five of these WSAs. There are state land parcels proposed for oil and gas lease sale that are entirely surrounded by Alkali Draw and Greater Sand Dunes WSAs. The WSAs prohibit any oil and gas development or new road building, and in many cases, are far



from main roads and other infrastructure. For many years we have heard about the problems that the state has had with state parcels within other WSAs (e.g. Fortification Creek), the difficulty in accessing the stranded parcel and the uncertainty this has created for operators. Given this history, we are surprised to see the state create analogous situations that will spur future controversies and frustrations.



As a visual example, we include map #4 that shows the OSLI parcel #132 entirely within the Alkali Draw WSA, as well as two other parcels (#133 and #135) on the border of this

WSA. Both of these bordering lease parcels fall within the designed "Implementation Area 3" of the Jack Morrow Hills CAP, which is intended to phase out and prohibits all future federal oil and gas leasing by 2018. Given these Area 3 protections, which include right of way restrictions, it is hard to imagine how these state leases are even viable.

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