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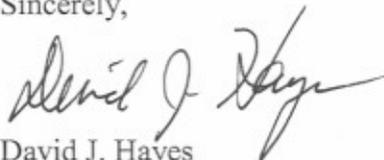
Honorable Robert Bennett  
Committee on Energy and Natural Resources  
United States Senate  
Washington, D.C. 20510

Dear Senator Bennett:

Enclosed you will find my responses to the written questions submitted following my confirmation hearing on March 12, 2009.

If I can be of further assistance, please do not hesitate to contact me.

Sincerely,



David J. Hayes  
Deputy Secretary – Designate

Enclosure

Deputy Secretary – Designate Hayes

Senator Robert F. Bennett

80. Mr. Hayes I remain interested in knowing more about the December 2008 Utah Oil and Gas leasing situation and would like your office to provide the following information.

Please provide the Committee with a list of each of the original parcels nominated along with who nominated each parcel to be considered by the BLM for lease for the fall 2008 lease sale. If you can't provide individual names, or company names please tell us if the lease request came from a company, individual known to work in the oil or gas industry, or from an individual who is not known to work in the oil or gas industry.

Answer: I understand that after an oil and gas lease sale, the BLM will make information available about the parcels sold and successful bidders. However, the BLM does not release information regarding original expressions of interest for parcels to be included in an oil and gas lease sale unless and until those parcels are actually offered at an auction and then only upon request. This is considered to be proprietary information. Releasing this information could expose the nominating party's exploration and development strategies to their competitors and affect the integrity of the auction process and the value of bid received. In this instance, all of the nominating entities were either known industry representatives or individuals who work with industry. The BLM advises me that it has not received requests for leasing from individuals not known to work in the oil and gas industry. If confirmed, I will ensure that the BLM provides you with a copy of the appropriate information related to this lease sale.

Deputy Secretary – Designate Hayes

Senator Robert F. Bennett

81. Please provide the Committee with a detailed administrative record to show the process BLM used to add parcels to the list for the sale.

Answer: I am advised that the BLM compiles an Administrative Record for each of its oil and gas lease sales. If confirmed, I will ensure that the BLM transmits to you a copy of the appropriate records for the December 19, 2008, Utah oil and gas lease sale.

Deputy Secretary – Designate Hayes

Senator Robert F. Bennett

82. Please provide detailed justifications for withdrawing each of the 77 parcels.

Answer: As you know, Secretary Salazar has expressed his goal of ensuring that oil and gas resources are developed in a thoughtful and balanced way that complies with all legal requirements. The 77 leases in questions were the subject of a court challenge that led to the entry of a restraining order by a federal district court judge. The court concluded that it did not appear that all legally-required environmental analysis had been completed for the leases, and that irreparable harm could occur if the sale of those particular leases were to go forward. The 77 leases that Secretary Salazar withdrew from the sale were the same 77 leases that the court enjoined from sale on this basis. Secretary Salazar removed the leases from the sale to provide an opportunity to review the legal adequacy of the sale. He has committed to undertake that review and, if confirmed, I will work with you as that review proceeds. I understand that, upon completion of this review, it is possible that some of these parcels may be offered in future lease sales.

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83. Mike Snyder, National Park Service Regional Director for the Intermountain Region said regarding NPS' work with the BLM on this lease sale that working with Selma Sierra, the BLM Utah State Director, has resulted in the kind of resource protection that Americans want and deserve for their national parks." A BLM press release from November 25, 2008 indicated that the BLM had agreed to defer all parcels of concern to the Park Service from the sale.

a. Was the BLM required by federal law to coordinate with the National Park Service regarding this lease sale?

Answer: I am advised that while the BLM is not required by law to coordinate with other agencies regarding lease sales, as a regular part of the agency's collaborative process the BLM coordinates its review of parcels in advance with other land managing agencies that could be impacted by a lease sale. In this case, I am told that the BLM coordinated with the National Park Service on the through the preparation of a Natural Resources Management plan, but not the lease sale itself.

b. Please provide details of all communications and copies of all correspondence between the Bureau of Land Management and the Department with the National Park Service regarding this lease sale.

Answer: I am advised that the BLM compiles an Administrative Record for each of its oil and gas lease sales, which would include correspondence with the National Park Service. If confirmed, I will ensure the BLM transmits to you a copy of the appropriate records for the December 19, 2008, Utah oil and gas lease sale.

Deputy Secretary – Designate Hayes

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84. In Secretary Salazar's February 6, 2009 memo to State Director Selma Sierra, he directed the 77 leases be withdrawn and any money received by the BLM in connection with the leases to be refunded. In his press statements, (and in your remarks before the committee) the secretary indicated that a review would be initiated to reexamine these leases.

Please provide the Committee with a detailed plan for that review, including who will undertake the review, who within the BLM, MMS, NPS, or other agencies within the Department will participate in the review, who will lead the review, and deadlines for accomplishing the review.

Answer: As noted in my response to question 82, Secretary Salazar has expressed his goal of ensuring that oil and gas resources are developed in a thoughtful and balanced way that allows for protection of signature landscapes and cultural resources. In withdrawing the 77 leases from the Utah sale, Secretary Salazar announced that he was doing so in order to take a fresh look at the environmental review and analysis performed on these parcels, and to ensure that there was adequate consultation with other agencies.

Due to ongoing litigation surrounding this lease sale, I understand that the BLM has not yet begun this review and is currently working with the Solicitor's Office on how best to proceed. If confirmed, I commit to keeping you fully informed as this situation evolves.

Deputy Secretary – Designate Hayes

Senator Robert F. Bennett

85. Additionally, is it the BLM or Secretary's intention to include any public hearings or meetings in relation to this review, and if so, how many and where they will be held?

Answer: Due to the ongoing litigation surrounding this lease sale, I understand that the BLM has not yet begun this review and is currently working with the Solicitor's Office on how best to proceed. If confirmed, I commit to keeping you fully informed as this situation evolves.

Deputy Secretary – Designate Hayes

Senator Robert F. Bennett

86. As soon as that review is completed I would like your office to send a copy of that review, its recommendations, and the Secretary's decisions on these leases to the Committee.

Answer: As I noted in my response to the previous answer, due to the ongoing litigation surrounding this lease sale, I understand that the BLM has not yet begun this review and is currently working with the Solicitor's Office on how best to proceed. If confirmed, I commit to keeping you fully informed as this situation evolves.

Deputy Secretary – Designate Hayes

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87. Does the BLM intend to make changes to its policies and procedures regarding who is eligible to bid on leases to prevent the type of bidding manipulation that occurred in the December lease sale from happening again? If so, what and when?

Answer: I am aware that the BLM is in the process of evaluating policy and procedural options for the management of oil and gas lease auctions. If confirmed, I will work with the BLM to continue to look for ways to improve the lease sale process and to ensure that no manipulation of lease sales can occur.

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88. Please provide for each of the 77 parcels the earliest date upon which the parcel originally became available for leasing. In other words, when did the BLM first decide in a planning document (prior to the RMPs that were approved last year) that each parcel was open for oil and gas development and could therefore be nominated for leasing?

Answer: It is my understanding that each of the 77 parcels was available for leasing under the planning documents that pre-dated the 2008 revised Resource Management Plans (RMPs). These included the Diamond Mountain RMP (1994), Book Cliffs RMP (1985), Price River Management Framework Plan (1982), San Rafael RMP (1991) and the Grand RMP (1985).

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89. Please provide the committee with estimates of oil and gas resources within the 77 parcels.

Answer: It is my understanding that accurate estimates of oil and gas resources that may be present beneath the 77 parcels cannot be determined or quantified due to the largely exploratory nature of those resources. It is also my understanding that the associated Resource Management Plans and Mineral Reports suggest that the majority of the parcels have high potential for oil and gas occurrence, and the northernmost parcel in the Vernal planning area is considered to have moderate to low potential (source: Inventory of Onshore Federal Oil and Natural Resources and Restrictions to Their Development, U.S. Department of the Interior, Department of Agriculture, and Department of Energy, May 2008).