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**UNITED STATES DISTRICT COURT  
DISTRICT OF WYOMING**

CLOUD PEAK ENERGY INC.;  
NATIONAL MINING ASSOCIATION;  
and WYOMING MINING  
ASSOCIATION, et al.,

Petitioners,

v.

UNITED STATES DEPARTMENT OF  
THE INTERIOR, et al.,

Respondents,

and

NATURAL RESOURCES DEFENSE  
COUNCIL; NORTHERN PLAINS  
RESOURCE COUNCIL; POWDER  
RIVER BASIN RESOURCE COUNCIL;  
THE WILDERNESS SOCIETY; and  
WESTERN ORGANIZATION OF  
RESOURCE COUNCILS,

Proposed Respondent-  
Intervenors.

Consolidated Case No. 19-cv-120-SWS

**DECLARATION OF CHASE  
HUNTLEY IN SUPPORT OF  
MOTION TO INTERVENE BY  
NATURAL RESOURCES  
DEFENSE COUNCIL ET AL.**

I, Chase Huntley, declare as follows:

1. I am Interim Deputy Vice President for Conservation and Senior Director of the Energy and Climate Program at The Wilderness Society (TWS), a position I have held since January 2019. Prior to that, I served as Senior Director of the Energy and Climate Program, Senior Director of Government Relations for Energy, and Assistant Director for Renewable Energy. I am also a member of TWS. Before joining TWS in 2008, I worked at the U.S. Government Accountability Office as a Senior Analyst and as a detailee to the House Oversight and Government Reform Subcommittee on Energy and Natural Resources.

2. TWS is a non-profit, non-governmental environmental organization headquartered in Washington, D.C., committed to protecting America's wild places for current and future generations. Since our founding in 1935, TWS has worked to protect wilderness-quality lands across the United States. Our goal is to ensure that future generations will enjoy the clean air and water, wildlife, natural beauty, opportunities for recreation, and spiritual renewal that the forests, rivers, deserts, and mountains of our nation's public lands provide. In addition to our headquarters in Washington, D.C., we have offices in Albuquerque, New Mexico; Anchorage, Alaska; Boise, Idaho; Bozeman, Montana; Denver and Durango, Colorado; Holowell, Maine; Jackson, Wyoming; San Francisco and Pasadena, California; Seattle, Washington; Sylva, North Carolina; and Tucson, Arizona. We have more than one million members and supporters across the country, including in the top eight States for royalty disbursements from the Office of Royalty Resources Revenue, with the following current membership numbers: Wyoming: 321 members; New Mexico: 1,293 members; Colorado: 4,026 members; Utah: 865

members; North Dakota: 140 members; California: 17,354 members; Montana: 783 members; and Alaska: 405 members.

3. The rule that is the subject of this litigation, the Office of Natural Resources Revenue's Consolidated Federal Oil & Gas and Federal & Indian Coal Valuation Final Rule (Final Valuation Rule), matters a great deal to TWS. TWS actively engages in all aspects of oil, gas, and coal leasing and development on the public lands and mineral estate, including land use planning, lease sales, project approval, rulemakings, and other policy initiatives. We promoted the development of the Final Valuation Rule and are working to defend it.

4. On May 8, 2015, we submitted detailed comments on behalf of our members supporting and urging strengthening of the proposed valuation rule. We applauded the final rule's promulgation on July 1, 2016 and effective date of January 1, 2017.

5. During February and March 2017, TWS worked with partner organizations to raise awareness of attempts by Congress to "disapprove" the Final Valuation Rule and repeal it through the procedures of the Congressional Review Act. Congress ultimately abandoned this approach and the Rule remained in effect. Similarly, we objected to the Trump administration's decision to stay implementation of the Rule on February 23, 2017.

6. In June 2017, TWS, along with Powder River Basin Resource Council and Western Organization of Resource Councils, successfully intervened on behalf of the government to help defend the Final Valuation Rule against Cloud Peak Energy's challenge in this Court.

7. On May 4, 2017, TWS submitted detailed comments on the Advance Notice of Proposed Rulemaking to revise the Final Valuation Rule and the Proposed Repeal of the Valuation Rule. TWS opposed the Proposed Repeal.

8. On March 28, 2018, TWS, along with the Natural Resources Defense Council, Northern Plains Resource Council, and Western Organization of Resource Councils, successfully intervened on behalf of California and New Mexico to help challenge ONRR's Repeal of the Valuation Rule in a lawsuit filed in the U.S. District Court for the Northern District of California.

9. We have engaged in other efforts to support the Final Valuation Rule, such as providing testimony for the record of a Congressional oversight hearing on the rule, and educating our members about valuation as one step in getting the fair market value required under the Mineral Leasing Act. Overall, TWS has devoted significant staff resources to the development of this rule.

10. The Final Valuation Rule represents a significant improvement over the agency's previous rules, which were approximately 25 years old. These rules were in need of revision because there have been significant changes in fossil fuel industry development practices and technology.

11. The Final Valuation Rule protects the interests of TWS and its members. In many cases our staff and members live on or near the lands where fossil fuel extraction from federal leases occurs, and therefore they experience the impacts of fossil fuel development. The nature and scope of those impacts (including on local workforce, schools, road use, as well as environmental impact) are affected by the value and costs (including royalties) of the minerals. It is estimated that this rule will increase royalty collections by \$71.9 to \$84.9

million per year. TWS members and staff benefit from royalties paid to federal and state governments because they fund public schools, infrastructure, and other local and regional projects. Accordingly, TWS members and staff will be harmed if the Final Valuation Rule is invalidated.

12. Our members are also affected in other ways by the royalty rates companies pay for use of the energy resources owned by the federal government. The royalty rates paid by these companies partly affects the on-the-ground decisions companies make about federal oil, gas, and coal lease management practices, and thus there is a direct impact of the Final Valuation Rule on the lives, work, and recreational pursuits of our staff and members. The amount of royalties a company is required to pay impacts the value of the lease, and thus affect all aspects of the management and development of the lease, and the recreational and other pursuits TWS staff and members enjoy in the vicinity of fossil fuel development activities.

13. Additional benefits of the Final Valuation Rule to TWS and its members include:

a. Better ensuring a fair return to citizens and taxpayers from the extraction of federal fossil fuels, as required by both the Federal Land Policy and Management Act and the Mineral Leasing Act.

b. Eliminating improper deductions of subsea gathering costs and providing a more consistent and reliable application of the regulations.


c. Ensuring that royalty value is based on oil actually removed from the lease by limiting transportation cost deductions from royalty payments occurring after the royalty measurement point.

d. Providing that coal valuation be based on the first arms-length transaction, not interactions with subsidiary companies as had occurred in the past.

The changes driven by the Final Valuation Rule have real on-the-ground impacts that will improve and benefit the lives of TWS staff and members, and which support TWS's mission.

I declare under the penalty of perjury that the foregoing is true and correct to the best of my knowledge.

Executed on July 22, 2019 in Washington, DC.

  
Chase Huntley