



March 18, 2004

OKLAHOMA BULLETIN NO. OK300-4-10

SUBJECT: LTP – Current Status of the Grassland Reserve Program (GRP)

Purpose: To provide NRCS field personnel with the activities and current status of the GRP in Oklahoma.

Expiration Date: September 30, 2004

The State Office Programs Section is finalizing offers and sending correspondence to approved applicants for easements for the 2003 GRP. The work on GRP has been delayed due to the revision of the easement document, policy dealing with subsurface mineral exploration, and the reallocation of 2003 GRP funds back to the states for easement obligations. The 2003 funding was reallocated in late January with revised policy from the national office. The following table summarizes the offers accepted by county for fiscal year 2003, which includes two applications for rental agreements totaling 5,075 acres, and ten easements for 6,242 acres.

County	Type	Number	Acres
Craig	30-year Easement	3	1,585
	Rental agreement (10yr.)	2	5,075
Kingfisher	30-year Easement	1	916
McClain	Permanent	2	310
Nowata	30-year Easement	1	640
Okmulgee	30-year Easement	1	1,370
	Permanent Easement	1	1,120
Rogers	30-year Easement	1	301
Totals		12	11,317

The final application ranking list with the status of each application may be accessed by NRCS employees at the following intranet link:

<http://intranet.ok.nrcs.usda.gov/PGM/grp/OKGRPApplicaRank03.pdf>

Personnel are reminded that the application ranking list is not to be released due to the confidentiality provisions of the Farm Security and Rural Investment Act of 2002. Requests from individuals for information from the ranking list must be formally requested in writing to Les Conner, FOIA Officer.

Notification Letters to Applicants

Offices that have not already done so may provide written notification to deferred applicants regarding the status of their application. A sample deferral letter is available which can be tailored for local use prior to mailing to the applicant. This letter is posted to the intranet site for future reference and access:

<http://intranet.ok.nrcs.usda.gov/PGM/formsDL/grp/GRPDeferredLett81903.doc>

(MORE)

DIST: AE

Revised Easement Document

A copy of the conservation easement deed to be filed as an easement on the offered property is attached. The earlier version of the warranty easement deed provided to you is considered a restrictive use easement and will not be used for the GRP. Restrictive use easements, similar to those filed under the Wetlands Reserve Program, generally convey those rights not specifically addressed in the easement document to the United States of America. It has been deemed that the intent of the GRP legislation was for the federal government to acquire a conservation easement. Conservation easements differ from restrictive use easements as those rights not specifically conveyed in the easement document are generally assumed to be held by the landowner. As a result of this change, the attached easement deed contains more pages than the document previously provided, but also includes expanded language meant to clearly describe the rights being conveyed to the United States of America under the easement. Field offices may want to make this document available to landowners interested in GRP easements.

Determination Regarding Subsurface Mineral Rights

A significant change in the easement document concerns mineral exploration activities. This change can be found in Section 3, Part G, of the Warranty Easement Deed. According to Section 3, Part G, the exploration, development, mining, or extraction of soil, sand, gravel, mineral, oil, gas, or any other hydrocarbon substances on the surface of the property is prohibited. However, mineral extraction from the subsurface is permitted if it does not impair the surface of the property and permission was granted from the owner. **Under the terms of the GRP easement**, the landowner reserves the right to oil, gas, minerals, and other subsurface resources underlying the easement area, provided that drilling or mining activities are located outside the boundaries of the easement area, unless activities within the boundaries are specified in accordance with the terms and conditions prescribed by the State Conservationist. The terms of the GRP easement do not encumber subsurface mineral rights transferred to a third party prior to the GRP easement acquisition. Therefore, the agency must assess the potential impact that the exercise of such third-party rights will have upon the grassland resources, and obtain a subordination of the third-party rights. If a subordination agreement cannot be obtained and the extraction activities are of a nature that the grassland resources cannot be protected for the duration of the easement, the application should not be accepted.

Fiscal Year 2004 Activity

Oklahoma received an allocation of \$2,300,000 in financial assistance for enrollment of easements and rental agreements in the GRP for FY2004. USDA does not currently have authority to conduct FY2004 program activities. Formal notification of sign-up and evaluation periods will not be made until the Interim Final Rule detailing program operational procedures is published. The Interim Final Rule for future operation of the GRP is scheduled to be published in April. Once this rule is published, NRCS will begin the development of state level program guidance for implementation of the FY2004 GRP. The national office has advised that states will need to review and potentially revise their evaluation criteria to conform to language in the interim final rule. The exact language of the interim final rule is not known at this time. All existing applications are being retained and will be reviewed with applicants once the rules for the program are made available. It is expected that there will be a State Technical Committee meeting and training on the GRP in late-April or May of this year.

Jasper T. Parker, Acting For

M. DARREL DOMINICK
State Conservationist

Attachment