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U.S. Moves Ahead on Oil, Gas Leases on Public Land

Decision Could Pose Problem for Obama

By Juliet Eilperin

Washington Post Staff Writer

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A decision by federal officials this week to press ahead with a controversial sale of oil and gas leases in eastern Utah is stoking the debate over how to balance the nation's needs for fossil fuels against concerns over the environmental impact on iconic national parks and other sensitive areas.

The Bush administration, which has sought to reduce American dependence on imports to meet the continuing demand for oil and gas, has aggressively pushed to open up energy exploration across broad swaths of the West, off both coasts, and in Alaska. But those initiatives regularly stir opposition from both environmentalists and advocates of faster development of alternative energy sources such as wind and solar power.

Over the last four fiscal years, a [Washington Post](#) analysis of [Bureau of Land Management](#) records shows, the government has dramatically accelerated the pace of awarding oil and gas drilling permits on federal land. The total for the period is nearly triple the number issued in the corresponding years under former [President Clinton](#), and the number of new wells sunk on federal land is more than double Clinton's record over the comparable period.

In the latest skirmish, the bureau announced Tuesday that it will proceed with most of a proposed sale of oil and gas leases on nearly 500 square miles of public land in eastern Utah, which had sparked protests from environmental advocates and [National Park Service](#) officials. Opponents fear the drilling activity will damage air quality in several nearby popular national parks.

The lease sales, due to take place next month, could pose a challenge for the incoming [Obama](#) administration, which will have to decide shortly after taking office whether to honor the contracts, seek to undo the leases or pay millions in taxpayer dollars to buy them back.

[White House](#) spokesman [Tony Fratto](#) said the administration was responding to two realities: the fact that the United States will "be using oil as an energy source for the foreseeable future, the next 50 years, and we want to reduce our dependence on foreign oil because it's a security and economic threat."

"If we're going to do that, we're going to explore where we think the oil is going to be," he said. "It's possible to drill in environmentally sensitive areas in safe ways."

Energy industry experts said the government is providing access to a place that Richard Ranger, a senior policy adviser to the [American Petroleum Institute](#), called "an area of growing promise." Ranger noted that for the past few years the Bureau of Land Management office in Vernal, Utah, has been "one of the five or six most active BLM offices in terms of issuing drilling permits."

Advances in a process called hydraulic fracturing have allowed companies to extract oil and natural gas from

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areas that were inaccessible in the past. Partly as a result, 40 percent of U.S. gas consumption last year came from wells drilled in the past four to five years.

"It was a combination of economics and better technology so we could go after resources in the West," said Kathleen Sgamma, director of government affairs for the Independent Petroleum Association of Mountain States.

The rise in energy prices and demand during Bush's tenure has spurred development in both the West and East: In 2007, domestic oil production slightly increased for the first time in years.

Places such as Utah offer huge potential for energy producers, but development there has triggered controversy because of its proximity to some of the nation's most scenic parks and natural monuments. After Park Service officials on Monday identified 93 proposed auction parcels where leasing could jeopardize "air quality, water resources and natural sound," BLM officials announced late the next day that they would defer action on two dozen of those parcels as well as portions of four more, while pressing ahead with more than 210 parcels encompassing 313,000 acres.

Environmental activists said oil and gas drilling on the 210 remaining parcels could jeopardize air quality and other natural features of some of the country's most treasured national parks, such as Arches, Canyonlands and Capitol Reef, along with the Grand Staircase-Escalante and Dinosaur national monuments.

"The Bush administration started its energy policy in back rooms with oil lobbyists, and it's fitting that's how they want to end it," said Bobby McEnaney, a public lands expert at the [Natural Resources Defense Council](#), an advocacy group. "They're destroying the whole process that is designed to protect these lands. Once you get rid of wilderness, you can't get it back."

David Garbett, a staff attorney for the Southern Utah Wilderness Alliance, said that in the last month, the administration also finalized six "resource management plans" that will allow the bureau to auction off other parts of these areas in the future.

"These plans will govern management of these lands for likely the next 20 years, and these plans have made areas like this available for leasing," Garbett said. "It's a final attempt by the administration to set in stone guidance for these lands for the long term, in a way that will not protect resources."

In a statement Tuesday, the bureau's Utah state director, Selma Sierra, said her agency and the Park Service had engaged in a "constructive dialog" that "has resulted in a positive outcome" on how best to treat public lands in that state. "This is important for two sister agencies with environmental stewardship missions."

[Mike Snyder](#), regional director for the Park Service's Intermountain Region, who negotiated with Sierra over the lease plan, said he is pleased with the decision to defer lease agreements on some parcels but still has concerns about how drilling will affect national parks.

"It's just the beginning," Snyder said in an interview Wednesday. "The resource management plans have many, many more acres that could be leased in the future."

Snyder said he had hoped that the bureau would conduct an analysis of how drilling would affect air quality in Arches, Canyonlands and other national parks that are at risk of not meeting federal ozone pollution standards, but that that will not happen. He said the 24 parcels where the BLM deferred leasing are "the really sensitive, extraordinary cases" and that the bureau will consult with the Park Service on spelling out protections in some of the parcels being auctioned off next month.

Karen Hevel-Mingo, program manager for the Southwest regional office of the [National Parks Conservation Association](#), said the fact that the BLM has agreed only to a deferral on the two dozen leases means they

could still end up on the auction block in March, when the next sale is slated to take place.

"There is concern those parcels are still available for future oil and gas development," she said.

But Sgamma said the administration spent seven years consulting with a range of interests before adopting the resource management plans that allow for drilling: "There were a lot of things industry was interested in that finally now are available for leasing."

The Obama administration could seek to reverse some of the leases, but that could prove costly. Environmentalists plan to challenge the choice of several parcels over air quality concerns, and technically the bureau has 60 days after a lease sale to determine whether it has been "improperly issued" and refund the money.

But Tim Spisak, division chief for fluid minerals for the bureau, said that for the agency to do so, "they've got to have a reason; it's not just like, somebody just thinks differently." That the government just issued the six new resource management plans, he added, makes it "less likely" that the BLM could say it has found new information that would terminate the leases.

Alternatively, the federal government could buy back the leases if the companies that won them were willing to sell. But Sgamma warned that "it would be very expensive to buy that out," adding: "Once you get a lease out, it's a contract, and you can't renege on that contract."

Database editor Sarah Cohen contributed to this report.

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