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Western Energy Alliance Releases "Dashboard" Showing Trends in Western Oil and Natural Gas Development

Compilation of government data shows continued decline in leasing, royalties

(Denver)-- Western Energy Alliance today announced the release of a compilation of government data related to oil and natural gas development on western public lands. Because government data of this sort are difficult to access, Western Energy Alliance has compiled the data to help policymakers, the media and the general public identify trends in western oil and gas development over time.

This new data resource shows a continued decrease in the productive use of public lands for domestic oil and natural gas development, and a significant corresponding decline in revenue to federal and state governments. The Bureau of Land Management (BLM) has overseen a 79% drop in leases issued over five years in Colorado, Montana, New Mexico, North Dakota, Utah, and Wyoming. Leasing revenue dropped 46% over the same period, and overall onshore royalties have declined 33% over two years.

"Western Energy Alliance remains dedicated to providing timely and credible data to enable policymakers to make informed decisions on how to best manage our public lands," said Spencer Kimball, Manager of Government Affairs. "Our 'Western Oil and Natural Gas Dashboard' reveals a clear trend toward decreased access of the American people to oil and natural gas on public lands. This trend, if continued, will result in a decline in energy development with a resulting loss of jobs, and less revenue for federal and state treasuries at a time when Americans are very concerned about out-of-control deficits and spending."

Notable Trends:

Employment

- Employees of the oil and natural gas industry in the West typically earn 86% more than the state average and 67% more than the U.S. average
- The oil and natural gas industry supports 488,000 jobs in the West (8.1% of total regional employment)
- Western oil and natural gas employees receive over \$27 billion in annual labor income (10.3% of total regional labor income)

Tax and Royalty Revenues

- Revenue from onshore federal royalties, rents, and bonuses declined from \$4.2 billion to \$2.8 billion between 2008 and 2010, a 33% decrease
- Every dollar appropriated for BLM's Onshore Oil & Gas Management Program generates over \$40 in royalty, rent, and bonus revenue for the federal treasury
- In 2009, oil and natural gas development in the West provided \$6.6 billion in direct government revenue, which is used for impacted communities, schools, conservation funds, and other public benefits.

Production & Reserves

- The West produces 27% of total U.S. natural gas and 14% of total U.S. oil
- In 2009, 42% of western oil and natural gas was produced on federal lands

Land Use

- Actual surface disturbance from oil and natural gas development is just 0.07% of total public lands in the West

- Of the 700 million acres of BLM-managed mineral estate, just 6.4% is leased for oil and natural gas development

Leasing

- BLM offices in the West issued 531 leases in FY 2010, a 79% drop from the 2,499 leases issued in FY2005
- Since FY2005, BLM has offered 60% fewer parcels and 70% fewer acres
- Leasing revenue dropped 46% from \$189.6 million in FY2005 to \$101.6 million in FY2010
- Since 1984, total leases in effect in the West declined 52% and acreage declined 61%
- BLM sold 75% fewer acres and issued 84% fewer acres in FY2010 than it did in FY2005
- In the first two years of the Obama administration, BLM issued 76% fewer acres than the first two years of the Clinton administration, and 71% fewer acres than the first two years of the Bush administration

Leasing by State

Colorado

- Colorado BLM issued 34 leases in FY2010, an 88% drop from the 272 leases issued in FY2005
- Leasing revenue dropped 85% from \$18.4 million in FY2005 to \$2.7 million in FY2010
- Since FY2005, 87% of offered parcels have been protested

Montana/Dakotas

- Montana BLM issued 70 leases in FY2010, a 77% drop from the 306 leases issued in FY2005
- Since 1984, total leases in effect in Montana declined 66% and the total number of acres declined 74%
- North Dakota BLM issued 23 leases in FY2010, a 90% drop from the 229 leases issued in FY2005

New Mexico

- Leasing revenue dropped 56%, from \$54.3 million in FY2005 to \$23.9 million in FY2010
- New Mexico BLM issued 30,660 acres in FY2010, an 84% drop from the 184,786 acres issued in FY2005

Utah

- Utah BLM issued 21 leases in FY2010, a 97% drop from the 617 leases issued in FY2005
- Leasing revenue dropped 96% from \$33.8 million in FY2005 to \$1.4 million in FY2010
- Since 1984, total leases in effect in Utah have declined 71%, and the total number of acres has declined 75%

Wyoming

- Wyoming BLM issued 314 leases in FY 2010, a 61% drop from the 797 leases issued in FY2005
- Since FY2008, 90% of offered parcels have been protested

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BLM assessing land in state for possible 'wild land' designation

By **KARL PUCKETT**
Tribune Staff Writer

The U.S. Bureau of Land Management in Montana has begun assessing its public lands' wilderness characteristics for possible designation as "wild land," a new designation that doesn't require congressional approval.

"We'll look at areas with those characteristics and the public will comment," said Stanley Jaynes, field manager for the BLM's Havre Field Office, which is part of the 2.5 million-acre Hi-Line district.

The proposal is running into strong criticism from development-minded lawmakers at the state Capitol, but the plan has strong support in the conservation community.

In December, Interior Secretary Ken Salazar ordered the BLM to re-inventory 245 million

In Montana

- BLM acreage: 8 million acres
- Designated wilderness: 6,347 acres
- Wilderness Study areas: 449,963 acres
- Leased to oil and gas industry: 3.2 million acres
- Leased to oil and gas in production: 762,000

Source: The Wilderness Society

acres it manages nationally for wilderness characteristics and possible designation as "wild lands." BLM Director Bob Abbey described the initiative as "charting a new course for balanced land management."

About 6,600 acres of the BLM's

See **WILD LAND, 4A**

Wild Land

FROM 1A

8 million-acre land base in Montana — less than 0.1 percent — is congressionally designated as wilderness.

Local BLM field offices will make the decisions whether to designate additional wild lands as part of their regular planning processes, which include public comment.

"There could be areas out there that will be identified as having wilderness character or potentially designated as wild land," said Billings-based Rick Waldrup, acting program lead for the BLM's National Landscape Conservation System for Montana and the Dakotas.

How much land might qualify depends on the results of the inventories, which are just getting started, and whether BLM planners recommend an area be designated as wild land, he said.

Contiguous blocks of land of at least 5,000 acres without roads are being assessed for wilderness characteristics such as "size, naturalness and opportunities for solitude or primitive and unconfined type of recreation," Jaynes

said. The Hi-Line district is the state's second largest, and includes dozens of areas of at least 5,000 contiguous acres, but not all of those have wilderness characteristics, he said.

It's one of three districts in the state — Miles City and Billings are the others — in which BLM offices are updating resource management plans. Public comment and decisions on wild lands will be incorporated into the approval processes for those plans, which affect management of 5.7 million acres in Montana, Waldrup said.

A draft resource management plan for the Hi-Line district is expected to be made public this summer, Jaynes said.

Most of the large blocks of land with wild land potential in the Hi-Line district are concentrated in Blaine, Phillips and Valley counties.

If wilderness characteristics are identified for an area, at least one alternative in that plan will propose designating wild lands, Jaynes said.

Other alternatives will place more emphasis on resource development. The agency typically presents a range of alternatives, he said.

In addition to the 6,602 acres of BLM land designated as wilderness, 449,963 acres are wilderness study areas identified in inventories conducted in the late 1970s.

Only Congress can act on the wilderness acreage, so that is not part of the inventory, but areas adjacent to wilderness areas will be studied, Jaynes said.

Lands acquired since the original wilderness inventories also will be inventoried, Waldrup said.

The original inventories were thorough, incorporating many of the BLM lands that already qualify as wilderness in Montana, he said.

"That's not to say some other things don't exist," Waldrup said.

The Hi-Line district, which stretches from Cut Bank to Glasgow, has two existing wilderness study areas, the Bitter Creek in north Valley County and Burnt Lodge in south Phillips and Valley counties.

Principle uses on BLM lands on the Hi-Line district are grazing, natural gas development and recreation, including hunting, fishing and bird-watching.

Restrictions on activities would be considered if those activities

are deemed to harm the wilderness values, Jaynes said.

However, a wild lands designation is not the same as the wilderness designation created by Congress, he said.

A wilderness area excludes most activities such as mining and natural gas development, but a wild lands designation is "not necessarily exclusive," according to Jaynes.

Waldrup expects the initiative to have a bigger impact in other Western states where there is more BLM land. The BLM manages 18.4 million acres in Wyoming and 22.9 million acres in Utah.

However, the potential wild lands designations is dividing Montanans.

The Montana Senate approved a joint resolution urging Congress and the president not to impose restrictions on additional federal land or minerals that would preclude development.

The resolution is a response to internal BLM documents made public last year that showed the agency was considering new national monuments in the West as well as the "wild lands" initiative, according to the lawmakers who sponsored the resolution.

"It's basically saying, 'Don't tread on us,'" said Sen. John

Brenden, R-Scobey. "It's an old statement, but it has real meaning today."

He said the resolution has no binding authority, but it sends a strong message to Congress and Montana's congressional delegation about where Montanans stand on the issue.

Sen. Ed Buttery, R-Great Falls, said the federal government should not remove land with "production capability" from development.

"We can't use the resources. We can't use the minerals. We can't develop it," he said.

The Wilderness Society's BLM Action Center in Denver said in a news release that the BLM is the largest federal land manager in the country, but it has the smallest portfolio of designated wilderness — about 8.6 million acres.

The oil and gas industry leases 41 million acres of BLM land nationally, said Nada Culveer, director of the BLM Action Center.

"There is plenty of room to protect wild lands," she said.

Dyrck Van Hying of Great Falls, a member of Friends of the Missouri Breaks Monument, said

out that grazing and existing oil and gas development was allowed to continue when the

Missouri River Breaks was named a national monument in 2001.

"Reinstating this rule, that the BLM has the authority to look at these lands and see how they're being managed, certainly has a lot of merit in my book," he said.

Before Salazar's directive, the BLM was without a wilderness policy since 2003, when wilderness management guidance in the agency's handbook was revoked as part of an out-of-court settlement between then-Interior Secretary Gale Norton and the state of Utah.

Salazar's order reinstated wilderness guidance and ordered the BLM to maintain an up-to-date inventory.

"Basically, what it has done is to say the courts have repeatedly said we have an obligation under the law to maintain an ongoing inventory of land for all resources," Waldrup said. "And that those include wilderness."

Under the new policy, the BLM doesn't have to find additional wilderness areas, but it must study areas and explain why they don't meet wilderness criteria, Waldrup said.

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