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SLIDES: The Future of Oil and Gas Development on Federal Lands

Mike Chiropolos

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Natural Resources Law Center
Summer Conference 2007

***The future of oil & gas
development on federal lands***

Mike Chiropolos
Lands Program Director
Western Resource Advocates



Business as usual on federal lands – **not** the future



- The **National Energy Policy** developed by the Cheney task force
- A **state of denial**, rather than real leadership, on the part of the Secretary of Interior and other key officials
- Congress **asleep at the switch**, or actively complicit
- The **Energy Policy Act of 2005** – a mixed bag of pork, special treatment and some decent policies
- **“Pilot project” offices** where expediting energy permitting is King
- Political appointees with ideological agendas **re-writing sound science**
- The **Healthy Lands Initiative** finally acknowledged that new pressures increasingly “affect large landscapes and ecosystems, particularly those in the growing wildlife-energy interface.”
- Impacts from energy development are **symptoms** of the real problem
- It’s past time to address the root of the problem, maybe through something like **the Apollo Alliance**



A partial vision for the future of oil & gas on public lands:



- More **cooperative problem-solving** and less partisan bickering
- Agreement that Cooperative Conservation and federalism are **two-way streets**
- A **Federal Habitat Stewardship Act** modeled on Colorado's new law and the Western Governors' recommendations for crucial habitat and migration corridors
- Cutting edge, state-of-the-art **technology** as BMPs
- Better cumulative impacts analysis and **landscape level planning**
- The same laws applying to oil and gas development as to other industries and activities (i.e., **rollback special treatment and exemptions**)
- More involvement and oversight by **Congress** if DOI continues to drop the ball
- More **secondary and tertiary recovery** operations and attention to new issues and impacts
- A new focus on **reclamation**
- Preserving gas fields as **open space**
- Building **bigger, stronger renewable energy programs** as fluid minerals are phased out over time



The future of oil & gas development on federal lands: Roan Plateau case study



1. Roan Plateau background & the federal planning process

2. Legal & regulatory climate: federal, state & local



3. Roan Plateau: Competing visions for the future of Roan Plateau & the legacy of the boom.



Balancing the Boom:

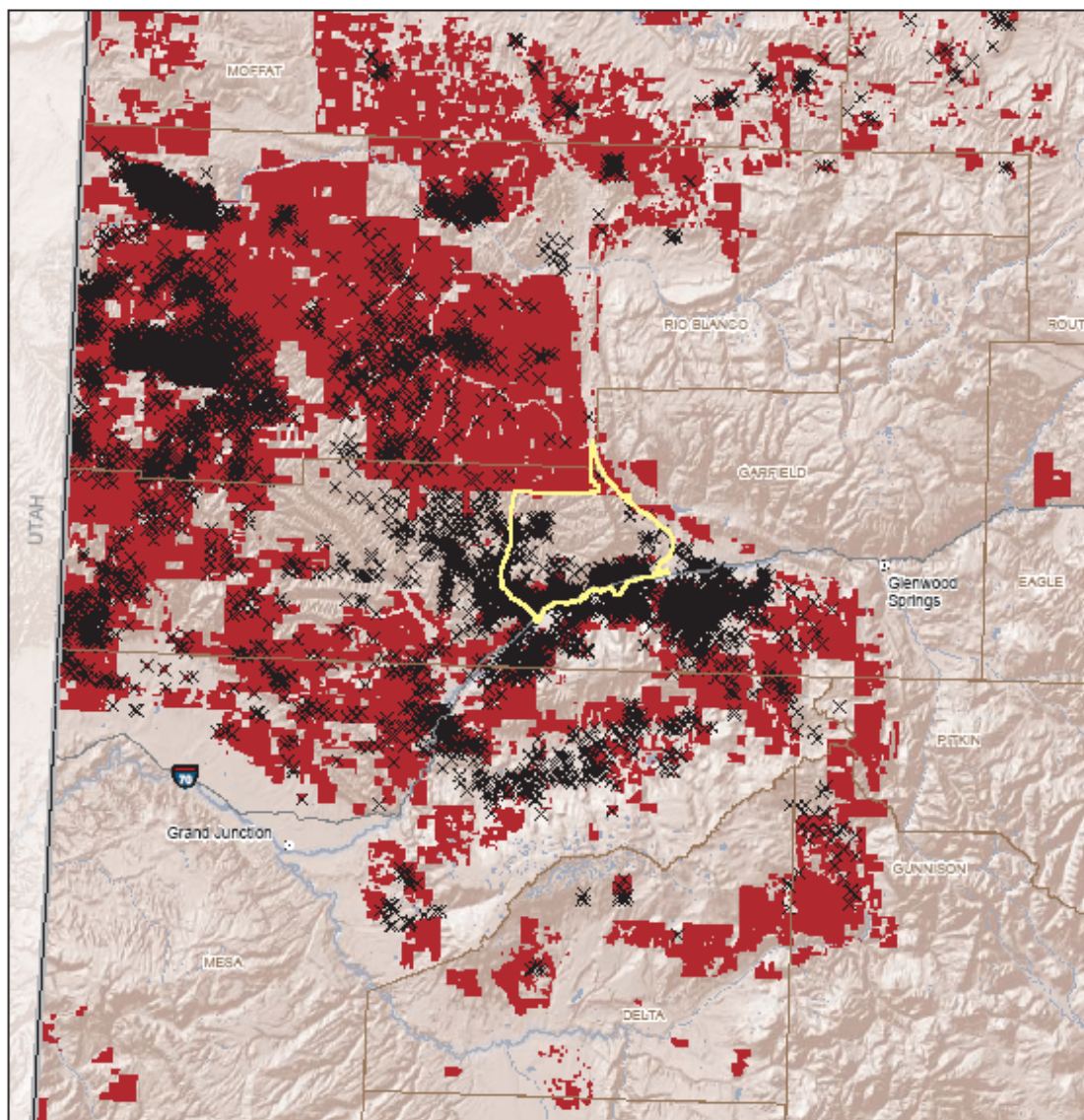


Like its neighbors in the Rocky Mountain Region, Colorado is on the front end of a drilling boom that saw an all-time high of **5,904 new wells** drilled here in 2006, more than double the 2,920 new wells in 2004.

762 new drilling permits were approved for Garfield County alone from January 1 through May 3, 2007.

Most residents would say that there is an abundance of acreage under lease and attractive drilling prospects. Some are starting to think that undeveloped wildlife habitat and public lands for hunting, fishing and other outdoor activities are in increasingly short supply across the Piceance Basin.





Oil and Gas Wells and Leases in Colorado Roan Plateau Planning Area

- Active Oil and Gas Wells (Federal and State)*
- Authorized and Pending Oil and Gas Lease Parcels (Federal)*
- Roan Plateau Planning Boundary

*Downloaded from the COGCC website on May 16, 2007 (data updated daily). Active wells include those with a status of Drilling, Producing, Shut-in, Waiting on Completion, and Location (permitted, but no other information).

^ Last updated by the BLM on May 14, 2007. This is a database in process; therefore, some authorized or pending parcels are not yet identified in this data layer.

Active oil and gas wells obscure the lease parcels in certain areas on this map.



NAD 1983 UTM Zone 13N
Data Sources: BLM, CMC, COGCC, BSR, USGS
Sara Wikstrom
June 6, 2007



EARTHJUSTICE



Roan Plateau case study I



Roan Plateau
background & the
federal planning
process





Roan Plateau case study



- The Transfer Act was passed in 1997.
- BLM's "final" Resource Management Plan & EIS was released in 2006.
- BLM proposed "phased, clustered development" (and lots of it) relying on directional drilling technology
- Record of Decision pending protest resolution.

Hot off the presses in May 2007:



- Congressmen Udall and Salazar proposed protecting the Roan from new leasing.
- A House Natural Resources Committee field hearing was scheduled then postponed.
- Governor Bill Ritter (elected in 11/06) requested time for his administration to review the proposed plan.
- Local government, editorial boards and just plain folks continue to advocate for more long-term protection and less development than BLM proposed.



Upper Roan Plateau



Roan's spectacular & unique resources

- Wildlife – the largest elk and deer herds in lower 48
- Colorado River cutthroat trout
- Rare and sensitive plants
- Wild & scenic streams
- Wilderness quality lands
- Steep canyons
- Sheer cliffs
- 200 foot waterfalls
- Hunting & outfitting
- Backcountry recreation
- **8.9 trillion cubic feet of gas**



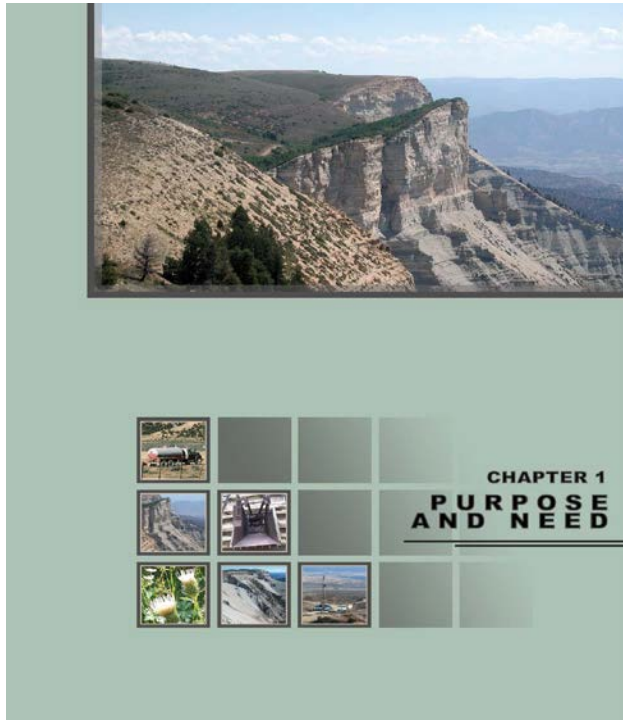
Worth Protecting? Headwaters, Aspen and Biodiversity Hotspots



The Upper Plateau: Parachute Creek, Riparian Areas & Looking Down



According to BLM:



- The Roan Plateau Proposed Plan is the result of close coordination with local communities and extensive public comment.
- The Naval Oil Shale Reserve lands of Roan Plateau were transferred to the Department of the Interior in 1997 with specific direction to develop a Resource Management Plan and enter into leases for the production of **petroleum** resources.
- The Proposed Plan outlines an innovative approach to oil and gas development that protects fish and wildlife habitat, water resources and scenic views, while maximizing natural gas recovery.
- The Plan would designate four “Areas of Critical Environmental Concern” (ACECs) covering 21,034 acres



Facts and Figures:



- **73,602 total BLM acres** in the Roan Plateau Planning Area
 - 34,758 acres on top & 38,844 acres below the rim
- 18,670 acres **already leased**
- The **entire Planning Area** would be opened to leasing
- This approach allows for the recovery of **90 percent of the estimated 8.9 trillion cubic feet of federal natural gas** (4.2 TCF under the top and 4.7 TCF below the rim of Roan Plateau).



Oil & Gas: Key Aspects of the Plan



- **Surface disturbance on top of the plateau will be limited to one percent of the area at any one time** – no more than 350 acres total of drill pads, new access roads, pipelines and other areas at one time.
- **A single oil and gas operator will conduct all natural gas operations** on behalf of all lessees under a federal unit, which allows BLM greater control over development.
- **Oil and gas development will be restricted to the high ridges on the plateau and staged over time** with one ridge being developed and reclaimed before moving to the next.
- **More than 50 percent of the area on top and below will have “no surface occupancy” stipulations**, meaning no surface disturbance.
- Habitat fragmentation will be greatly reduced because **wells will be clustered on multi-well pads not closer than one-half mile apart on top of the plateau**, resulting in a maximum surface density of one pad per 160 acres on top.





State-of-the-Art low impact technology: The “Flex-Four” rig, drillpad and wellhead



BLM lands, under Roan Plateau



How much drilling?

- **The plan estimates *up to 1,570 new wells*** in the planning area (210 on the Plateau, 1,360 below the Plateau) on 193 pads over the course of 20 years for federal minerals.

Q: Is that all?

A: Not really. Actually, more like 13,495 total wells, of which **7,820 new wells** would be drilled on federal leases per RFDS (RMP, Vol. III, Table 2 at H-30, line 6')



Come again?

- BLM's analysis for the Upper Plateau was limited to projected impacts from drilling **210 wells from 13 pads** during the 20-year "life of the plan."
- But the RFD ultimately projects **3,693 wells** for federal minerals on the Upper Plateau -- so the numbers in the Proposed Plan represent **less than 6%** of the total.
- Quite a discrepancy. Did the RMP/FEIS take the required "hard look" under NEPA at direct, indirect and cumulative impacts of oil and gas development on other resources?



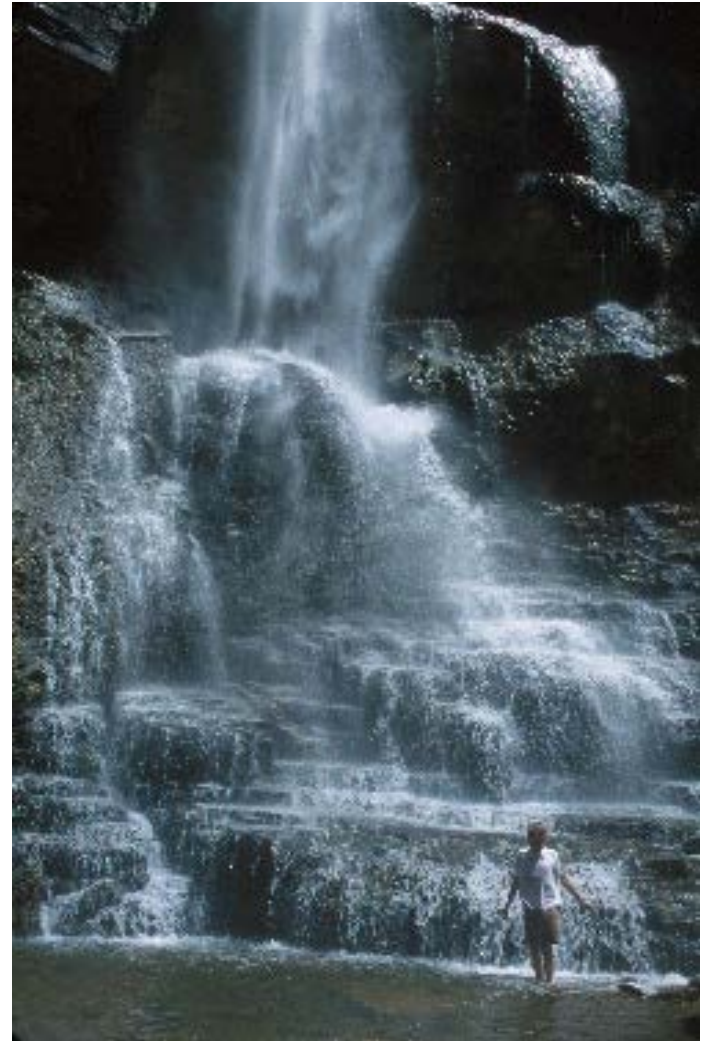
Competing visions: Colorado vs. Washington, DC





Calling for Balance:

- Senator Ken Salazar
- Reps. Salazar, Udall & DeGette
- Governor Bill Ritter
- More than ten municipal and county governments
- Grand Junction Daily Sentinel
- Save the Roan Campaign





According to
Congressman John
Salazar:
“Preserving the top of
the Roan is in the
best interest of the
citizens of Colorado.”



Backcountry recreation: an island nature in a sea of development



Legal Arguments:



- BLM wrongly interpreted the “Transfer Acts” to require leasing the entire planning area
 - Congressional intent, legislative history, canons of construction, statutory interpretation
- BLM violated NEPA – range of alternatives, cumulative impacts, hard look
- BLM violated FLPMA – full disclosure of impacts over time, ACEC protections (lack of)
Clean Air Act compliance



Roan Plateau case study II



Legal and
regulatory
climate: federal,
state & local
governments



Colorado Habitat Stewardship Act of 2007



Governor Bill Ritter signed the Colorado Habitat Stewardship Act ON May 29, 2007



Governor Ritter is an avid fly fisherman who called the oil and gas reform package one of “his biggest accomplishments of the legislative session.” To help fulfill the Governor’s “Colorado Promise,” future oil and gas development will be balanced with other land uses and values.

The COGCC Reorganization Act “expands the number of Colorado Oil and Gas Conservation Commission members from seven to nine; brings a better balance of interests to the membership; and adds public health, environment and wildlife impacts to the commission’s mission.”





Minimizing Adverse Impacts

The Habitat Stewardship Act directs the Colorado Oil and Gas Conservation Commission to minimize adverse impacts to wildlife resources, and vests the Colorado Division of Wildlife with the authority to consult and make recommendations on how to minimize impacts.

(5.5) "MINIMIZE ADVERSE IMPACTS" MEANS TO, WHEREVER REASONABLY PRACTICABLE:

- (a) AVOID ADVERSE IMPACTS FROM OIL AND GAS OPERATIONS ON WILDLIFE RESOURCES;
- (b) MINIMIZE THE EXTENT AND SEVERITY OF THOSE IMPACTS THAT CANNOT BE AVOIDED;
- (c) MITIGATE THE EFFECTS OF UNAVOIDABLE REMAINING IMPACTS; AND
- (d) TAKE INTO CONSIDERATION COST-EFFECTIVENESS AND TECHNICAL FEASIBILITY[.]



Implementing the Habitat Stewardship Act

- IMPLEMENT BEST MANAGEMENT PRACTICES AND OTHER REASONABLE MEASURES TO CONSERVE WILDLIFE RESOURCES;
- RULEMAKING BY COGCC & CDOW TO ESTABLISH STANDARDS FOR MINIMIZING ADVERSE IMPACTS AND ENSURING RECLAMATION DEVELOPING A TIMELY AND EFFICIENT CONSULTATION PROCESS
- ENCOURAGING OPERATORS TO UTILIZE COMPREHENSIVE DRILLING PLANS AND GEOGRAPHIC AREA ANALYSIS STRATEGIES
- **MINIMIZING SURFACE DISTURBANCE AND FRAGMENTATION** IN IMPORTANT WILDLIFE HABITAT
- USING DRILLING UNITS AND UNIT AGREEMENTS AS A MANAGEMENT TOOL TO MINIMIZE IMPACTS.



What's the worst thing that can happen?



1. Jonah Field, Upper Green Valley, WY

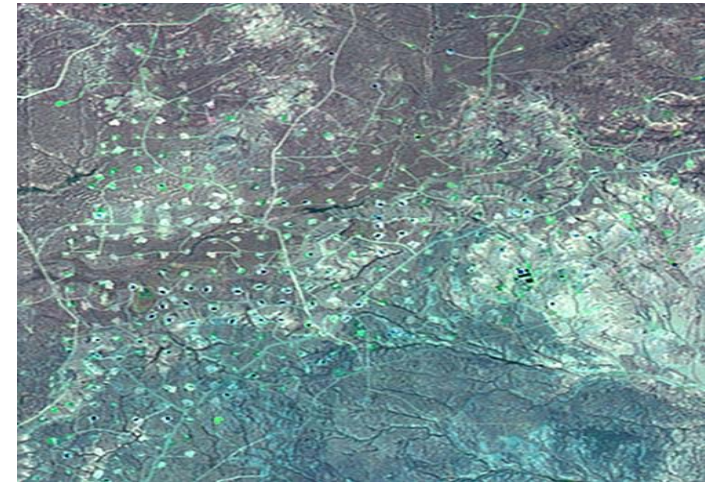
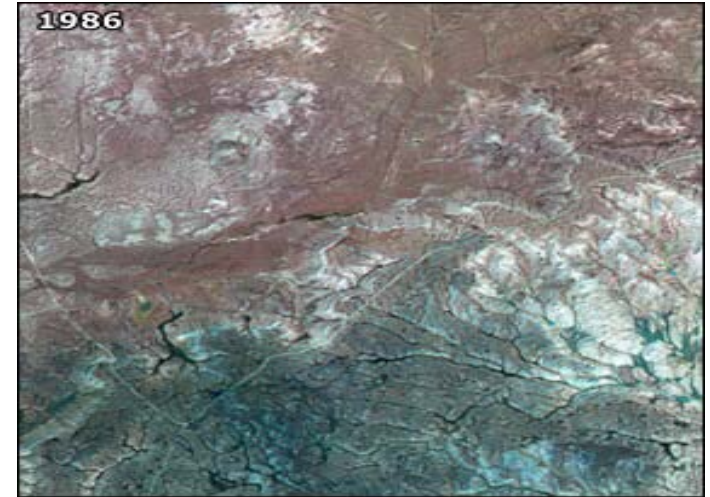
- 1986 & 2005 aerial images by Skytruth, <http://www.skytruth.org/>

1. Farmington Field in New Mexico, San Juan Basin -

- “doing it wrong” case study

2. Piceance Basin in Colorado, adjacent to Roan Plateau

- already 762 wells and counting in Garfield County, 2007





Best intentions
gone awry:
from cartoonist
Dan Reynolds,
part 1

<http://cagle.msnbc.com/>





Things don't
always turn out
as planned;
from cartoonist
Dan Reynolds,
part 2

<http://cagle.msnbc.com/>





Men in search of a clue from cartoonist Dan Reynolds, part 3

<http://cagle.msnbc.com/>



Roan Plateau case study III



Competing
visions for the
future of Roan
Plateau & the
legacy of the
boom



BLM's plan or the people's plan?

- BLM envisions more than 12,000 new wells as the future for Roan Plateau.
- In essence, BLM says “trust us, nobody will even notice the drilling.”
- Anybody have a better idea?



Roan Plateau Community Alternative

RIO BLANCO COUNTY

GARFIELD COUNTY

LEGEND:

- SRMA
 - Parachute Creek Watershed
 - Hubbard Mesa SRMA
 - BLM Public Lands
 - Private Lands
 - Proposed ACEC:
 - Anvil Points
 - East Fork
 - Maggie Gulch
 - Trapper Creek
- 0 2.5 Miles

Trapper Creek ACEC

Maggie Gulch ACEC

East Fork ACEC

Anvil Points ACEC

Hubbard Mesa

Rifle

Silt

Parachute

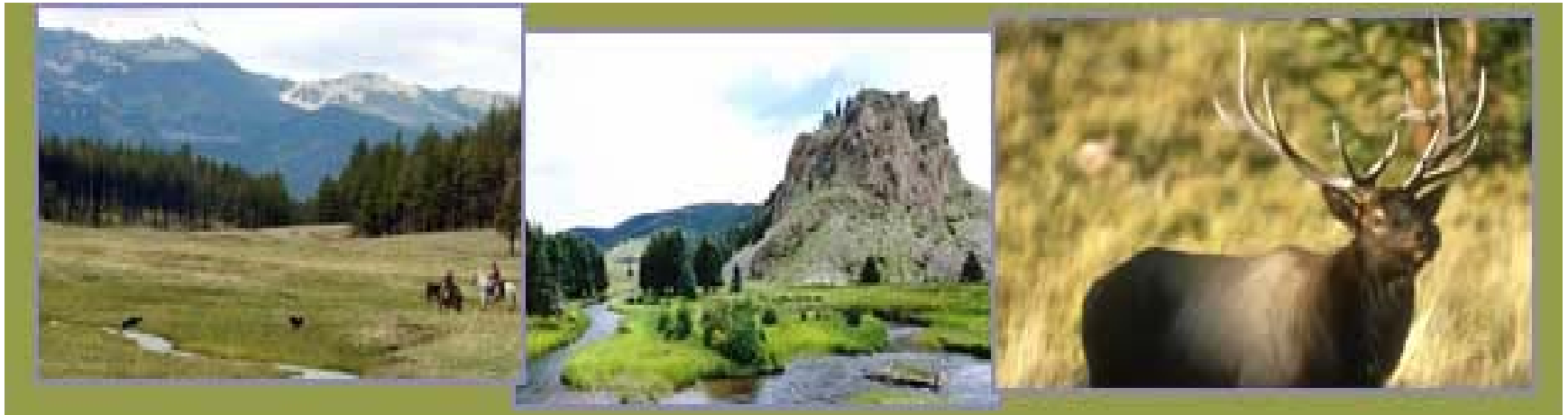
Roan Plateau Planning Area Bndry

Data Sources: BLM, CEC
SRMA Watershed, and Hubbard Mesa areas where digitized using 1:100,000 scale DRG's.



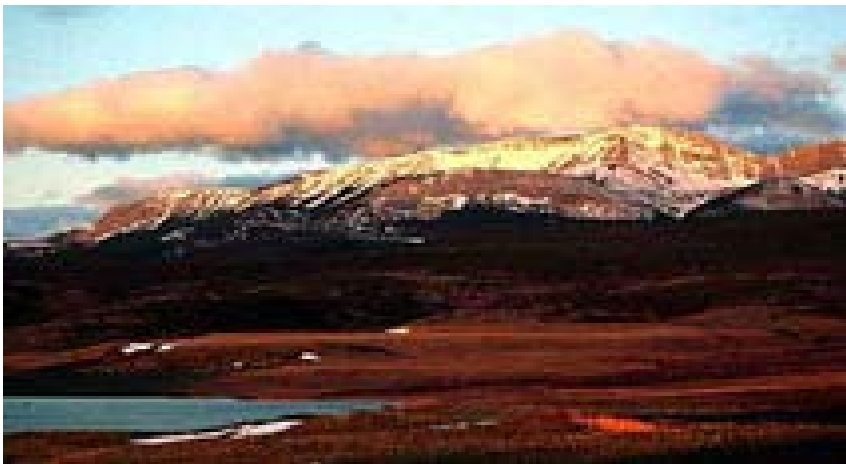


Valle Vidal Protection Act



- Nonpartisan legislation sponsored by the NM Congressional delegation
- Passed Congress unanimously
- Signed by President Bush in December, 2007
- 102,000 acres of backcountry paradise and crucial wildlife habitat

Montana's Rocky Mountain Front



- Congress protected 400,000 acres of this majestic landscape from new leasing in 2006.
- Existing leases are subject to a voluntary buyout program.
- See *Rocky Mountain Oil & Gas Ass'n v. U.S. Forest Service*, 12 Fed.Appx. 498 (9th Cir. 2001)



The Wyoming Range



- In May 2007, Wyoming Senator Craig Thomas announced that he is working on legislation to halt future drilling in the 400,000 acre Wyoming Range, south of Grand Teton and Yellowstone National Parks.







- Governor Dave Freudenthal is another strong advocate of protection, as is near every hunter, angler and wildlife advocate in the State – which is just about everybody in Wyoming.

- The Great Wide Open





Protecting Special Places

				
Area	Valle Vidal, NM	Rocky Mtn Front, MT	Wyoming Range	Roan Plateau, CO
Size (acres)	102,000	425,000 (111,000 leased)	400,000	73,000
Status	Protected, 12/06	Protected, 12/06	Pending	Pending

The future of oil and gas development on federal lands



- Continued conflict or more consensus?
- Another great “barbeque” of public lands being auctioned to the highest bidder?
- Or is maximizing production from federal lands vital to foreign and domestic policy objectives?
- What are the tradeoffs?
- Can stakeholders identify common ground and craft local solutions?
- Law & policy as tools to achieve balance and implement solutions, or to justify more leasing and drilling?
- What have we learned from the past natural resource booms?
- What will be the legacy of this boom?



