They missed the major point, but at least they took notice...

Natural Gas Week

VOLUME 24, NUMBER 18 www.energyintel.com MAY 5, 2008

BLM Leasing Plans Draw Unusual

Fire of Late in Nevada, Colorado

Over the past two weeks, the Bureau of Land Management's quarterly cycle of oil and gas lease sales in Nevada, Colorado and other western states has faced an unusual amount of criticism.

Among the more novel: conservation-minded experts claim that the BLM's land management plans have failed to account for potential climate-change implications from drilling-related methane gas release as required under the National Environmental Policy Act.

In Colorado, Gov. Bill Ritter recently issued an executive order requiring a 20% reduction in greenhouse gas emissions in the state by 2020 and 80% by 2050, accompanied by a call for producers to invest in technologies designed to reduce methane emissions associated with natural gas drilling.

Because 175,000 acres are up for oil and gas leasing next week, a coalition of green scientists say the BLM is not paying attention to new greenhouse gas requirements.

"In Colorado, preliminary inventories show that accidental leaks and deliberate releases inject more than 5.6 million tons of methane and carbon dioxide into the air every year. These preliminary inventories report that emissions are likely much higher," said representatives from several environmental coalitions in a joint statement last week.

"The US Environmental Protection Agency has identified more than 80 ways the oil and gas industry can reduce methane emissions, save money, and help protect the climate.

Some of these are as simple and direct as maintaining oil and gas facilities to reduce methane from leaking valves and equipment. Some technologies can reduce methane emissions by 90% or more and help industry make millions," they said.

Spokesman and regional representatives for the BLM have maintained the position that they are simply following goals set by Energy Policy Act of 2005 to increase domestic energy supplies by making land more available for oil and gas leasing.

Similar debate is occurring in Nevada, where an elevated, dry swath of land stretching across 1.7 million acres may soon be leased to oil and gas producers for exploration. Federal land managers in the state are facing political backlash from those who think pre-leasing environmental assessments have failed to consider emissions impacts — and are also being kept too much of a secret from the public.

So far, a substantial number of leases have been bought for an adjacent, 2.8 million acre area in Lander and Nye counties in central Nevada, an area that was opened up to quarterly leasing just a few years ago. The new oil and gas leasing plan will cover the western portion of the same two counties, so many also foresee prolific lease sales under the new plan.

Resource and environmental advocates have issued formal comments related to potential damage to Native American cultural sites, rivers and especially wildlife — including some area populations of sage grouse, a species currently undergoing an endangered species status review (NGW Apr.28,p1).

However, the brunt of criticism thus far has been contention over the BLM's handling of the leasing programs, including the charge that the BLM hasn't done enough to inform the public and media about their oil and gas leasing programs, especially with the previous 2.8 million acre plan.

"The previous release didn't undergo public scrutiny because it wasn't put out by the BLM that they were even doing it," said Rob Mrowka, Nevada representative for the Center for Biological Diversity, a group that issued formal comments about the new leasing plan.

"There are very active wells as a result of that previous release. And the BLM didn't talk about how much they expected to be produced, which is part of the contention. They did it very stealthily." Mrowka also expressed disappointment that technologies to mitigate drilling-related methane releases are not being recommended by the BLM to help meet looming emissions requirements.

"Methane gas is a greenhouse gas that's many times more potent than carbon dioxide. It can really affect global climate even more so than carbon dioxide," Mrowka said.

"There are technologies out there that could be employed to capture the methane gas and use it as a commercial product, but most of the BLM's leasing plan didn't talk about that. So we're assuming like many of the leases in the West, the BLM isn't going to require capture."

Lauren O'Neil, Washington