



## BLM lease sale in Calif. spurs industry interest, environmental protest

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The Bureau of Land Management sold oil and gas leases yesterday involving more than 17,000 acres of federal land in central California amid protests from environmentalists and a request from a state congressman to postpone the sale until concerns about hydraulic fracturing are addressed.

All 15 leases covering 17,872 acres in Fresno, San Benito and Monterey counties were sold at yesterday's sale held in Sacramento, as oil and gas developers look to tap the Monterey Shale formation that stretches from Northern California hundreds of miles south to the Los Angeles area.

The names of the successful bidders and the bid amounts will not be announced until tomorrow, said David Christy, a BLM spokesman.

Any drilling on the leases requires an application for a permit to drill, which then triggers an individual site assessment and an engineering review of the well design, Christy said.

"Obviously, there's a lot of interest in this one because of the potential shale development," said Tupper Hull, a spokesman for the Western States Petroleum Association in Sacramento. "From our perspective, clearly

the Monterey Shale is an enormous potential benefit to the state of California and the energy producers here."

The lease sale, however, was strongly opposed by environmentalists.

And Rep. Sam Farr (D-Calif.) urged BLM in a letter last week to postpone the lease sale. Farr noted in his letter to James Kenna, director of BLM's California State Office, the "public concern" over the potential use of hydraulic fracturing and a request last month by the Monterey County Board of Supervisors requesting that the lease sale be delayed.

"I would like to echo that request, and urge the BLM to set the lease sale aside until it can in general ensure adequate safeguards on any fracking that does occur on any of the leased parcels," Farr wrote.

In total, 11 protests were filed against the BLM parcels offered in yesterday's lease sale by groups such as the Center for Biological Diversity and Clean Water Action, Christy said.

BLM has 60 days from the day of the lease sale to resolve the protests. The agency can reject the protests or modify the leases; it also can uphold the protests, in which case the companies with the winning bids would receive a full refund, he said.

## Fracking concerns

The main environmental concern expressed in the protests is the potential use of fracking, in which water, sand and chemicals are injected underground at high pressure to create fissures in tight rock formations that allow oil and gas to flow to the surface.

The use of fracking combined with horizontal drilling has sparked an energy boom in shale oil and gas formations from Pennsylvania to Texas.

California's Monterey Shale could be next, and environmental groups say they are concerned.

"We are deeply disturbed by how fast these leases today were snapped up," said Patrick Sullivan, a CBD spokesman in San Francisco. "It just underscores that the BLM is wrong when it says it does not expect much fracking or drilling on these lands; the industry is very, very eager to get drilling in the Monterey Shale. BLM has made a mistake in estimating the interest will be low, and there will be environmental consequences for that."

CBD last year filed a federal lawsuit against BLM challenging the leasing of 2,500 acres for oil and gas development in Monterey and Fresno counties, citing concerns over fracking.

And this past summer the group filed a notice of intent to sue BLM for approving oil and gas drilling projects in the state without first analyzing the potential impacts of fracking on endangered and threatened species (Greenwire, Aug. 30). That lawsuit has yet to be filed, though the group plans to file it soon, Sullivan said.

"The federal government should protect these beautiful public places, not sell them off to be drilled and fracked, risking irreparable harm to our air, water and climate," said Rose Braz, CBD's climate campaign director.

That is why federal and state regulators in the state "need to slow down and assess the long-term impacts of increased drilling, fracking, and other enhanced oil and gas recovery processes on California's communities, environment and health, and the BLM should do its part by withholding these leases," said Andrew Grinberg, program organizer for Clean Water Action.

BLM did conduct an environmental assessment (EA) of the lease proposal and issued a "Finding of No Significant Impact," Christy said.

But he acknowledged the EA was done to determine whether the 15 parcels were suitable for leasing and did not evaluate potential issues associated with fracking.

Hull, the Western States Petroleum Association spokesman, said concerns about widespread drilling and fracking in the region are unwarranted.

For one, he said, "the jury is still out" as to whether the Monterey Shale can be successfully developed like the Bakken Shale formation and other large plays. It is also not clear whether fracking and horizontal drilling will have much impact in the Monterey Shale, he said.

"Unlike places like the Marcellus Shale and the Bakken Shale, the formations here are not as uniform or homogeneous, and it remains unclear if hydraulic fracturing can unlock that

resource as successfully as in those areas,” Hull said. “We certainly hope so.”

He did say that if fracking techniques prove successful and are used to tap the oil resources trapped in the Monterey Shale formation, the industry has a long history of using the technique safely.

“The science in this regard is quite clear and unambiguous. It is a safe technology,” he said. “It has been used in California for more than 60 years and has never been linked to or suspected of causing harm to the environment, including water. It’s unfortunate that what a lot of people have heard about this technology is wrong.”