## Bloomberg

## First California Fracking Challenge Is Defeat for U.S.

By Karen Gullo - Apr 8, 2013

The U.S. Bureau of Land Management violated an environmental law by failing to take the necessary "hard look" at the impact of hydraulic fracturing when it sold oil and gas leases in California, a federal judge said.

U.S. Magistrate Judge Paul Grewal in San Jose, California, said the BLM violated the National Environmental Policy Act by relying on outdated reviews, conducted before the extraction process known as fracking spurred massive development of energy deposits, when the U.S. sold four leases in 2011 for 2,700 acres of federal land in Monterey and Fresno counties.

"BLM's dismissal of any development scenario involving fracking as 'outside of its jurisdiction' simply did not provide the 'hard look' at the issue that NEPA requires," Grewal said in a ruling yesterday.

The decision is the first federal court opinion to explicitly recognize the significant risks and controversies created by the spread of fracking across the U.S., said attorneys for the Center for Biological Diversity, which sued in 2011 to invalidate the leases.

"This is an important decision that recognizes the significant risks that fracking poses to California's land, air and water," Brendan Cummings, senior counsel for the group, said in an e-mail. "In an era of dangerous climate change, the federal government should not be leasing public land for extreme forms of fossil fuel extraction."

## **Monterey Shale**

Some of the land covered by the leases is located in California's Monterey shale formation, which spans 1,750 acres across the state's central and southern regions. The formation is estimated to hold 15.4 billion barrels, or 64 percent of the nation's total shale oil resources. The group had asked Grewal to invalidate the leases, which he declined to do. Instead, he ordered both sides to meet and submit a remedy to him by April 15. Grewal granted the government's request to throw out claims that the leases violated the Mineral Leasing Act.

involves Fracking forcing millions of gallons of chemically treated water underground to break rock and free trapped natural gas or shale oil. The practice sparked environmental has litigation across the U.S.

Doran Sanchez, a BLM representative, didn't immediately respond to e-mail messages seeking comment on the ruling.

The case is Center for Biological Diversity v. Bureau of Land Management, 11-cv-06174, U.S. District Court, Northern District of California (San Jose).