



## HYDRAULIC FRACTURING:

### BLM OKs environmental impact probe of drilling on public land in Calif.

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The Bureau of Land Management has agreed to conduct a detailed study of the potential environmental impacts of hydraulic fracturing and other oil and natural gas drilling activities in central California as the industry begins to tap the massive Monterey Shale formation.

BLM published a notice of intent in today's Federal Register saying it will conduct a full environmental impact statement for the agency's Hollister Field Office in central California, analyzing the potential impacts of allowing hydraulic fracturing on the 284,000 acres of public land within the field office's jurisdiction.

In conjunction, BLM today also said it is launching an independent, statewide science review of the potential oil and gas drilling impacts on the environment and the general geology of the state, including the potential seismic impacts of drilling in a state that's constantly under threat of earthquakes. The California Council on Science and Technology will lead the science review, and it will publish a peer-reviewed report on its findings by early next year.

The results of the science review will be used to develop the EIS, which likely will take a couple of years to complete. Based on what

is determined in the EIS, BLM could amend the resource management plan, or RMP, for the Hollister Field Office to include stipulations for best management practices and other requirements for oil and gas development on federal lands. And the agency said it could amend RMPs to add these stipulations in other field offices across California.

All permits to drill on existing leases will continue to be processed during the reviews, according to BLM.

The notice of intent to prepare an EIS will be published formally Monday, kicking off a 60-day public scoping period ending Oct. 4 in which the agency will solicit input from all stakeholders on the scope of the EIS and the specific issues that should be addressed within it.

"The planning process, coupled with the findings of the science assessment, will improve our resource management plans," BLM California State Director Jim Kenna said today in a statement. "This approach goes a long way toward bringing the most current scientific information on industry practices to planning and public dialogue about oil and gas leasing and development."

BLM's decision to conduct an EIS and focus on the Hollister Field Office is in response to

a federal judge's ruling last spring that BLM violated the National Environmental Policy Act by failing to include hydraulic fracturing in its analysis of two leases it approved in September 2011 covering about 2,500 acres in Monterey County. U.S. District Judge Paul Grewal for the Northern District of California ruled that BLM violated NEPA by assuming only one well would be drilled in the region and using that as justification not to perform a full environmental analysis (EnergyWire, April 9).

The judge's ruling was the result of a federal lawsuit against BLM filed by the Center for Biological Diversity and Sierra Club. The groups claimed the agency had failed to analyze the potential environmental impacts of hydraulic fracturing when approving the leases. CBD said Grewal's ruling was the first to find a federal lease sale invalid for failing to address concerns about the procedure, which involves injecting water, sand and chemicals underground at high pressure to create fissures in tight rock formations, allowing oil and gas to flow to the surface.

Grewal's ruling directed BLM and the environmental groups suing the agency to meet and decide what needed to be done to correct the deficiencies in the two leases. The two sides had been meeting for months, and BLM's commitment to conduct an EIS to analyze hydraulic fracturing and other impacts should satisfy the judge's ruling.

"This is long overdue but very welcome," said Brendan Cummings, CBD's senior counsel and public lands program director in Joshua Tree, Calif. "BLM should have done this analysis before offering any lands for leasing and development, but it's very good to see that they finally recognized, albeit through a court

decision, that fracking poses significant risks to California's air, water, wildlife and climate, and the agency needs to seriously grapple with those issues.

"To the agency's credit, after many years of doing everything the wrong way in California, they have outlined a good path forward," he added.

BLM's decision is the latest in the ongoing national debate over the use of hydraulic fracturing, a technique that has been used by the industry for decades. Recent advances, however, have helped to open up vast reservoirs of shale oil and gas that had previously been inaccessible.

The Monterey and nearby Santos shale formations that stretch across more than 1,700 square miles in the San Joaquin and Los Angeles basins in California have attracted growing interest from the oil and gas industry. The federal Energy Information Administration has estimated the Monterey formation could hold up to 15 billion barrels of oil, which is equivalent to 64 percent of the country's shale oil reserves.

Polling data have found that many California residents are opposed to the increased use of fracturing. A poll released this week conducted by the nonpartisan Public Policy Institute of California found that 51 percent of the more than 2,100 state residents who responded oppose the increased use of fracturing, and 50 percent are in favor of stricter regulations (ClimateWire, Aug. 1).

CBD has filed several lawsuits that target decisions by BLM and state regulators to allow hydraulic fracturing on public lands.

That includes a second lawsuit in BLM's Hollister Field Office in April challenging the auction of an additional 17,000 acres in Monterey, San Benito and Fresno counties for drilling and fracturing.

In August 2012, CBD 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 fracturing on endangered and threatened species (Greenwire, Aug. 30, 2012).

And earlier this year, CBD filed a state lawsuit in Oakland against the California Division of Oil, Gas and Geothermal Resources, claiming that existing state regulations require the agency to track the use of hydraulic fracturing and that the state has violated those regulations by failing to do so (EnergyWire, Jan. 25).

BLM officials said today that part of the agency's reasoning for agreeing to conduct the EIS and the science review was to break that cycle of multiple lawsuits and administrative challenges to lease sales and drilling permits.

"Over the last 24 months, most oil and gas leasing actions on BLM-managed public lands in California have been litigated, appealed, or protested," according to an agency statement. "In particular, the Hollister Field Office is facing legal challenges that threaten its ability to conduct oil and gas leasing."

Cummings, the CBD attorney, said that after President Obama in June outlined a climate change plan to curb emissions of greenhouse gases, BLM should not allow the development of fossil fuels on public lands.

"But to the degree to which the agency is going to continue oil and gas development on public lands, it certainly needs to be fully informed of those risks, and to disclose those risks to the public and to do everything possible to minimize those risks," he said.