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Judge: Feds violated law in Monterey oil leases

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SAN FRANCISCO (AP) — Federal land managers violated a key environmental law when they auctioned off the rights to drill for oil and gas on 2,500 acres of prime public lands in Monterey County, home to one of the largest deposits of shale oil in the nation, a judge ruled.

U.S. Magistrate Judge Paul Grewal said in a ruling posted Sunday that the Bureau of Land Management should have conducted a comprehensive environmental review of the potential impacts caused by fracking before accepting bids for the drilling rights, in accordance with the National Environmental Policy Act .

Grewal did not say whether the leases themselves would be invalidated, but said he would decide their fate after the parties met and sent him a proposal next week.

Both county officials and environmental groups expressed concerns about BLM's plans two years ago to auction off the drilling

rights for parcels near the lush Salinas River Valley before doing a sweeping review of the impacts on water, wildlife and air quality.

Fracking has been quietly occurring for decades in several oil-rich California counties, including Los Angeles, Kern, Monterey and Sacramento. Other states also use the technique to recover natural gas.

Environmentalists often worry that fracking can contaminate groundwater and pollute the air. The industry, however, has said the practice has been safely used for decades.

The leases sold in September 2011 include scenic stretches of southern Monterey County, where cattle ranchers and wine grape growers rely on tight water supplies to irrigate their pasturelands and vineyards. The area is also part of the historic range of the endangered California condor, whose global population was recently estimated at less than 400 birds.

The Center for Biological Diversity, one of the plaintiffs, claimed the bureau had failed to properly review the environmental risks associated with increased oil and gas development.

"This important decision recognizes that fracking poses new and unique risks to California's air, water and wildlife that agencies simply can no longer ignore," said Brendan Cummings, the center's senior counsel.

Winning bidders would still need to be granted an additional permit from the bureau in order to start drilling using traditional technologies, or hydraulic fracturing, a technique to extract hard-to-reach gas and oil by pummeling rocks deep underground with high-pressure water, sand and chemicals.

A call to Bureau spokesman David Christy was not immediately returned.