

June 8, 2004

*****FOR IMMEDIATE RELEASE*****

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GOVERNOR PROTESTS ADDITIONAL LEASING IN PINEDALE AREA

CHEYENNE, Wyo. - With more than three quarters of the area already leased and a revised management plan not yet completed, it makes no sense for the U.S. Bureau of Land Management to offer additional land around Pinedale for oil and gas development, Gov. Dave Freudenthal said today.

In a letter to Wyoming BLM Director Bob Bennett, the governor wrote that the leasing of acreage around Pinedale in a competitive oil and gas lease sale set for today is premature at best and "contrary to the goal of deliberate and responsible development" at worst.

The revised Pinedale resource management plan is set for release by the end of the summer and will likely have a significant impact on whether additional leasing is appropriate.

"Allowing additions to the current leasing environment, without the impact analysis and mitigation strategies that will likely come with the RMP revision, will only serve to further jeopardize sage grouse habitat, migration corridors, crucial habitat and other important resources," the governor wrote.

Recent media reports have indicated that 77 percent of federal lands leased for oil and gas in Wyoming are not productive at this time. Also, about 76 percent of the Pinedale RMP area is already leased out. Freudenthal said it then would seem that there is ample opportunity for development to continue without additional leases being offered for sale in area.

The complete text of Freudenthal's June 7 letter to Bennett follows. Hard copies are also available by request. (Please note: At the time the governor's letter was written, BLM records indicated that 92 percent of the Pinedale area was leased. Due mainly to expired leases, the BLM has since updated that figure to 76 percent.)

June 7, 2004

Bob Bennett,
State Director Bureau of Land Management
5353 Yellowstone Road
P.O. Box 1828
Cheyenne, WY 82003

RE: PROTEST OF PINEDALE FIELD OFFICE PARCELS TO BE OFFERED AT
JUNE 8, 2004 COMPETITIVE OIL & GAS LEASE SALE

Dear Director Bennett:

This office has learned that at its June 8, 2004, competitive oil and gas lease sale, the Bureau of Land Management (BLM) plans on offering for lease various parcels within the jurisdiction of the Pinedale Resource Office and covered by the Pinedale Resource Management Plan (RMP). In accordance with 43 C.F.R. §3120.1-3, the State of Wyoming hereby protests the offer of these parcels for lease.

As of this writing, we are awaiting the issuance of the draft RMP covering the Pinedale Resource Area, scheduled to be released by the end of summer. This draft RMP will likely have a significant impact on whether additional leasing is appropriate, and I believe it would be prudent to delay the issuance of any additional leases until the draft RMP has had the opportunity to be published, reviewed, commented upon and finalized. To do otherwise would seem to run contrary to the goal of deliberate and responsible development.

I am aware that Instructional Memorandum (IM) 2004-110 seems to indicate that leasing may proceed while the draft RMP is pending, but would remind you that the IM also states that "(a)dditional NEPA documentation would be needed prior to leasing if there is significantly new circumstances or information bearing on the environmental consequences of leasing not within the broad scope analyzed previously in the RMP/EIS." Dramatic changes have taken place under the existing RMP that are precisely the "significantly new circumstances or information" referred to in the IM. The existing RMP and accompanying EIS, together with the relevant Field EISs that deal with the particular oil and gas fields, never contemplated the level of development that currently exists within the boundaries of the Pinedale Field Office. As only one example, well spacing has steadily decreased in the Jonah Field from the original 160 acres to 80, 40, 20, 10 and in some instances even 5 acres. Given such developments, significantly different from those anticipated under the existing RMP, additional leasing is inappropriate, and potentially outside the scope of impacts identified in the existing RMP.

Although additional analysis was completed in separate field EISs which potentially covers the proposed leases, the Pinedale RMP revision will provide the comprehensive opportunity to analyze the entire cumulative impact from existing wells and current Applications for Permit to Drill. The State believes that new development activity and associated impacts will be identified and highlighted in the RMP revision that will affect the issuance of the proposed oil and gas leases.

With 92% of the Pinedale Resource Area already leased (a vastly higher percentage under lease than other Areas) and the dramatic changes that naturally follow from full-field development, the draft RMP should be allowed to come out as expected in June and additional leasing should be suspended for at least one year - or until the FEIS is completed and the Record of Decision is signed. A decision to go forward with the proposed leases, outside of the programmatic guidance of the new RMP, seems unsound. Allowing additions to the current leasing environment, without the impact analysis and mitigation strategies that will likely come with the RMP revision, will only serve to further jeopardize Sage Grouse habitat, migration corridors, crucial habitat and other important resources.

Finally, as stated by the Associated Press, BLM records indicate 77 percent of federal lands leased for oil and gas in Wyoming are not producing oil or gas at this time. If accurate, it appears there is ample opportunity for development to continue without additional leases being offered for sale in the Pinedale RMP area.

Therefore, I respectfully request that the proposed leases be withdrawn for at least a period of one year or until the FEIS is completed and the Record of Decision is signed.

Sincerely,

Dave Freudenthal
Governor