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GOVERNOR: SEASONAL STIPULATIONS SHOULD STAY

CHEYENNE, Wyo. - Increasing funding for staff and technical expertise on pipelines, permitting and environmental analysis would do far more to expedite energy development than ending valuable seasonal wildlife stipulations, Gov. Dave Freudenthal believes.

In a recent letter to Rep. Barbara Cubin, R-Wyo., Freudenthal said he had significant reservations about ongoing House Committee on Resources discussions that would effectively put an end to seasonal wildlife stipulations.

The BLM's present approach of imposing winter stipulations and having industry request a variance from these stipulations has served to protect both game and non-game species while still allowing industry to conduct necessary operations when appropriate and carefully crafted, Freudenthal said. The state has supported several well-crafted modifications.

"Historically, seasonal wildlife stipulations have protected Wyoming's highly valued wildlife resources during those times when they are most vulnerable," the governor wrote.

The full text of Freudenthal's letter to Cubin follows. In it, he addresses perceived delays in development projects, the need for additional permit analysts and planners, air quality and other concerns and the state's efforts to strengthen and streamline the Wyoming permitting process.

U.S. House of Representatives
Congresswoman Barbara Cubin
1114 Longworth House Office Building
Washington, DC 20515

Dear Representative Cubin:

I appreciate your continued efforts to augment the ability of industry to enhance domestic energy production. However, I read with great concern the news coverage of a House Committee on

Resources proposal that would effectively put an end to seasonal wildlife stipulations. This only addresses an ancillary issue and misses the true causes of delay.

Historically, seasonal wildlife stipulations have protected Wyoming's highly valued wildlife resources during those times when they are most vulnerable. Consider, for example, that wintering wildlife face numerous obstacles, including a diet consisting of dried, low nutritional value forage and adverse climatic conditions of cold, wind and crusted snow. To add the pressures and stress of industrial development in these sparse winter habitats, identified by wildlife experts as crucial to the survival of the state's big game herds and other wildlife species, in an unfettered fashion does not seem sound. Our present approach of imposing winter stipulations and having industry request a variance from these stipulations has served to protect both game and non-game species while still allowing industry to conduct necessary operations when appropriate and carefully crafted.

Much emphasis has been placed on the delays imposed on industry as it works to comply with seasonal stipulations. Certainly, an element of delay cannot be denied, but they are rarely overly burdensome. As an example, the Anschutz, Shell and Ultra year-round began with a Scoping Notice July 17, 2005, and the FONSI decision record was signed Sept. 15, 2005. Similarly, Questar's winter drilling proposal began in early 2004, with final project approval coming in November of that same year. Surely these delays are tolerable considering the importance of our wildlife resources to the people of Wyoming. These companies were allowed to proceed with winter operations, but in a manner that considers the importance of the habitat in which the project will unfold - encompassing mule deer, sage-grouse, antelope and moose winter range.

I would also ask that you consider the importance of seasonal restrictions in the context of the "adequate regulatory mechanisms" provisions in the Endangered Species Act. In this regard, the existence of seasonal stipulations was one of the major considerations in the decision to not list the sage grouse. If these stipulations are removed, I predict that we will face difficult odds in keeping the sage grouse off the endangered species list.

The better course may be to consider the more pressing reasons for industry delay. To this end, the need for additional permit analysts and planners within the BLM and state regulatory agencies is apparent. Had sufficient staff been available in the Buffalo BLM Field Office, for instance, the three-year leasing and permitting delay for coal bed natural gas development could have been avoided. Delays in the various resource management plan revisions have also served to impede development, when old plans in need of revision continue to impose antiquated and conservative development allowances. Also, the existing limited pipeline capacity in Wyoming hinders additional development. Finally, experienced rig hands and other oil and gas field workers, together with the rigs and equipment they work on, are also in short supply.

Assuming that the Committee on Resources succeeds at removing seasonal stipulations, these and other, larger obstacles will remain. Compliance with the Montana/Wyoming state line standard and addressing other water quality issues will provide continued permitting delays. Air quality concerns will also persist. In the end, the observance of seasonal stipulations will prove simple compared to complying with other regulatory requirements.

For our part, the state of Wyoming is considering and implementing measures aimed at amending these issues. The Department of Environmental Quality (DEQ) has requested funding to recruit and retain experienced staff to streamline the state's permitting process. We are also working to address the specific regulatory concerns raised in the context of the Montana water quality issues brought on by increased coal bed natural gas development. Information technology funding and changes will continue to add efficiency to the permitting processes of DEQ, the Oil and Gas Conservation Commission and the State Engineer's Office. The Game and Fish Department, along with other agencies, is seeking innovative measures that will allow industry to meet its desired drilling pace, even in the face of seasonal stipulations. State agencies are working diligently in the role of cooperators on federal planning efforts to augment development opportunities. Furthermore, the Pipeline Authority is working to enhance production opportunities, by seeking additional pipeline capacity throughout the state. Finally, private industry, in conjunction with state workforce development agencies, has created training centers to deploy additional oil and gas workers to the state's oil and gas fields.

With this in mind, I would request that the discussion of removing seasonal wildlife stipulations be replaced with a focus on increasing federal dollars for staff and technical expertise related to pipelines, permitting and environmental analysis. By shifting the dialogue to address these needs, our state's wildlife will be protected and development can be achieved at an increased pace.

Best regards,

Dave Freudenthal
Governor

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