

Freudenthal protests oil, gas sale

BLM proceeds with lease auction; totals record \$10.5 million

By DUSTIN BLEIZEFFER
Star-Tribune energy reporter

GILLETTE — Despite a last-minute protest by Gov. Dave Freudenthal, the Bureau of Land Management proceeded with a planned oil and gas lease auction Tuesday that included four parcels in the BLM's Pinedale Field Office region.

The sale, which included

Continued from A1

programmatic guidance of the new RMP, seems unsound," Freudenthal wrote.

Freudenthal argued that leasing minerals in the region now is done without full analysis because the new RMP is not complete. He said doing so "will only serve to further jeopardize sage grouse habitat, migration corridors, crucial habitat and other important resources."

The BLM disagrees. Although the agency will review the governor's protest in-depth, a spokesman said officials did a quick check of their decision to include the Pinedale lease parcels in the Tuesday auction.

BLM spokesman Andy Tenney said although the 1980s RMP is the basis for oil and gas leasing practices,

163 other BLM parcels that were not protested before bidding began, drew a record \$10.5 million, according to the BLM.

In a letter to Wyoming BLM Director Bob Bennett, the governor wrote that leasing the Pinedale acreage Tuesday was premature at best and "contrary to the goal of deliberate and responsible development" at worst.

BLM officials said Freudenthal's protest does trigger a formal review by the BLM and that he will get a response from Bennett.

Called for comment, a spokesman for Pinedale Anticline producer Questar said the company welcomes Freudenthal's

the agency did conduct an additional environmental assessment of all the lease parcels in the months leading to the lease sale. Further, BLM officials had also considered whether the parcels might be offered under the new RMP, even though it is not yet finalized.

"It was determined that offering these parcels didn't compromise the Pinedale RMP planning revision," Tenney said.

In other words, the BLM believes it would still offer the same four lease parcels under the new RMP. It is not uncommon for individuals or organizations to protest particular mineral lease parcels in Wyoming. Whether it is the governor or the general public, a protest requires the BLM to

interest and that his concerns have some merit.

"He's certainly right. Things have changed on the ground in Pinedale since things were last assessed," Questar spokesman Chad Jones said. "He's been supportive of some of the innovative techniques we're using on the Mesa and we support him and his involvement."

The controversy centers on the BLM's revision of a 1980s Resource Management Plan for its Pinedale Field Office. The office is adapting its oil and gas management strategies to a drastically changed oil and gas industry in the region. Advanced underground mapping and

conduct a "state director review."

Tenney said Freudenthal's protest prompted the agency to "tag" the four lease parcels so that any bidder would know that the parcels will undergo a state director review.

If the BLM determines the protest has merit and agrees that one or more of the protested parcels should not have been offered for lease, then the successful bidder will be refunded and the lease redacted, Tenney said. If the BLM determines the protest is without merit, the lease (or leases) will be formally issued.

Even if the parcels would have been withheld from Tuesday's sale, it would not have impacted ongoing development in the Pinedale An-

directional drilling technology has spawned a lucrative tight-sands natural gas rush in the area in recent years, and the industry wants to drill thousands of additional wells.

On Monday, Freudenthal penned a letter to Bennett arguing that it makes sense to suspend further leasing in the Pinedale region until after the new Resource Management Plan (RMP) is finalized because the new plan might deem the parcels unavailable for lease.

"A decision to go forward with the proposed leases, outside of the

Please see FREUDENTHAL, A16

ticline. Nearly 92 percent of the mineral estate there is already under lease.

Jones said Questar has 14,000 mineral lease acres in the area. He said the environmental characteristics of the Pinedale Anticline calls for cooperation between regulators and industry.

"Things have changed drastically for us because we're directionally drilling almost exclusively now," Jones said. "We think we can complete development of our acreage over the next several years with only nine new pads with the technologies we're using."

Jones noted that of Questar's remaining 354 prospective wells, 345 of them could be drilled directionally, which means they would reach out from just nine central pads.

Casper Star Tribune
Oil & Gas
4/9