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September 22, 2010

Wilma Lewis
Assistant Secretary for Land and Minerals

Bob Abbey
Director, Bureau of Land Management

Transmitted electronically

re: DOI Energy Management Reform: Mandatory Operating Procedures

Dear Assistant Secretary Lewis, and Director Abbey:

As the Department of Interior continues its Energy Management Reform efforts, we offer the following recommendations for mandatory operating procedures to minimize the impacts of oil and gas operations on public lands, primarily in the Western states. The undersigned groups collectively represent thousands of members who support Interior's efforts to reform energy policies on our public lands.

Introduction

The BLM defines best management practices (BMPs) as “state-of-the-art mitigation measures applied to oil and natural gas drilling and production to help ensure that energy development is conducted in an environmentally responsible manner.” BMPs are only effective to the extent they are implemented. These practices should be universally employed to the greatest extent feasible. But our experience demonstrates that outdated technologies and practices are all too often employed – when modern methods can significantly reduce impacts. Many of these practices can result in cost savings to industry.

Accordingly, BLM should establish a standard set of BMPs that are required as mandatory operating procedures. To account for specific circumstances where a given practice might not be appropriate, operators could apply for a waiver upon conclusively demonstrating that an alternative approach would produce the same or superior results.

Our specific recommendations follow, organized under Land, Water, Air and Implementation headings.

1. Protecting Land & Habitat by Minimizing Surface Disturbance

As the mineral boom continues to explode across the western landscape, public lands are seeing increased impacts from oil and gas development. Keystone species such as the Greater Sage Grouse are increasingly threatened. The health of our sage grouse populations is inextricably linked to the ecological integrity of the entire sagebrush ecosystem.

Even as higher density development and expanding field boundaries characterize established mineral basins, entirely new landscapes appear targeted for full field development in coming years. The emerging Niobrara and Gothic shale plays are just two examples in the Rocky Mountain region. Rather than repeating the mistakes of the past, it is essential to ensure that informed leasing and operational decisions adequately balance environmental protection with development.

If applied as “mandatory operating procedures,” BLM’s existing BMPs to “minimize wildlife habitat fragmentation and loss” will go a long way towards minimizing the footprint of future development. Seven top wildlife BMPs should be universally applied:¹

- a. **Reducing the initial and interim size of roads, utilities, & well pads:** Improved planning at the front end will reduce or eliminate myriad problems over the life of the field.
- b. **Establishing pipelines and power infrastructure in road corridors:** The common sense policy of consolidating infrastructure should be universally employed.
- c. **Drilling multiple wells from a single well pad:** Maximize use of directional drilling to reduce surface impacts, and as a tool to specifically avoid sensitive areas like important wildlife habitat. For sensitive habitat, BLM should limit surface development to one wellpad per square mile – this approach is already being employed for sage grouse habitat in Wyoming. Because these multi-well pads are necessarily larger in area, they should be carefully located to minimize impacts. Directional drilling allows surface infrastructure to be located where it avoids sensitive habitat.²

¹ The headings above are lifted directly from http://www.blm.gov/pgdata/etc/medialib/blm/wo/MINERALS__REALTY__AND_RESOURCE__PROTECTION_/bmps.Par.97783.File.dat/WO1_WildlifeMgmt_BMPs_Slideshow.pdf

² In addition to sensitive wildlife habitat, directional drilling is a tool that can be employed to avoid other resources including residences, sacred sites and traditional cultural properties (these landscapes are almost always inappropriate for leasing in the first instance).

- d. **Eliminating hazards to wildlife:**³ Improperly managed hazards result in direct mortality, which can often be avoided by implementing simple practices, coupled with stepped up compliance safeguards.
- e. **Reducing noise:** Both noise and surface impacts disturb wildlife.
- f. **Centralizing production facilities:** Requiring consolidated development and maximizing shared use of infrastructure will minimize the surface footprint of operations. This provides multiple benefits of reducing disturbance, costs, and road traffic that contributes to habitat fragmentation.
- g. **Remote production monitoring:** This technology is already widely employed – it should be standard procedure.

In addition to BLM’s existing concepts, **phased development** should be routinely applied. **Master Leasing Plans** are a new tool to facilitate rational field development of an entire mineral basin. As successful interim and final reclamation is certified, industry can move to future phases of development. Lease suspensions and unit agreements can also be effective tools for implementing phased development.

2. Protecting Water Quality and Aquatic Resources

Especially in the arid landscapes that characterize the main mineral-producing basins in the Rocky Mountain region, water is a precious and scarce commodity. Water is life – for people, wildlife and vegetation.

- a. **Closed loop systems:** Require maximum use of closed loop drilling systems to dramatically reduce truck traffic and protect water, land, wildlife and people from toxic chemicals. Closed loop systems are a win-win by protecting water resources and soils, reducing the introduction of toxic wastes to the environment, allowing recycling and re-use of water to minimize consumptive use, shielding operators from the fines and enforcement actions stemming from leaking pits or accidental discharges, and reducing cleanup operations.
- b. **Chemical disclosure:** Require public disclosure of the amounts of all chemical substances to be used in drilling and extraction activities on federal leases.
- c. **Well construction and casing:** Chemical disclosure is not enough. Surface and groundwater can also be contaminated by poorly constructed wells or inattention to safety measures regarding well casing and completion. The strictest standards are needed, in conjunction with baseline water quality testing and monitoring.
- d. **Stormwater:** Require adherence to EPA stormwater BMPs.

³ In recognition of the fact that livestock also uses many of these public lands, this provision should be changed to “eliminating hazards to wildlife, and livestock.”

- e. **Sensitive areas:** Prohibit wells, facilities and reserve pits in riparian areas, floodplains, lakeshores and wetlands. 500-foot setbacks from these sensitive areas should be the rule.

3. Protecting Air Quality and Visibility

Neither public health nor the world-class vistas and scenery of our Western states should be sacrificed to oil and gas development. We recommend:

- a. **Institute the EPA Natural Gas STAR program:** The Environmental Protection Agency describes the Natural Gas STAR program as a “flexible, voluntary partnership that encourages oil and natural gas companies—both domestically and abroad—to adopt cost-effective technologies and practices that improve operational efficiency and reduce emissions of methane, a potent greenhouse gas and clean energy source.” Compliance with these best practices should be mandatory for all lessees operating on federal lands. In many circumstances, best practices increase the recovery of marketable products, a win-win across the board.
- b. **Minimize dangerous emissions:** Require measures to prevent or capture the emissions of other pollutants that threaten public health, including hazardous air pollutants, volatile organic compounds, hydrogen sulfide, and criteria pollutants. Require green completions and use of the best available technology to minimize the health impacts of drilling on federal leases.
- c. **Reduce Polluting Fuels:** Require natural gas-powered drilling rigs, rigs connected to the power grid, or solar technologies to operate well field equipment rather than diesel fuels. Diesel-fueled equipment is one of the biggest sources of pollution.
- d. **Reduce traffic:** A significant proportion of operational traffic can be reduced by tried and true practices including remote monitoring of production infrastructure, piping of condensates, and better organized transportation systems that minimize vehicle-miles traveled. Such measures will reduce dust and fine particulates, as well as reducing wildlife impacts.

4. Implementation: Ethics, Restructuring, Inspection, Enforcement & Compliance

Adequate resources and organizational commitment will be needed for the reforms to take root and bear fruit. Money, staffing and a new ethic must be instilled to restore balance to onshore oil and gas management. The revolving door with industry was not limited to the Minerals Management Service. A stronger inspection and enforcement program will be needed to ensure compliance. Interior should evaluate the potential advantages of shifting the latter functions outside BLM.

Conclusion

The BLM leasing reforms were a positive step forward to restore balance to the management of our public lands. Implementation of the Mandatory Operating Practices and related reforms recommended above will be another step towards restoring order to energy management policies across the public domain. This crucial phase of the reform package will help ensure that future management achieves the highest and best mix of uses for these public lands and resources.

Sincerely,



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cc: Deputy Assistant Secretary Sylvia Baca
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