



NEW RELEASE

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BLM Approves Lease Suspensions in Thompson Divide

Additional public involvement and environmental analysis to be conducted

SILT, Colo. - The Bureau of Land Management (BLM) today approved oil and gas lease suspension requests from SG Interests and Ursa Resources Group for their leases in the Thompson Divide area west of Carbondale in the White River National Forest. Suspending the leases prevents any development activity, pauses the 10-year deadline leaseholders have to develop their leases, and allows for additional public input and environmental analysis.

“The lease suspensions allow the BLM additional time to complete environmental analyses on the companies’ leases and their development proposals,” said BLM Colorado River Valley Field Manager Steve Bennett. “These suspensions will also provide the community and the leaseholders an opportunity to continue their dialogue on the future of the leases in the Thompson Divide area. Ultimately, the leases could be voided, reaffirmed or modified as an outcome of the additional environmental analysis.”

The request for suspension was made, in part, to give BLM additional time to conduct the required National Environmental Policy Act (NEPA) environmental analysis on the companies’ development proposals and to allow for additional discussions with and between stakeholders in a good faith attempt to address their concerns.

In granting the request for lease suspensions, the BLM has identified the need to remedy a defect at lease issuance – the lack of a NEPA analysis – and has decided to undertake additional NEPA analysis to determine whether the leases should be voided, reaffirmed or subject to additional mitigation measures for site-specific development proposals.

The lease suspensions are effective Feb. 1, 2013, the date the companies submitted their suspension request to the BLM, and expire on April 1, 2014.

As the manager of the leasing process, the BLM is the lead agency for decisions on lease suspension and proposed unit agreements. Federal units allow multiple leases to be

managed as a single unit to minimize surface disturbance and allow for orderly development.

SG Interest holds 18 leases in the Thompson Divide area and Ursa Resources Group holds seven. In May 2011, SG Interests submitted a request to unitize their leases. SG Interests has submitted 6 applications for permits to drill on leases in the Thompson Divide area and recently requested suspensions for leases purchased from Encana. A unitization request for the leases held by Ursa Resources Group was submitted in 2012.

The leased tracts in the Thompson Divide area were approved for sale by the U.S. Forest Service and sold by the BLM in 2003-2004.

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