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POWDER RIVER BASIN
Resource Council

March 8, 2012

Mr. Mike Robinson
High Plains District Office
Casper_WYMail@blm.gov

Mr. Stuart Cerovski
Wind River/Bighorn Basin District
Lander_wymail@blm.gov

Re: **FINDING OF SIGNIFICANT IMPACT**
U.S. Department of the Interior Bureau of Land Management
August 2012 Lease Parcels
WY-070-EA12-44 and DOI BLM WY-050-EA12-17

Dear Mr. Robinson and Mr. Cerovski:

Thank you for accepting these comments submitted on behalf of our impacted landowners and members of the Powder River Basin Resource Council (PRBRC), Clark Resource Council (CRC) and Pavillion Area Concerned Citizens (PACC) regarding the August 2012 Lease Parcels Review and Environmental Assessments (EA). Unless otherwise specified, our comments apply to both the High Plains District and the Wind River/Big Horn Basin District EAs.

Based on our review and analysis of the Bureau of Land Management (BLM) Environmental Assessments (EAs) and the proposed Finding of No Significant Impact (FONSI) we believe the environmental, health, socio-economic and property impacts associated with the parcels offered for lease by the BLM will have significant environmental impacts. We find that the BLM has failed to address and disclose the environmental impacts which meet the definition of significance in context or intensity as described in 40 C.F.R. § 1508.27. We further find that those impacts have not been addressed in the respective EISs for the Resource Management Plans (RMPs) associated with these leases. Therefore, we conclude that an EIS is needed prior to issuance of these leases.

Context:

The leasing actions BLM proposes would occur within the Buffalo, Casper, Newcastle, Cody, Lander and Worland field office boundaries. The actions proposed would result in horizontal shale oil and gas drilling that involve the extensive use of new hydraulic fracturing (also known as “fracking”) techniques which have not been analyzed or disclosed. In addition, the hydraulic fracking techniques require enormous volumes of water for fracking operations and huge volumes of contaminated flowback water that will need to be disposed of and the EISs and the

RMPs tiered to these EAs have not analyzed, addressed or disclosed the reasonably foreseeable environmental impacts associated with horizontal oil and gas wells and associated hydraulic fracking, water use and water disposal.

Additionally, specifically regarding sage grouse protections, the EIS for the Buffalo RMP has failed to address or disclose the extensive impacts of oil and gas drilling on sage grouse habitat, the already extensive loss of sage grouse habitat from oil and gas drilling and the very real potential for extirpation of sage grouse in the Powder River Basin.

Finally, this BLM EA and the BLM RMPs it is tiered to, do not address the large volume of federal orphaned, abandoned and idle wells that have not been reclaimed and the resulting long term impacts to private property split estate owners and public lands. The BLM RMPs have failed to address the cost of reclamation of oil and gas wells, the lack of federal bonding to cover reclamation and the failure of the BLM to ensure reclamation of disturbed and damaged lands due to BLM authorized oil and gas drilling. The BLM fails to address how BLM will ensure previous leased lands are reclaimed and BLM fails to disclose or account for oil and gas wells on those lands that have not been reclaimed prior to more leasing. Further, the BLM has no established funding mechanism to ensure reclamation of previously leased and drilled lands nor does BLM disclose, analyze or discuss the fact there is no funding mechanism for reclamation of land and plugging of wells from bankrupt companies.

Intensity:

The following discussion is organized around the applicable Ten Significance Criteria described in 40 CFR 1508.27.

1. Impacts may be both beneficial and adverse:

The proposed Action/Alternatives would affect resources which are not described in the EA. Neither the EA nor the associated RMPs and their respective EISs address the environmental impacts associated with the drilling and fracking of oil and gas horizontal wells. There is no analysis of the chemicals, the process, the volumes of water required and where the contaminated flowback water will be disposed of.

Further there is no analysis of the extent of orphaned, abandoned and idle wells and the lack of reclamation and how BLM will ensure reclamation takes place. BLM does not disclose that they have no funding mechanism for abandoned and unreclaimed oil and gas wells and has little or no likelihood of passing a budget to cover those costs. These are reasonably foreseeable adverse impacts that should be disclosed in NEPA analysis and warrant an EIS.

2. The degree to which the selected alternative will affect public health or safety.

The proposed actions can impact public health and safety through the use of hydraulic fracturing chemicals and the loss or contamination of freshwater aquifers. The proposed actions can also impact public health and safety through extensive air quality impacts and greenhouse gas emissions from oil and gas production that are not analyzed.

3. The degree to which the effects on the quality of the human environment are likely to be highly controversial.

The extent of the impacts of hydraulic fracking on public health and the environment are unknown and highly controversial. BLM has failed to disclose or address those disputes and controversies in these EAs or previous EISs for the RMPs. The disclosure of chemicals used in hydraulic fracking, the requirement, use and availability of freshwater resources and the proper disposal of fracking fluid are also unanswered and controversial.

4. The degree to which the possible effects on the human environment are highly uncertain or involve unique or unknown risks.

The impacts of hydraulic fracking of oil and gas horizontal wells, including the process and the consumption of freshwater resources and disposal of contaminated water are both uncertain and involve unique or unknown risks. Those are unique risks and impacts the BLM has failed to disclose or analyze in these leasing EAs and in the associated EISs for the RMPs.

The impacts to air quality are also uncertain and involve unique and unknown risks. Air quality monitoring data is limited in much of Wyoming and modeling analysis is rarely updated for EAs. Please confer with your sister agency, EPA, to identify the lack of air quality information available and/or what unknown risks will occur as a result of a greater intensity of oil and gas development in Wyoming.

The EAs also fail to address the correct number of producing oil and gas wells and the resulting socio-economic impacts of a boom bust scenario set in motion by BLM leasing actions which fail to address whether there is an actual need for additional leasing. For example, there are over 10,000 CBM wells currently idle and shut in due to low gas prices in the Powder River Basin. There are currently only about 12,000 producing CBM wells in the PRB. The EAs also fail to discuss or analyze the enormous number of expired permits BLM has issued that have not been developed. According to data on the Wyoming Oil and Gas Commission website there are over 17,000 expired federal permits for CBM just in the PRB. BLM failure to analyze the real need for additional leasing leads to and sets up a boom bust scenario. This leads to uncertain and unique socio-economic impacts to the local communities and the state. In addition BLM is not prepared to address the bankruptcy issues associated with failing natural gas prices and the failure of industry to reclaim damaged lands from oil and gas drilling.

5. The degree to which the action may establish a precedent for future actions with significant effects or represents a decision in principle about a future consideration.

The action of leasing more lands for oil and gas development without consideration of the large scale impacts of hydraulic fracturing, freshwater consumption and disposal of contaminated water leads BLM to a predetermined outcome in future leasing and permitting activities. This is especially important in the case of the Buffalo RMP where horizontal drilling is not currently considered in the reasonably foreseeable development (RFD) scenario. The RFD scenario is being updated through the RMP revision and related EIS, but in the meantime, BLM leasing actions may foreclose impacts analysis and/or consideration of options to mitigate those impacts.

In addition, the failure of the BLM to consider the impacts of additional leasing outside sage grouse core areas in the Powder River Basin without consideration of extirpation of the sage grouse represents a decision that forecloses BLM's future options for preserving additional crucial habitat for the species and in turn, the species itself.

Finally, the action by the BLM to lease more lands for oil and gas drilling without analysis or consideration of the thousands for oil and gas wells that have not been reclaimed and without a plan in place to ensure reclamation is establishing a precedent for future actions that have significant impacts.

6. Whether the action is related to other actions with individually insignificant but cumulatively significant impacts - which include connected actions regardless of land ownership.

This leasing action is related to coal leasing, underground coal gasification proposals and uranium leasing and mining proposals, enhanced CO2 oil and gas recovery and coal to gas bio-conversion projects – there are cumulative significant impacts with these connected actions. None of these cumulative impacts are discussed in the EA.

7. The degree to which the action may adversely affect an endangered or threatened species or its habitat that has been determined to be critical under the Endangered Species Act of 1973, or the degree to which the action may adversely affect: 1) a proposed to be listed endangered or threatened species or its habitat, or 2) a species on BLM's sensitive species list.

The sage grouse is a BLM listed sensitive species and is a candidate species for the Endangered Species Act list. This action will adversely impact sage grouse habitat and especially in the Powder River Basin to the extent that sage grouse will be extirpated in the Powder River Basin and that extirpation will lead to a listing of the sage grouse as endangered.

CONCLUSION:

For the foregoing reasons we believe the proposed leases will cause significant impacts and BLM must delay leasing until the issues discussed above are properly analyzed or mitigated.

Sincerely,

Jill Morrison
Powder River Basin Resource Council