

Spokeswoman: Filing on eve of offshore drilling announcement coincidental

Feds halt fast-track drilling

By PAUL FOY - Associated Press writer | Posted: Thursday, April 1, 2010

SALT LAKE CITY -- The U.S. Department of the Interior moved to halt fast-track approvals for drilling across the Rocky Mountains in a legal settlement reached just hours before President Barack Obama's announcement Wednesday that his administration will open offshore oil and gas reserves to development.

Government lawyers said the timing of the two drilling-related deals was merely coincidental, and that resolution of the federal lawsuit late Tuesday had been in the works for several weeks.

That suit was brought in Salt Lake City federal court in 2008 by the Wilderness Society and other conservation groups that challenged the Bush administration's interpretation of the Energy Policy Act of 2005, which allowed federal land managers in some cases to issue fast-track drilling permits without a full environmental review.

The U.S. attorney's office in Salt Lake City confirmed Wednesday that the settlement all but closes the loophole that approved nearly 7,000 oil and gas development projects from 2006 to 2008.

Most of the fast-tracked projects were approved in Wyoming, New Mexico and Utah. They included drilling new wells and adding pipelines and roads across public lands, according to the Government Accountability Office, which issued a report in September that was critical of the practice.

The U.S. Bureau of Land Management office in Pinedale, an area where gas development has increased significantly over the past decade, issued more than 1,200 fast-track permits issued over the past three years.

The quicker permitting expedited what otherwise can be a "painfully slow" process under federal environmental laws, said Cheryl Sorenson, vice president of the Petroleum Association of Wyoming.

"This is another decision made by the Department of Interior over the last few months that continues to restrict and halter the oil and gas industry in Wyoming," Sorenson said.

Bruce Pendery, an attorney for the Wyoming Outdoor Council, said that under the settlement, the Interior Department has agreed not to use fast-track permitting in areas with "extraordinary circumstances," such as places considered ecologically significant.

"Whether the resources in the Pinedale area will have that extraordinary character, that remains to be seen," Pendery said.

Government lawyers settled the case on behalf of Secretary of the Interior Ken Salazar. His office didn't immediately return a message from The Associated Press.

Salazar was busy Wednesday promoting a decision by Obama to open parts of the Atlantic and the Gulf of Mexico to oil drilling.

Melodie Rydalch, a spokesman for the U.S. attorney's office in Salt Lake City, said it was coincidental that a federal settlement restricting onshore drilling was filed the night before Obama announced he would open offshore oil and gas resources to drilling and exploration from Virginia to Alaska.

An oil-industry lobby criticized the settlement and complained it was shut out of the negotiations.

"It's getting more and more difficult to operate onshore," said Kathleen Sgamma, government-affairs director for the Denver-based Independent Petroleum Association of Mountain States.

The lawsuit filed in 2008 against the Department of the Interior was brought by The Wilderness Society, the Southern Utah Wilderness Alliance and the Nine Mile Canyon Coalition.

The settlement means scenic and wild landscapes around the West "will get more analysis and a thoughtful approach to development," said Steve Bloch, a staff lawyer for the Southern Utah Wilderness Alliance. "That has been a hallmark of Secretary Salazar's approach."

Eastern Utah's Nine Mile Canyon, a showcase of ancient rock art panels, has seen increasing truck traffic from gas development on surrounding highlands called the West Tavaputs Plateau.

"We weren't party to the negotiations, but we don't object to terms of the settlement," said Duane Zavadil, a vice president at Denver-based Bill Barrett Corp, which is working on the West Tavaputs Plateau.

Bill Barrett Corp received fast-track approvals in 2008 to drill 30 gas wells on the West Tavaputs Plateau that are in production, Zavadil said. The company intervened to defend the Department of the Interior from the lawsuit.

The settlement doesn't curtail the operation of Bill Barrett's wells. As part of the settlement, however, federal land managers are studying the effects of dust kicked up by the company's trucks when they travel through Nine Mile Canyon to reach the wells, according to government lawyers.

The dust has been blamed for eroding the canyon's elaborate ancient rock etchings.

In addition, the federal Bureau of Land Management will halt use of so-called categorical exclusions to approve oil and gas projects pending the release of new guidelines, said Melodie Rydalch, a spokeswoman for the U.S. attorney's office in Salt Lake City.

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