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## **OIL AND GAS: Revised Utah drilling project moving forward, despite concerns (Friday, March 16, 2012)**

Scott Streater, E&E reporter

The Bureau of Land Management is set to approve a massive natural gas drilling project in northeast Utah more than a year after U.S. EPA ripped BLM's draft review of the project for inadequately analyzing its effects on air and water quality.

BLM released a final [environmental impact statement](#) today assessing Denver-based Gasco Energy Inc.'s proposal to drill nearly 1,300 wells in the next 15 years across more than 206,000 acres of mostly BLM land in the already heavily drilled Uintah Basin.

A [notice](#) in today's *Federal Register* kicks off a 30-day public review period ending April 16, after which BLM is expected to issue a record of decision authorizing the project.

BLM's "preferred alternative" for the drilling project is a scaled-back proposal that wasn't even included in the draft EIS released in September 2010, and is the result of months of revisions working closely with EPA and the Fish and Wildlife Service to avoid environmental and cultural impacts.

Those included scaling back the number of natural gas wells at the project site from more than 1,491 wells in parts of Uintah and Duchesne counties to 1,298 wells. The proposal would also cut by nearly half the size of evaporation ponds that contain drilling waste and emit air pollutants -- to 78 acres from 143 acres, according to the final EIS.

The latest proposal calls for using more directional drilling techniques to avoid the sensitive Nine Mile Canyon area, through critics say the revised plan could still affect the Desolation Canyon wilderness study area.

"Today's announcement represents an important step in our efforts to expand domestic energy production here in Utah and across the country, while ensuring that development happens safely and responsibly with a minimal surface footprint," Juan Palma, BLM's Utah state director, said in a statement that didn't address the reason for the revisions.

Stephanie Howard, a BLM environmental coordinator and the project manager for the Gasco Energy project in Vernal, Utah, did not return telephone calls today and yesterday seeking comment for this story.

But it's clear the revisions to the Gasco Energy project were made largely in response to EPA's pointed critique in January 2011 of BLM's draft EIS. In that critique, EPA essentially recommended the agency start over and reopen the environmental review process.

Indeed, BLM notes in today's *Federal Register* notice that a great volume of comments on the draft document focused on concerns over air quality; impacts to endangered fish, to lands with wilderness characteristics and to cultural resources; and that none of the proposed alternatives in the draft "adequately addressed the concerns raised."

EPA gave the draft EIS its lowest rating, signifying that the agency believed the document failed to meet fundamental requirements of the National Environmental Policy Act (NEPA) "and thus should be formally revised and made available for public comment in a supplemental or revised Draft EIS," James Martin, EPA Region 8 regional administrator, wrote in a Jan. 7 [letter](#) to Palma ([Land Letter](#), Jan. 27, 2011).

But BLM and Gasco Energy worked closely with EPA, and the final EIS is in compliance with the agency's environmental standards, said Suzanne Bohan, director of EPA Region 8's NEPA compliance and review program in Denver.

"We worked really hard with them to make sure it does that," Bohan said. "We're really encouraged by the enhancements that BLM and Gasco have made to this project."

### **Air-pollution concerns**

EPA's chief concern with the Gasco Energy project, and BLM's analysis of it, was high levels of wintertime ground-level ozone in the Uintah Basin. The problem that was first discovered last year is likely caused by emissions from natural gas drilling operations in the area.

Ozone is generally a summer air quality problem, but pollution from drilling operations and an unusual weather pattern in the Uintah Basin have helped cause ozone concentrations to reach potentially dangerous levels in January, February and March in 2010 and 2011. The pattern is marked by stagnant air that allows emissions to collect in the lower atmosphere and then be converted into ozone by sunlight and heat reflecting off snowpack on the ground.

A relatively mild winter this year and below-average snow levels have kept the region's wintertime ozone problem in check this year, according to EPA.

But this year's mild wintertime ozone in the basin could be the exception. And EPA officials hinted last year that if changes to the project plan had not been made, the agency could have referred the matter to the White House Council on Environmental Quality, which would have either tried to negotiate a settlement or ordered BLM to make the specific revisions.

The situation never came to that, and EPA says it is now confident BLM's analysis of the project outlined in the final EIS is adequate, Bohan said.

BLM Director Bob Abbey has for months shared details of the latest plan with interested stakeholders, including Peter Metcalf, CEO and president of Black Diamond Equipment, a Salt Lake City-based skiing and climbing outfitter.

Abbey defended the new plan in a Nov. 7 [letter](#) to Metcalf, who had earlier expressed deep concerns about the project to Interior Secretary Ken Salazar.

"The BLM has worked closely with the EPA to address and resolve issues raised during the comment period," Abbey assured him, while "still meeting the purpose and need for the project."

### **Strong support, opposition**

Gasco Energy officials did not return calls seeking comment for this story.

But the final EIS pleased the oil and gas industry, which notes the project has been under federal review for six years.

"The Gasco project is clearly another significant source of clean, domestic energy," said Kathleen Sgamma, vice president of government and public affairs for Denver-based Western Energy Alliance, an industry trade group.

Sgamma added: "The company has agreed to extensive mitigation measures to ensure impacts are minimal. It's time to approve the project and let Gasco start developing energy."

The revised plan, however, disappointed some environmentalists and outdoors business groups, including Metcalf, the Black Diamond Equipment founder who complained about the Gasco Energy project to Salazar last year.

Metcalf said Friday that approving the drilling project as proposed by BLM in the final EIS would create "irreversible risks to Desolation Canyon."

"Desolation Canyon and Nine Mile Canyon along the Green River are some of the wildest places left in Utah, and they should be protected from drilling," said Nada Culver, director and senior counsel of the Wilderness Society's BLM Action Center in Denver. "There are more than 1,000 approved BLM drilling permits going unused by oil and gas companies in Utah alone. We should take the most responsible approach to developing this area in order to preserve the spectacular wilderness-quality lands, the rare and extraordinary rock art, and the threatened plant and wildlife species in Desolation Canyon."

Steve Bloch, an attorney for the Southern Utah Wilderness Alliance (SUWA), said BLM's decision to move the Gasco Energy project forward "stands in stark contrast to recent win-win solutions in Utah between industry, the Interior Department and conservation groups."

Bloch pointed to the deal finalized in July 2010 between Bill Barrett Corp. and a coalition led by SUWA that allowed the Denver-based company to drill 626 new wells on 1,603 acres in the West Tavaputs Plateau area, including underneath the Jack and Desolation canyons that are being studied for possible wilderness designation, in exchange for incorporating directional drilling

techniques to keep well pads out of the most sensitive areas ([Land Letter](#), Aug. 5, 2010).

The agreement between the SUWA-led coalition and Bill Barrett was incorporated into the project's final EIS.

"There is a proven, better way to bring parties together," Bloch said. "It is inexplicable why Secretary Salazar is turning his back on this approach."

[Click here](#) to read the final EIS.

[Click here](#) to read the *Federal Register* notice.

*Streater writes from Colorado Springs, Colo.*

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