

June 24, 2004

Flamboyant Bird Could Have Big Impact On Gas, Mining Companies

The male saunters, struts and puffs up his chest, hoping to win the attention of a nearby female.

It's a scene that is played out at countless Friday night Happy Hours, but the male sage grouse does it during elaborate bird courtship rituals each spring on the high plains of the U.S. West.

"It's like being in a singles bar," said Pat Deibert, wildlife biologist at the U.S. Fish and Wildlife Service office in Cheyenne, Wyo. "It's hilarious to watch sometimes."

The flamboyant bird with distinctive tail feathers has gotten attention for more than its mating rituals lately. Like the spotted owl before it, the greater sage grouse has become a symbol of the ongoing divide between environmentalists and extraction industries in the West.

In late April, after receiving petitions to list the bird on the Endangered Species Act from different environmental groups, the wildlife service ruled there was enough evidence showing the sage grouse is in trouble to support a status review of the species.

That started a nine-month process to determine whether to propose listing the species as either threatened or endangered. The potential listing greatly concerns those in the oil and gas, mining and ranching industries, among others.

"People in the West know they will have to deal with severe economic consequences if this bird is listed," said Jim Sims, executive director of the Partnership for the West, a Golden, Colo.-based industry group actively lobbying against the listing. "It could mean losses of hundreds of millions, even billions, of dollars."

The partnership represents companies and individuals in the farming, ranching, coal, timber, utility, mining, oil and gas and construction industries. Members include Devon Energy Corp. (DVN), mining company Placer Dome Inc. (PDG), the Colorado Cattlemen's Association and even the Idaho State Snowmobile Association.

The group argues that listing the sage grouse as endangered will result in land use restrictions so severe and widespread that some companies and individuals won't be able to continue their businesses in the West.

"About 80% of Wyoming is considered sage grouse habitat," said Dru Bower, vice president of the Petroleum Association of Wyoming. "And about 65% of the revenue generated in the state of Wyoming comes from minerals and energy extraction. It could have a devastating impact."

Congress passed the ESA in 1973 with a mandate to "conserve the ecosystems upon which endangered and threatened species depend," according to the Fish and Wildlife Service, which is in charge of the ESA along with the National Marine Fisheries Service.

Following Mule Deer With GPS Trackers

Corporations leasing public lands for resource extraction argue that they already face rigorous conservation restrictions.

Salt Lake City-based Questar Corp. (STR) can't drill for natural gas on the Pinedale Anticline southeast of Jackson, Wyo., between mid-November and April 30 because of Bureau of Land Management restrictions aimed at protecting mule deer. Pinedale provides habitat for mule deer, sage grouse and other species.

Questar would like to drill year-round, so the company began funding a study on mule deer in 2002 that included putting collars on the deer and using Global Positioning Satellite equipment to track their migration patterns each winter.

"We have a good understanding from this data where the deer actually go ... so we would locate our winter activities away from where deer are most likely to be," Questar Chief Executive Keith Rattie told Dow Jones Newswires.

Questar offered a lot in return when it asked the BLM for the right to drill year-round, Rattie said, including a proposal to reduce the "footprint" Questar will leave in Pinedale by about 70% through the use of directional drilling.

Directional drilling means drilling in several directions underground from one surface well, which cuts down the surface disruption associated with traditional vertical drilling.

The company also proposes burying a pipeline to carry off water and condensate produced when extracting natural gas, which Rattie says would "eliminate up to 25,000 truckloads of produced fluids per year, and the roads, dust and traffic problems associated with that."

Directional wells cost about \$500,000 more per well than traditional vertical wells, which will mean \$180 million more in incremental costs for Questar, Rattie said. The water pipeline will cost about \$25 million more than conventional trucking.

"It will cost us a lot more money, but by operating year-round, we believe we can offset some of those costs," Rattie said. The BLM hasn't ruled on Questar's year-round proposal, but Questar hopes it will get the approval in time to drill this winter.

In Nevada, Placer Dome has been working on the sage grouse and other environmental issues for several years.

Jim Collard, environmental supervisor for Cortez Gold Mines, which is majority owned by Placer Dome, founded the Northeastern Nevada Stewardship Group in 1998 with his wife, Leta.

The group's goal is to eliminate the divisiveness between conservationists, federal agencies and industry, Collard said.

The group includes mining companies, ranchers, federal agencies and community leaders. Its biggest accomplishment so far, he said, is a 100-plus-page document about the sage grouse and how to improve sagebrush lands in Nevada.

Debate Rages Over ESA Effectiveness

The Partnership for the West's Sims takes offense at the notion that his group doesn't care about the fate of the sage grouse, whose populations have declined 86% from historic levels, according to the wildlife service.

"If you care about the greater sage grouse, the last thing you want it to see is to have it subjected to the Endangered Species Act," he said.

Sims and his group claim that the ESA has an "abysmal" record of species recovery - of 1,800 species listed, only a handful have actually recovered, he said.

"The ESA has a 30-year record of near-perfect failure of restoring species to health," Sims said.

Environmentalists say that couldn't be further from the truth. They say talking about species recovery rates isn't fair, because most species listed on the ESA haven't been there long enough to have a chance to be "recovered" yet.

Typically, ESA recovery plans say it will take 20 to 50 years for the listed species to recover, said Kieran Suckling, executive director of the Tucson, Ariz.-based Center for Biological Diversity.

Suckling said 75% of the species on the ESA list have been there for less than 10 years. "To claim it's a failure that they didn't recover in 10 years is nonsense," he said.

Less than 2% of species listed on ESA have gone extinct, he said, "so it has an excellent record of preventing extinction."

Suckling said biologists have documented that the sage grouse is imperiled and the bird "won't be saved without significant changes to how business is done in the Interior West."

Truth Lies Somewhere In The Middle

The U.S. Fish & Wildlife's Deibert, who will make the decision on the sage grouse listing, says the truth probably lies somewhere in the middle.

The wildlife service will make a listing decision - due at the end of the year - based on the best scientific evidence available and ignore the politics, she said.

At the end of the review, the wildlife service will decide one of three things: the data doesn't support listing the bird; the species is in trouble and will be proposed for listing; or the species should be listed but the wildlife service has higher priority species, so it will become a candidate for possible listing at a later time.

Deibert said she hasn't even started data analysis yet, so she has "no idea" what the final outcome will be. Either way, she says the wildlife service doesn't have the authority to stop oil and gas production.

"No way I'm going to shut down oil and gas in Wyoming ... especially if you've gone to the gas pump lately," Deibert said. "That's not our desire."