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Can gas drills, deer share range?

By Dave Anderton

Pinedale, Wyo. -- Thousands of mule deer, pronghorn antelope and sage grouse congregate at Wyoming's Pindale Mesa, running around on one of the nation's biggest natural gas finds.

It is here at the mesa that wildlife shares the landscape with scattered drilling rigs, miles of new roads and hundreds of producing natural gas wells.

Geographically isolated and high above the valley floor, the 90-square-mile mesa is a unique winter range for wildlife, according to Steven Belinda, wildlife biologist for the U.S. Bureau of Land Management's Pindale field office. The area provides winter range for roughly 4,000 to 6,000 mule deer, 2,000 to 3,000 pronghorn and 3,000 to 4,000 sage grouse.

But as natural gas assumes the position as America's fastest-growing energy source, the mesa is becoming a flash point in the debate about taking care of wildlife while meeting the nation's soaring energy demands.

Such concerns have grown this year as companies like Salt Lake-based Questar Corp. prepare to ramp up a winter drilling program. A report scheduled for release in October is certain to fuel the debate.

According to Hall Sawyer, a wildlife biologist with Wyoming-based Western EcoSystems Technology Inc. and author of the report, the mesa's wintering mule deer population has declined 46 percent over the past five years. In contrast, a separate winter range, known as the Pindale Front winter range complex -- which has no oil or natural gas production activity -- showed no declines in mule deer population over the same period.

Bob Barrett, a member of the Pindale Anticline Working Group, a committee charged with providing recommendations on mitigation measures to the BLM, said the study suggests deer and energy development are not getting along very well. Barrett places the blame squarely on the BLM.

"My contention is the deer herd is going to take a tremendous hit," Barrett said. "The deer are going off of this crucial winter range complex on habitat that will not sustain them during the worst winters."

The report comes as winter drilling on the mesa accelerates.

In the past, producers have been restricted from drilling on the mesa from mid-November through April to protect mule deer, which rely on the area's sagebrush for winter forage.

Questar was the first company to receive permission from the BLM to implement winter drilling.

Last winter, Questar was permitted to operate one pad with two drilling rigs. This winter, Questar will drill on three pads with two drilling rigs per pad. The winter drilling will continue through 2014, after which Questar has proposed a \$210 million mitigation plan.

In exchange for winter drilling, Questar has agreed to a number of mitigation measures, which the company maintains go far beyond what is required under current environmental regulations.

Ron Hogan, general manager of Questar Market Resources' Pindale Division, said year-round drilling provides for a "safer, more continuous drilling activity," which allows the company to develop the mesa's natural gas resource in half the time as it would under previous approvals.

Combined with directional drilling, total surface disturbance by Questar will be reduced from 1,500 acres to 500 acres. In addition, Questar has built a \$25 million pipeline system to transport water and condensate off the mesa rather than use trucks, eliminating 25,500 truckloads of liquids per year.

"It allows us to be an environmentally more conscientious company," Hogan said.

"Environmental groups backed this. In this particular case, we received written support from Trout Unlimited and from the North American Grouse Partnership. And because there was not a lawsuit filed, I guess by default that's an endorsement by most of the other groups."

However, what was considered a one-time experiment with winter drilling is fast turning into business as usual, according to Linda Baker, community organizer of the Upper Green River Valley Coalition, a grassroots conservation group based in Pindale.

"Nobody really knows if a through-winter drilling proposal like this, despite its good ideas, will be a fair trade," Baker said. "Will we see a continued drop in population numbers as a result of oil and gas development on crucial winter ranges in the winter? That is the most important question."

And it appears Questar will be followed by other producers who want to implement year-round drilling.

Shell, Ultra Resources and Anschutz have filed a joint application to the BLM for winter drilling. A decision by the BLM is expected this month.

"I'll be the first to tell you we're not doing everything right," said J.R. Justus, Shell's U.S. Onshore Asset Manager. "There are things that we could do better than we're doing now. Pindale, from Shell's perspective, has been a tremendous learning experience. The Pindale Anticline is a very complicated field with a lot of issues and a lot of challenges."

If approved, Shell plans to drill 20 wells on a single site pad this winter. Ultra is asking for two drilling rigs on one pad to drill up to 16 wells. And Anschutz is asking to clear an area in preparation for winter drilling.

"It is a very big concern of many that the current stipulations that have been in place will be waived in other places throughout the Intermountain West where natural gas and oil

development occur," Baker said. "Our group is saying that balance is needed. We are not opposed to natural gas development in the basin, but we want it done right."

In addition to a 46 percent decline in the mesa's wintering mule deer population, Sawyer said previous research has shown deer are moving farther away from producing wells and drilling activity.

Using a GPS radio-collared tracking system, Sawyer has been monitoring deer populations on the mesa since 1998.

In 2000-01, when development on the mesa started, Sawyer said, deer on average stayed 2.7 kilometers from well pads. By 2002 to 2003, the distance had increased to 3.7 kilometers.

"We're not saying that deer will never use well pads or be seen on well pads," Sawyer said. "What those results suggest is that most deer on the mesa over the course of the entire winter prefer areas away from well pads."

That could displace deer to less desirable habitat on the mesa, compromising their survival.

Barrett said he would like to see minimum threshold levels set for mule deer populations on the mesa. If numbers drop below that threshold, constraints against drilling could be implemented.

"Is the BLM just going to write off that crucial winter range for the Sublette deer herd, or are they going to say we need to preserve a base population? We need to put some kind of constraint on energy development, because it's a free-for-all right now," he said.

A June report by the U.S. Government Accountability Office said nationwide the total number of drilling permits approved by BLM more than tripled to 6,399 permits in fiscal year 2004, up from 1,803 permits in fiscal year 1999.

That increase, the GAO report said, has "lessened BLM's ability to meet its environmental protection responsibilities" for oil and gas development.

And more than 95 percent of last year's permits were concentrated in five states, namely Colorado, Montana, New Mexico, Utah and Wyoming.

"If not properly mitigated, the environmental impacts of oil and gas development could compromise BLM's responsibility for protecting the environment," the report said. "These environmental impacts range from being site specific -- for example, removing several acres of vegetation at an individual well pad -- to those that affect a much larger area, such as fragmenting tens of thousands of acres of crucial winter range for mule deer."