



For Immediate Release: August 3, 2006

Contacts: Jaime Gardner, 303-239-3681; Vaughn Whatley, 303-239-3766; Mel Lloyd, 970-244-3097

## **BLM Issues Leases, Encourages Community Development Plan**

DENVER: In a decision released today, BLM will issue oil and gas leases in the Town of Palisade and the City of Grand Junction watersheds, but also suspend the leases for up to one year, directing that oil and gas development be delayed to allow the lessee to work with the City and Town to prepare a “community-based development plan” to address additional community concerns.

Other aspects of the decision include the addition of a “No Surface Occupancy” stipulation proposed by the lessee encompassing approximately 960 acres in the Palisade watershed, which provides additional assurance of protection of specific Town water facilities. BLM will also require the lessee to submit site specific Plans of Development (POD) for any projected development activities prior to authorizing any surface disturbing activities. Any PODs will undergo National Environmental Policy Act review with additional public involvement.

“We have taken the time to ensure a thorough review of all aspects of this sensitive issue. We believe we have followed all applicable law, regulation, and policy, ensured protection of the water resource, provided the opportunity for a community plan to be developed, and required a POD prior to any surface disturbing activity taking place,” says Sally Wisely, BLM Colorado State Director. “We are committed to make sure this is done right.”

Oil and gas leasing in the Town of Palisade and City of Grand Junction watersheds was initially proposed for the May 2005 oil and gas lease sale. The proposed leasing was deferred from that sale to allow ample coordination with local officials and to ensure appropriate stipulations were in place. Prior to the sale, BLM expanded stipulations, including a watershed protection stipulation, to the lease in response to requests by Grand Junction and Palisade.

Productive dialogue has continued since the February lease sale, which included approximately 765 acres within the City of Grand Junction’s watershed and 11,280 acres within the Town of Palisade’s watershed. Lands encompassing these municipal watersheds lie within the southern Piceance Basin, which geologists believe hold significant natural gas resources.

On its own initiative, the lessee has committed to working with the local communities and other parties to prepare a community development plan. A similar plan has already been developed between the towns of Rifle, Silt and New Castle with energy company Antero Resources. The concept of a community development plan has been endorsed by various officials and members of the public.

Oil and gas leasing has occurred within the Town of Palisade Watershed for decades, and two plugged and abandoned wells can be found in the southeast portion of the watershed. Through the years, there have been well over 50 leases issued. Most of the leases expired having never been drilled on and have again become available for leasing. In the City of Grand Junction watershed, leasing has also occurred over the years – most recently in 1999 and again in 2000. In fact, 12 wells lie within the City watershed.

Under direction from the Leasing Reform Act of 1987, BLM follows its Resource Management Plans (RMPs) when making oil and gas leasing decisions. The Grand Junction RMP, which included a complete environmental impact analysis and extensive public comment, made these areas available for leasing. Before offering any leases for sale, the Bureau analyses potential environmental effects from exploration and development. The BLM also ensures that development of energy resources is done in an environmentally sound manner on all lands we manage through use of careful on the ground practices. Of the lands managed by the BLM, less than one percent of the acreage experiences surface disturbance from oil and gas development.

All leases come with requirements to protect the environment from the impacts of oil and gas development; additional specific stipulations are also included, such as limits on seasons when drilling can occur and restrictions on surface occupancy by oil and gas operators. Stipulations protect resources and values such as wildlife habitat and scenic vistas. Once an operator proposes exploration or development on a BLM-issued lease, the Bureau conducts further environmental analysis and determines what site-specific, impact-limiting, or mitigation measures are needed – this is known as Conditions of Approval.

BLM received 38 protests for 106 parcels covering 110,821 acres prior to the February lease sale. Successful bidders on these protested parcels were notified that no lease would be issued until resolution of the protests. One protest was upheld, for a parcel in the Uncompahgre Field Office, for which the lease was not issued and the winning bidder's money refunded. Several other protests were upheld, with partial parcels removed from leases. The BLM will continue to work with all of our cooperating agencies, as well as local governments and the public, to ensure that resources on both public and private lands are protected, while supporting our nation's efforts to develop its energy resources and meet the growing demand for natural gas.

-BLM-

**Additional Information:**

BLM Fact Sheet: [www.co.blm.gov/news/2006/documents/Feb06ProtestResFS.pdf](http://www.co.blm.gov/news/2006/documents/Feb06ProtestResFS.pdf)

Grand Junction/Palisade Watershed Maps:

- [www.co.blm.gov/news/2006/documents/gj\\_city\\_watershed\\_leases\\_wells\\_web.pdf](http://www.co.blm.gov/news/2006/documents/gj_city_watershed_leases_wells_web.pdf)
- [www.co.blm.gov/news/2006/documents/palisade\\_stip\\_wsd\\_new\\_web.pdf](http://www.co.blm.gov/news/2006/documents/palisade_stip_wsd_new_web.pdf)