

ENERGY

DEVELOPMENT

STAKEHOLDERS

SUMMIT



June 14-15, 2002

Mooncrest Ranch

Cody, Wyoming



Final Report

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INTRODUCTION

The Sportsmen and Ranchers for Land Stewardship convened the Energy Development Stakeholder Summit on June 14-15, 2002 at the Mooncrest Ranch in Cody WY. The Summit brought key leaders of the conservation and ranching communities together with leaders from the energy industry to seek common understanding of issues and to begin exploring reasonable solutions to potential conflicts between fish and wildlife, ranching, and energy development interests.

Specific meeting objectives were to:

Achieve a common understanding of the challenges faced by the energy industry and the related concerns of fish and wildlife, and ranching interests,

Identify research and missing information needed to resolve unanswered questions about relationships between energy development activities and the health and well-being of other public land resources,

Identify conditions and/or modes and distribution of operations that can provide for both energy development and proper stewardship of the other public lands resources,

Consider a joint resolution of support for funding for fish and wildlife, rangeland research, habitat management and mitigation as identified,

Consider processes by which fish and wildlife, and ranching interests would have appropriate opportunities to provide input into energy development plans in a timely manner and in consultation with industry.



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The Summit conveners premised the meeting on the following assumptions:

“Extraction of oil and gas on much of our public lands is one of many appropriate uses. Oil and gas wells have been and are being permitted and developed on public lands and private lands across portions of the western landscape at an accelerating pace. The areas where some development is occurring and planned to occur coincide with significant fish and wildlife and rangeland resources. Sensitive species’ ranges will be affected. Rangelands important to ranching interests are subject to various impacts. The pace and extent of development has recently been linked to national security/energy dependence issues placing increased pressure on agencies to facilitate development and minimize impediments. In addition, development of methane from coal deposits is expanding rapidly, raising concerns about associated impacts to both terrestrial and aquatic resources.”

FIRST DAY - INFORMATION EXCHANGE

The first day of the Summit focused primarily on information exchange between the sectors.

Representatives from the energy sector presented an overview of and responded to specific questions about energy development operations, impacts and interests. Representatives from the ranching, and fish and wildlife sectors presented an overview of their concerns, and potential impacts and opportunities arising from energy development.

Industry Overview

There is good reason for all of us to meet – we all lose if many of the large ranches in the West are broken up and sold into 20 acre ranchettes – That means ranchers will have given up, oil and gas development will get even more difficult with population density, and wildlife will definitely lose as fences go up and has to compete for even less open range.

Oil and gas can be a part of the solution – ranching is a tough business and if some additional revenues can be generated from oil and gas then maybe more ranches can stay in business and we all can win. That said we do need to work together to understand and work with the issues of the other participants – it can be done if we want to roll up our sleeves and make it work.

The energy industry cannot supply the energy we need without drilling more wells. They are trying to find compromises to allow development while mitigating adverse impacts. Demand for energy is increasing in this country – natural gas production is expected to increase about 2% per year. Natural gas is one of the cleanest fuels available. Gaps in the need for increased

supply are currently being filled by gas from Canada, as well as imports from other continents, imported in the form of liquefied natural gas. The U.S. is already importing 54% of its crude oil. Many in the industry see development in this country becoming increasingly difficult as the media and other interests polarize the issues – which can result in business decisions to import supplies from elsewhere. It is difficult to have economical development without having an impact on the environment. The battle lines have been drawn in Wyoming across the Powder River Basin in particular, and industry has not provided their natural allies with information and data which would have reduced the chance of misinformation and misunderstanding and could have done a better job. Most of industry is looking to be good neighbors, good stewards, etc. Almost everyone from industry indicated a level of excitement at the opportunity to have real and meaningful discussion of solutions without the pitch of the rhetoric that currently exists in some quarters.

Water Issues

Water management is an important, but not a new issue. Nor is it unique to coal bed methane (CBM) development. We have been dealing with water issues with oil and natural gas production forever. Water quality issues have been misrepresented. Many steps have been taken to ensure and enhance beneficial uses. In CBM development, 12 – 15 gallons of water per minute are typically extracted from a new well in the initial stages and then the rate declines quickly - usually decreasing by about half within a year. We do not dewater the coal, we take a small portion, ~ 4% of the water out to de-pressurize. The quality of produced water in the Powder River Basin is very high - it meets federal

safe drinking water standards. Therefore, a number of water management tools are available including discharge on the surface – in channel, ponds, or reservoirs. Companies often up-grade and use existing reservoirs put there by landowners. In other geographic areas, this is not the case. Sodium Adsorption Ratio and total dissolved solids are the water quality issues cited as being of most concern.

Injection of the produced water back into the ground has not worked very well. It is a tool that industry uses and will continue to use but it is not the answer in every case. Water management plans are customized based on the complex issues at each site. There are occasionally some impacts to local wells and irrigation systems but the impacts are very localized and have to be mitigated. For example, water may be provided to the landowner as necessary.

Projections indicate that CBM development will impact 2.5-3 % of the groundwater in the Powder River Basin. Our estimates show that 85-95% of the draw-down is going to recharge the groundwater aquifers. The only aquifer impacted is the one consistent with the coal seam from which the methane is extracted – not the shallower aquifer typically used for drinking water, etc.

Question/Comment: What about the ecosystems that are becoming dependent upon the new water supplies? Eventually you are going to slow down and even stop the water supply. What about the impact to those ecosystems once their water supply is cut off? They have always said that the practical result is that there are certain stream segments that cannot receive CBM discharge in order to comply with the regulations. State

environmental regulations say that state water bodies cannot be degraded (or upgraded) so certain tributaries in the Powder River Basin may not be permitted to receive this produced water.

Comment: In parts of the state other than the Powder River, selenium impacts to the Colorado River may be a factor that would necessitate re-injection.

Roads

Putting in a well takes about three days. Once the construction is completed access to the site is minimized because wells can be remotely controlled. Therefore, we do not require lots of upgraded roads. The vast majority, and the preference, is to use two track roads. The type and location of roads is negotiated with the landowner. Sometimes BLM regulations require upgraded roads. Upgraded roads may be required in other areas (e.g., around compressor stations) because of the need for more frequent access. Public access is an issue on public lands but less so on private lands. Liability becomes an issue also.

Q&A

Question: Is it possible to generalize about where CBM development is likely to occur?

Answer: Typically, highland areas don't have as much coal. CBM is more of a basin resource.

Comment: BLM planning efforts may want to look, if they do not now, at renewable resource reserves such as geothermal in these areas.

Comment: BLM land use plans have become significantly out of date and do not address energy development on the level that we are seeing in some of these areas.

Ranching Perspective:

The ranching community would like to see more effort put into projects at the front end to help avoid adverse impacts later on. It is important not to rush in and get benefits without considering long-term impacts.

There is a need for more resources – collectively among industries – to help federal land agencies that are hurting for resources. In addition, the ranching industry could use some help because of low cattle prices.

Ranchers can be some of the “cement” to hold everything together – we like to partner with conservation and industry.

CBM is the main issue. The ranching community is divided about CBM to a certain extent. There are haves and have-nots in ranching – development in some cases has pitted neighbor against neighbor. For example, one landowner may receive royalty and water benefits, but the rancher downstream experiences the negatives. The majority of ranchers who are directly impacted support development – they get the benefits and see the advantages. Other landowners around the periphery see impacts and are against CBM development. For example, there are concerns among some Tongue River areas ranchers about the ability to irrigate with water whose quality has been diminished by CBM activity.

There could be many win-wins in this situation, but state and federal agencies tend to function with rules that specify what cannot be done, rather than encouraging innovation so all sides can benefit. If everyone here agrees, then there may be some ability to impact regulatory agencies, but it will be an uphill battle. One of the challenges is the difference in regulation between states. For example, in WY companies cannot discharge into the Tongue River. In other cases (such as Montana) they can. Other examples exist. We need to figure out the differences and develop strategies that account for differences.

When CBM development first started, everyone went in not knowing what they were facing. Some inexperienced companies have created problems. Now, most companies are exhibiting high levels of responsibility. Ingenuity and determination on the part of ranchers and companies have led to some real enhancement – on a case-by-case basis. There may be additional opportunities to look at innovative ways to use water to improve forage, and wildlife habitat etc. (e.g., CBM might present the possibility of bringing cattails back in some areas, thereby enhancing pheasant habitat). Now the challenge is to figure out how to broaden positive impacts and mitigate negatives (which is being done reasonably well, but we could do more). This period of development is a small blip in time. We need to look into the future, mitigate negatives and realize some long-term benefits. What is good for the land is good for the livestock industry. There could be multiple wins if this is done right. The question is: what can we do together to benefit the resources on which we all depend?



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We should have as a goal that no one is worse off in the long term as a result of CBM development. Some things have been done wrong in the past – we need to learn from those mistakes, especially in areas where CBM is just taking off. The ranching industry is just now getting involved. It is too late to solve problems up front, but we can build lines of communication, and all commit to being at the table. It's not too late, even in the Powder River Basin. We all need to accept responsibility. There are some problem people in the ranching community – but it is important to not write them off, but to work with them. The same goes for the energy industry – none of us can afford to simply avoid bad actors. It takes only one bad apple to spoil the bunch.

Q&A

Question/Comment: What about endangered species – once a listing occurs then options are reduced – we need to think about preventing listings from occurring in the first place. There are limited funds to figure out what the impacts are, e.g., with sage grouse – lots is known about the bird itself, but less about ties to range management. Some of the conflicts are coming from people speculating about impacts.

The energy industry would rather work proactively to prevent listing. Mineral development shouldn't be equated with endangered species. We need to look at how we manage the development. Development can be an opportunity or a threat depending on how it is done.

Wildlife Perspective / Wildlife Management Institute

We want to see fish and wildlife managed proactively throughout the development period. We do not see enough attention to the long-term needs of wildlife resources, such as world-class game herds that will have to survive occupation of their habitat for decades. This is not an indictment of the energy industry alone, it is a broader issue. We believe in managing energy development, BLM has an equal responsibility under law to provide for the welfare of natural resources. We think there is an opportunity for industry and conservation interests to work together, but during the recent accelerated development, we have had little communication or relationship.

Our biggest concern is the scope and pace of development - agencies and wildlife NGO's do not have the resources to keep up with it. We question whether there is adequate attention being given to long-term impacts and whether there is an adequate information base to predict those impacts. We are concerned that 30 years from now hunters and anglers will be faced with the burden of having to pay to recover wildlife populations a second time. Past experience with fish and wildlife considerations in decision documents in southwest Wyoming, indicates that promises of monitoring and mitigation are often not met, and the resource suffers.

Energy development is the latest in a series of serious intrusions on habitats for migratory wildlife. Ranches, towns, fences, grazing, and roads have all had an impact. It seems likely at some point yet another intrusion, such as energy development, may result in lower populations that may never recover. We have a mutual opportunity and responsibility to help prevent that.

We are significantly concerned about roads, especially because of the public access they will provide after development. There has been little acceptance of what seems to be obvious - that with the scale and pace of projects, cumulative impacts on wildlife resources are significant.

There appears to be a widespread campaign to label stipulations for fish and wildlife protections as impediments to energy production. These stipulations were first developed jointly in the 1980's by industry, state wildlife agencies, and federal land managers. They are best professional judgments of what can be done to alleviate some impacts of development. Near Pinedale, we have seen exceptions of up to 75% of established use stipulations. It is not clear what industry wants to see removed, and it should be negotiated in detail.

One opportunity for joint work is the adaptive management process. That process on the Pinedale Anticline was working very well until a challenge led to its suspension by BLM. Ways to make it work should be explored by all of us.

Finally, state wildlife agencies are in serious financial straits. While they receive revenues from development, those funds are not used to bear the high cost of coping

with development. In a state like Wyoming, hunter and angler dollars are used to pay for monitoring, which is not fair. We need to work together to find ways to pay for the work that needs to be done. We also need a broader definition of monitoring beyond just counting numbers of animals to include monitoring of mortality, reproduction, and survival. If the job is done right, the potential benefits are preventing further ESA listings, maintaining hunting and fishing opportunities, continuing long-term economic benefits to local communities, and preventing continued challenges.

North American Grouse Partnership

The North American Grouse Partnership (NAGP) is not an extreme "green organization". Our scientists and board are users, educators, sportsmen, and ranchers. We are not involved in litigation and we attempt to work WITH everyone.

If the industry video (shown earlier – highlighting many of the positive attributes of CBM development) fully represented the face of CBM production then NAGP would not have found it necessary to attend this meeting. We have seen another face with other pictures of production. While our issues are the same as many other organizations represented here, the species we champion are the ones which could see the most profound and immediate impact from CBM extraction... the grassland birds living in these xeric western habitats... and, of course, sage grouse have become the icon for these species. The sage grouse and populations of other prairie species are in decline. The primary reasons for decline are familiar to us all: habitat destruction, habitat fragmentation, invasion of exotic plants, etc.

Many of these species already exist on a remnant of their former ranges. These are very fragile habitats with topography, soil types, annual rainfall and other factors that have made them unsuitable for uses other than grazing. Essentially these species live on “WHAT’S LEFT”. These ranges constitute much of the area destined for CBM extraction.

If, as planned, we take these stressed populations and expose them to miles of roads, introduced weeds and further fragmentation... If they are exposed to increased collisions with wires and exposure to avian predators (perching on the power poles)... If thousands of acres of xeric habitat are flooded by waters of varying quality, including millions of gallons of water with sodium absorption ratios making them toxic to native vegetation... If as the data show, communication between grouse is to a large part auditory and that grouse populations decrease in the vicinity of loud noise sources including gas compressors.... Our cadre of scientists tell us, that if this continues to be the face of CBM extraction...

.... Then these stressed species (Sage Grouse, Brewer’s sparrow, mountain plover) and a suite of others residing in these fragile habitats, have a high probability of ending up under the auspices of the Endangered Species Act.

There are some things which can be done to mitigate the effects... clustered drilling and silent compressors, buried utilities and pipes, water re-injection, baseline biotic studies, monitoring, and most importantly, staged development only after mitigation techniques have been proved. But mainly it is going to take commitment to preserve these species by all stakeholders.

When we founded this organization and realized we were already working with imperiled species, we adopted the goal of “no net loss of grouse habitat”. If the face of CBM is more as I have just presented, then these activities in addition to the others causing stress in these populations may well be the proverbial “straw”.

Rocky Mountain Elk Foundation

There are lots of analogies between the current energy industry and what happened previously with the forest products industry. That industry tried to prevail by doing the right thing and kicking out bad actors. However the environmentalists won. Consequently, the forest products industry is essentially finished (on public lands) in this part of country. They were too arrogant, didn’t realize they could lose. But you can lose. A mistake of the forest products industry was focusing too much on the Endangered Species Act. Some talked about getting rid of the Act. The political backlash would have been a nightmare for the industry. They ignored sportsmen’s groups and species that people like to hunt, and ended up alienating those groups. The timber industry put lots of roads in the forests, subjecting elk to higher mortality because of easy access. They put silt in streams. The lesson here for the energy industry is that ignoring these groups and taking them for granted will result in loss of support from some grassroots folks who do not otherwise have an agenda against industry. Don’t ignore critter groups – they are a silent yet influential majority.

There is considerable overlap between elk habitat and areas proposed for development. The Sage Grouse is specific – we can do some things to mitigate the impacts. Elk are generalists. There will be different issues and

approaches depending on whether the area is winter or summer range, or a migration corridor. Elk are not endangered, but their winter range is under threat from housing developments in valleys. Helping ranchers stay in business can help. Lots of roads in key winter areas can create a situation in which elk are harassed out of key habitat areas. This is a people management issue, but one exacerbated by roads. On public lands a high density of facilities in the landscape may discourage people from hunt there – even when there are plenty of elk.

The Rocky Mountain Elk Foundation wants to work with people - maybe what is being done is not harmful or can be modified a little bit with some mutual understanding and communication. The Rocky Mountain Elk Foundation works through partnerships, not through the courts.

Trout Unlimited

Native trout are doing poorly throughout the west. Some are listed, some are species of concern. We are concerned about all kinds of development – the fish cannot take a whole lot more. Trout Unlimited members put a lot of resources into the species they care about, e.g., personal time working with landowners etc. They really care about native trout. Trout Unlimited wants to protect native trout strongholds such as roadless areas.

We would like to see a better process for permitting so better information is available before permits are issued, and then a better job of monitoring. Adaptive management has worked well with some power generators to modify plans over time and may be an appropriate paradigm here. We also support more funding for State

resource agencies so they can be more meaningfully involved in energy industry regulation.

We have heard from local environmental groups with whom we have a good relationship. They want to be heard and to be part of this dialogue, and their input is extremely valuable. They have written a letter to Kathleen Clarke (BLM Director) asking to meet with her. (Ms. Clarke affirmed that she is already planning a meeting with the Wyoming Outdoor Council and would be open to additional discussion.)

Language can be a problem – the term “impediments” has sometimes been used in a way that suggests that air and water quality laws are a problem. We need to clarify that protecting natural resources in the west is not an impediment. We think it is possible to do development, but we may have to voluntarily do some things differently in some areas. Also, tourism is very important, and cannot be forsaken. It is our responsibility to think about how to develop so all our resources are protected.

Q & A:

Comment: It needs to be clarified that the EPCA studies were started under President Clinton. We are looking for impediments in the planning processes, not in environmental laws.

Comment: There is a huge difference between policies and regulations – we need to examine and modify both as necessary.

Comment: The energy companies need help from the habitat groups to prioritize which areas to focus on – we

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cannot protect every single place. It may be necessary to let grazing and CBM development occur in some places in exchange for protection elsewhere.

Comment: There is a need for groups to work together to help identify priorities and possible mitigation and enhancement opportunities. The Black Foot River Coalition was a good example of working together. There is an opportunity now to put coalitions together.

Mule Deer Foundation

Mule deer are the only big game species that have been on a downhill slide since the 1960s. The decline could be the result of predators, competition with elk, cheat grass encroachment, or Whitetail Deer coming west into areas where they've never been before. Mule Deer have a high mortality, and low rates of reproduction. They don't need "one more kick". There are a lot of unknowns about their decline. Energy development is another unknown – we are concerned about it being the final straw. The energy industry may take the blame even if they are not completely responsible for the decline. We need to work together to find solutions – we are all in this together.

Izaak Walton League of America

The Izaak Walton League's motto "defenders of soil, air, woods, waters and wildlife" reflects our broad conservation agenda. We understand clearly the importance of and need for more and better information – which translates to the need for more money. Increasing funding for public land management is an uphill battle. We have met very limited success in obtaining additional



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funding, even with very broad coalition efforts of conservation and environmental groups. Our hope for this meeting is that some agreement can be reached on what resources are needed and a commitment to working collectively to secure those resources. We need everyone pitching in to help.

BLM is woefully under-funded compared to other federal resource agencies. There appears to be a lack of recognition about how important BLM lands are by the public and Congress. Recreational and other uses of BLM lands are increasing. Staff and resources available to the agency are not keeping pace. These deficiencies contribute directly to less than ideal management, inadequate information and monitoring databases and resulting gridlock

Miscellaneous Issues – Not Raised in Any of the Presentations:

The full group spent a few minutes at the end of the day identifying and discussing important issues that were not adequately covered during the day's presentations.

Planning and permitting processes

Overview:

In response to a question about opportunities for public input into the oil and gas permitting process the following description of the process was provided:

Resource Management Plans: Each Area office of the BLM needs to have a Resource Management Plan in place – this requires an EIS which has three opportunities for comment – Scoping, Draft, and Final. This document is used for large scale planning and generally identifies those areas that will be considered for or excluded from future mineral leasing.

Seismic Acquisition – many large scale seismic acquisition projects require an EA and often include public comment opportunities

Individual well applications require a site specific environmental assessment and plan

If the few exploration wells show promise for expanded development then a field wide Environmental Assessment or EIS is prepared – both involve studies and public comment at scoping, draft and final.

Once the EA or EIS is approved then each subsequent well has a site-specific assessment to assure consistency with the stipulations in the EA or EIS.

Obtain other permits, e.g., an engineering permit for containment and a surface discharge permit from the

Department of Environmental Quality. Other state permits may also apply depending on the proposed action, water management and containment choices. (The water management planning process usually costs \$50-60,000 to conduct).

Multiple opportunities exist for input by participants and the interested public in the development of oil and gas on Federal Lands.

Comments:

The current system does not allow for effective timing of process enhancements.

BLM resource management plans should address the threatened and endangered species issues etc. so that the industry would already know if there are issues that they will have to address (any hurdles or special needs for the area).

The Fish and Wildlife Service is being consulted on every plan and in every state. The agencies are trying to better understand the issues and concerns – on a holistic level. There is a lot that we need to consider before we start charging off to develop a lease.

Additional Issues and Comments

- We need to build coalitions to develop policies and implement some of the ideas we are developing here – and to focus limited resources on actual work on the ground.
- Somehow we need to move beyond the concept that

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the BLM is the 1,000 pound gorilla. This is a situation where we all need to take responsibility.

- Royalties from industry do not go to BLM. Maybe they should. A group like this could influence where that money goes.
- Mitigation of off-site impacts needs further discussion.
- An industry invitation – if you want a tour then come out and you can see what ever you would like.
- We need to focus on public lands management issues for energy development in general, not just CBM.
- Industry has been frustrated in the past that millions of dollars are being spent on studies and that little on-the-ground work has been accomplished that really help the wildlife.

DISCUSSION GROUPS

At the end of the first day, four themes surfaced as a focus for the conversations and breakout sessions on the second day: funding, mitigation and enhancement, relationships/communication/outreach, and adaptive management/natural resource planning.

On the second day of the Summit the participants divided into four discussion groups to talk in more detail about issues, concerns and opportunities, and to begin developing proposals for further exploration and action around the four themes identified the previous day..

Prior to breaking into the discussion groups the full group identified possible topics for consideration by each of the discussion groups. The specific charge to the discussion groups was to: 1) clarify and prioritize topics for consideration (knowing there would not be enough time to discuss all topics in detail), 2) identify opportunities & challenges, 3) consider possible next steps, and 4) consider funding needs and outreach to other stakeholders. An overview of each group's deliberations follows:

Funding

Issues

The issues identified as pertinent to the funding discussion group included:

- Funding uses/needs
- Possible funding sources
- BLM's budgetary needs
- The revenue stream and how current royalties are divided



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- Funding of mitigation etc. that does not necessarily go through government, e.g., volunteers
- Incentives
- Next steps
- Consideration of a funding proposal.

Major Findings and Conclusions

The group agreed on the need for funding and the need for reinvestment in the local area where development occurs. A lot of what has been talked about in this meeting needs funding that does not currently exist.

The group considered the utility of ecoroyalties, severance taxes, and other concepts to allow industry to provide for mitigation. They suggested consideration of incentives for innovative activities by deducting from royalty payments. The driver for this concept is recognition of the fact that if industry produces from private minerals and pays royalties to a private landowner, then the landowner has opportunity to reinvest some of those royalties to enhance the property to increase its value, this creates the win-win. In the case of Federal leases and royalties – all of the royalties go to Washington and are divided up to previously identified programs – there

is no reinvestment in the “ranch”, there is no local win-win. The concept here is to find a way for some portion of the Federal royalties generated from the “ranch” to be reinvested back into the “ranch” to enhance its future value, to create the win-win.

The focus for funding will be on all resource impacts, including fish and wildlife, and water management.

Funding needs to exist for BLM, and State Fish and Wildlife agencies to better handle monitoring, research, and on the ground management.

Address landowner incentives through USDA and DOI funded programs, focused on private lands affected by energy development (e.g., the Farm Bill).

Proposed Next Steps

The Sportsmen and Ranchers for Land Stewardship will meet with DOI and BLM to explore funding sources and agency needs, and then will report to the funding group.

After review and discussion by the funding group, information and suggested actions will be shared with all Summit attendees.

Develop background on how funds might be used by BLM and State agencies, how funds would be apportioned and accounted for, and how a legislative approach might work to achieve our objectives.

Mitigation and Enhancement

Issues

Issues identified as pertinent to the mitigation and enhancement discussion group included:

- The process of identifying mitigation needs and implementing mitigation and enhancement actions
- Information
- Off-site mitigation
- Use of technology to lessen impacts
- Impacts that require mitigation
- Who makes the call when mitigation is required / prioritization
- Value and efficacy of stipulations
- How to minimize impacts so mitigation is not necessary
- Administrative processes and enforcement
- Funding

Major Findings and Conclusions

1.) There is a lack of understanding, a lack of information, and misperceptions about many of these issues. No one, including industry, government etc., is doing a very good job of sharing information and helping to build understanding. Further dialogue is necessary to facilitate an understanding of species-specific issues. It is also important to ensure that there is good communication and coordination between industry and BLM as mitigation strategies are developed. Everyone in this room shares the responsibility to help figure out ways to facilitate better information exchange and to help focus discussions on possible solutions rather than dwelling on



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problems. The group suggested that dialogue and information exchange would be more helpful in the search for real solutions than reliance on the traditional public participation process and/or the Endangered Species Act.

The Wildlife Conservation Partnership offers one venue for productive dialogue.

2.) There should be a systematic approach to assessing and mitigating the impacts of energy development, one that can be replicated for all species. In general, the necessary steps are:

- Identify the real impacts to determine whether there is a necessity for mitigation – separating perception from reality. Start with the big picture and then look at the site specific issues.
- Develop practical solutions, making sure that everyone involved signs off. Make sure that reclamation after the development receives adequate consideration (e.g., return to the original contour, seeding with native grasses, determination of the long-term fate of any water developments, etc.). Consider whether adaptive management strategies can be applied.
- Obtain the funds to solve the problems.

3.) Utilities, roads, and water are three of the impacts of energy development that often need mitigation consideration. In the case of grouse, above-ground power poles are a particular problem because of the predators they attract (although the group recognized that placing lines below ground may be cost prohibitive in many situations). Regarding roads, the group suggested that it should be general practice to utilize existing ranch and county roads to the extent possible (compressors, which require more access than the wells, should ideally be located on county roads). As far as water, possible beneficial uses should be explored (e.g., utilizing produced water to increase habitat).

Relationships/Communication/Outreach

Issues

Issues identified as pertinent to the relationships/communication/outreach discussion group included:

- Intra-agency and state/federal relationships
- “One stop shopping” for permitting, monitoring plans etc. of CBM development (i.e., the idea of housing all of the government partners in a single location)
- Future of this group/next steps
- Outreach to other stakeholder groups
- Involvement of private landowners

Major Findings and Conclusions

1.) The discussion group recommended developing a Resource Management Center. The Center would be a one-stop-shop for state and federal permitting, and an issues clearing house. It would be composed of federal and state agencies (BLM, EPA, OGCC, Game and Fish,

DEQ, etc.), and would be supported by a Regional Advisory Committee comprised of wildlife and environmental NGO's, landowners, producers, and operators. The Powder River Basin could be a pilot/charter. Implementation would include the following steps:

Step one – Statement of endorsements to CEQ, BLM, state of WY

Step two – BLM draft concept paper

Step three – Planning and implementation with the State of WY

When presented with this idea the full group expressed a general sense of support for the concept. They expressed a desire for a concept paper that would describe the Resource Management Center in more detail. Individuals in the group indicated a willingness to endorse the concept – although it was agreed that a formal statement of endorsement from the group as a whole was not appropriate.

2.) The discussion group recommended continuing stakeholder engagement. Specifically, they suggested: a) continuing this process/dialogue, b) strengthening relationships through site visits and field trips (with both industry and wildlife projects), and c) investigating broader participation of other stakeholders (e.g., NGOs).

3.) The group suggested that we need processes that utilizes less federal authority, something that we can do right now and that avoid the experience with the Resource Advisory Councils where the process became so cumbersome - start building trust through informal partnerships. The Discussion Group recommended the investigation of voluntary one-on-one partnerships between industry, NGOs, etc,



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Adaptive Management/Natural Resource Planning

Issues

Issues identified as pertinent to the Adaptive Management/Natural Resource Planning discussion group included:

- Current status of the Adaptive Management (AM) process in Pinedale – e.g., the problems, the potential to proceed, and how to help
- Possible primacy of State oil and gas commissions in monitoring and inspection
- Chartering AM
- Getting private landowners involved
- Planning
- Stipulations / waivers
- Dealing with intransigent landowners

Major Findings and Conclusions

1.) Adaptive Management (AM):

The intent of AM is good, but the way in which AM processes are structured is key. In spite of some prob-

Discussion Groups

lems in past implementation, the group suggested that there is still potential for AM, especially on public lands. The approach needs further refinement.

One of the purposes of AM is to try to get buy-in at the front end on key objectives, monitoring, etc. to help prevent future litigation. Everyone agreed that up-front planning is desirable. The group acknowledged the importance of sound and rigorous peer-reviewed science in all processes, as well as the need to prioritize and focus monitoring efforts.

In the Pinedale Anticline AM project the process was defined in the Record of Decision. Six working groups including lay people identified issues and monitoring needs. Industry was to pay for all the monitoring and BLM was to act as overseer. There were a number of problems with the process. There were timing issues and it felt to some like a never-ending EIS process. The process was appealed by a company and was discontinued.

Some landowners believe AM is problematic when applied on private lands because it has the potential to invade private property rights. Mixed land ownership and split estate (i.e., federal mineral and private surface) situations are the most difficult.

2) General Private Landowner Considerations:

There is a need to reassess condemnation laws in WY. Landowners whose land is condemned need more options for how they are paid. Processes such as surveying need streamlining to minimize impacts, such as multiple visits and intrusive marking, on the private landowner.

3) Primacy to State Oil and Gas Commissions:

The group talked briefly about the idea of granting primacy to states to do various activities, e.g., to conduct inspections and audits, and enforce stipulations. It was noted however that granting primacy does not necessarily bring funding. It was recommended that someone from a state attend the next meeting of this group (if there is one) to explain the idea further.

4) Waivers and Stipulations:

The group identified a need to evaluate and assess existing stipulations, e.g., to determine whether they are effective and whether they have been monitored. They recommended the development of a process or a forum to do this type of evaluation and assessment.

NEXT STEPS FOR THE FULL GROUP

1.) Meridian will send the list of meeting participants, email addresses, and phone numbers to all attendees ASAP.
(Completed)

2.) Meridian will send a first draft of a meeting summary to all attendees ASAP (by the end of next week if possible). Comments on the draft should be sent to the Isaac Walton League, which will assume responsibility for producing the final report. The Meridian Institute facilitators will provide input on the final draft.
(Completed)

3.) Establish an ongoing (electronic) communication system for the meeting attendees. The Izaak Walton League will follow up on this action.

4.) Refine a funding proposal (see funding group next steps above).

5.) Individual attendees and discussion groups (as appropriate) should take the initiative to follow up on concepts and recommendations discussed at the meeting. Sub-sets of the groups should continue to work together informally and voluntarily. Everyone should take advantage of the relationships that have been established, e.g., call the people you want to consult on specific issues.

6.) See what evolves over the next weeks and months and evaluate whether to reconvene this group (perhaps with a slightly different set of participants).

7.) Make an effort to reach out to groups not represented at this meeting (e.g., environmental NGOs and local government representatives).

8.) The BLM Director will work with the Outreach and Planning discussion group to vet some of the ideas about a Coordinated agency permitting center.

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