

Press Statement
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Release of the 2009 Update to Law and Order in the Oil and Gas Field – 2009
Update
May 21, 2009

We can take two major lessons from the updated report, *Law and Order in the Oil & Gas Fields 2009 Update*.

First, while some changes in the statistics tracked (number of inspections per well, percent of required inspections made, etc.) may be viewed as improved BLM compliance with their duties as regulators, these changes constitute little more than a baby step from the abysmally low baseline levels measured in 2004. What is still needed is a large leap forward, and a closing of the huge gap between the mighty effort BLM spends on permitting more activity and the lip service they devote to environmental inspection and enforcement.

Second, the increase in number of written orders by the Buffalo Field Office noted in the statistical report, while undoubtedly reflecting increased attention by BLM to problems on pre-2006 Plans of Development (POD's), more importantly reflects a very dead canary in the coal mine. The November 2005 BLM report titled *Surface Compliance of Coal Bed Natural Gas (CBNG) Development in North Central Wyoming* explains eloquently the need for an even greater increase in written orders. It also makes the case for many, many more inspections and more severe enforcement actions than are reflected in the new report.

The 2005 report contains the following:

“It was found that most wells and facilities in the Basin were out of compliance. Most non-compliance issues were related to a lack of seeding and excessive weeds.”

“A total of 628 inspections were completed, including both wells and facilities. 530 of those wells and facilities were found to be out of compliance.”

“The most common environmental issues encountered during field inspections include: widespread growth of invasive and noxious weeds on well locations, access roads and utility corridors; minimal perennial vegetation growth on well locations and associated infrastructure; disturbed areas not re-contoured to natural topography; miscellaneous garbage, debris, and construction materials left on well locations and associated infrastructure; and new surface disturbances associated with existing CBM infrastructure not authorized by the authorized BLM Officer.”

“It could be predicted that if current conditions remained the same, on average 84% of all wells, facilities and infrastructure will have some sort of non-compliance issue.”

“There has been such a push to get Applications for Permit to Drill (APDs) approved, that compliance has been put low on the priority list. Compliance is a key component of Oil & Gas development. It ensures the welfare of stakeholders (e.g. environment, surface owners, operators and public) in the energy development process.”

It is within this context that we must view BLM’s marginal shift in Environmental Inspection and Enforcement activities.

These activities have occurred in an area where the number of active wells has nearly doubled, to more than 10,000.

Environmental inspections have increased from a laughable base of 49 in FY 1999 to 1,871 in 2008. That is good. But still, at this rate, one could expect each well to be inspected for environmental compliance only once every 5.5 years. And a lot of long-term damage can develop over 5.5 years.

More troubling is the fact that the vast majority of the 1,871 inspections accomplished last year (1,735) were low priority. In contrast, only 136 HIGH PRIORITY inspections were completed, a miserable 4% of the 3,527 required. This means each high priority well would be inspected once every 25 years, on the average.

The number of enforcement actions taken per well by the Buffalo Field Office is about twice that seen nationwide. This is encouraging for those of us in the Buffalo area because at least BLM is aware there’s a problem, but is also likely reflective of the problematic environmental status of many of the POD’s in the Powder River Basin -- permitted with such abandon over the last decade -- and the huge inventory of wells never previously inspected.

We compliment BLM for what progress they’ve made, but feel strongly that inspections – especially high priority inspections -- need to be greatly accelerated if the agency is to gain control of what could be a scandalous problem and very costly to impacted landowners and all taxpayers.

BLM focus continues to be predominantly on permitting rather than Inspection & Enforcement.

It is critical that the agency gets a handle on the severe compliance problems the agency itself has documented. These problems have resulted from the failure of interim reclamation and the spread of noxious weeds, from minimal re-establishment of perennial vegetation, and, incredibly, from “miscellaneous garbage, debris, and construction materials” strewn over public and private lands.