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WORC collects more than 520 comments in favor of closing meat labeling loophole

On July 3, WORC kicked off a “Buy American” public comment drive to close a U.S. Department of Agriculture (USDA) loophole that allowed meatpackers to import foreign beef and label it “Product of the U.S.A.” The effort came in response to a petition by the Organization for Competitive Markets to end the practice, prompting USDA to solicit public comments.

Nearly 2,000 comments came in, of which, WORC collected more than 520 and found the issue resonated with not only WORC network members, but also with concerned parties across the country. To date, the action drew more participation than any other WORC action in the past four years. The response was due in part to shock over the practice.

“I am a rancher, and raise beef cows,” wrote Alison Gannett of Holy Terror Farms in Paonia, Colorado. “Appalled that this loophole exists! ‘Made in the U.S.A.’ should be exactly what it says!”

Thanks to a 2005 change to a 20-year-old USDA policy, any imported cut of beef or pork that made it through a USDA inspection — even if it was born, raised, and slaughtered abroad — would classify as a



“Product of the U.S.A.” The practice had been blamed for steep decline in the sales of American-born grass-fed beef in U.S. markets. One study found that 70-80 percent of grass-fed beef found in U.S. groceries had been imported in 2017. Compare that to a study conducted in 2014, when U.S. law still mandated strict Country of Origin Labeling (COOL), when U.S. producers enjoyed 60 percent of the value of domestic grass-fed beef sales.

Northern Plains Resource Council member Kathleen Wright wrote that the loophole was “ridiculous, dishonest, and absolutely unacceptable.”

WORC’s Ag and Food Campaign Team also submitted an organizational comment that touched on how the misleading nature of the label violates federal meat label law. Drawing on decades of D.C. Circuit Court opinions, the WORC letter argued that established jurisprudence commanded the government label rules be:

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The View from WORC

By Beth Kaeding, WORC Chair

It appears that the mission of our government in Washington, DC, is to turn the clock back 50 years — or more. Our right as the public to be involved in government decision making, under the 1970 National Environmental Policy Act, is being weakened. Long-fought for and hard-won laws governing protection of our air — the 1970 Clean Air Act — and water — the 1972 Clean Water Act — are being eroded on an almost daily basis. Many lesser-known protections are also under attack, and the governance structures guiding agencies and involving the public are being manipulated.



Luckily, we have WORC on our side keeping track of all that is happening and ensuring that you and I are fully informed so that we can participate and raise our voices and “stay in the ring.” Recently WORC filed a lawsuit against the Department of the Interior and Secretary Ryan Zinke challenging the conduct of the Royalty Policy Committee (RPC).

Federal law requires membership of advisory committees to be “fairly balanced in terms of points of view represented” and include “representatives of the public interest” and “a variety of economic and social groups.” Under the law, a primary goal is to ensure that advisory committees operate in an open and transparent manner.

However, when Secretary Zinke chartered the RPC, he packed the committee with representatives from coal, oil, and gas corporations as well as pro-development state governments. And, he expanded its scope of duties to give recommendations beyond setting royalties, the public’s share of the income from publicly owned resources. The charter enabled the committee to weigh in on issues such as opening up the Arctic National Wildlife Refuge to drilling and policy changes that help certain oil and gas drilling proposals to sidestep environmental analysis. His Bureau of Land Management has since moved to carry out both recommendations.

Moreover, the committee has not conducted its work in the open.

WORC’s suit asked the court to declare the RPC’s continued operation unlawful, cancel its charter and recommendations, and stop it from further meetings. At the minimum, WORC seeks a court order directing the committee to operate in a lawful, transparent manner that guarantees public participation

The outcome of this lawsuit is critical to all of us, as taxpayers, as people who live where mining and drilling take place, and as public citizens who want to participate in government decisions that affect our lives. We will keep you informed as this challenge moves forward.

Beth Kaeding

WESTERN ORGANIZING REVIEW

The *Western Organizing Review* is published quarterly by the Western Organization of Resource Councils.

WORC is a regional network of grassroots community organizations, which includes 15,190 members and 38 local chapters. WORC helps its member groups succeed by providing trainings and coordinating regional issue campaigns.

WORC’s NETWORK

*Dakota Resource Council
Dakota Rural Action
Idaho Organization of
Resource Councils
Northern Plains Resource Council
Oregon Rural Action
Powder River Basin Resource Council
Western Colorado Alliance
Western Native Voice*

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CONTACT WORC

*220 South 27th Street, Suite B
Billings, Montana 59101
406/252-9672
billings@worc.org
www.worc.org*

- Non-arbitrary, and
- Do not employ terms that would mislead the average consumer given the terms’ ordinary meaning.

The WORC letter further advocated that “people believe origin labels refer to the source of the ingredients, not the source of the packaging. The ordinary meaning of ‘Product of the U.S.A.’ beef is beef that was born, raised, and finished in the United States.”

“Consumers have demanded changes in pharmaceutical use and applications. That has rightly built confidence in our domestic beef products,” added Dakota Rural Action member and rancher Holly Waddell. “To ignore the advances made by the cow/calf producers and feeders in America is perpetuating the double standard all too commonplace in agriculture; namely to make the US producers comply with higher standards, but then let the processors co-mingle our better product with possibly lower grade meats to sell to the consumer.”

USDA extended the comment period through Monday, Sept. 17. If you want to comment, you can go to WORC’s Action Page at <https://www.worc.org/take-action/>.

Farm Bill bound to reheat in September as deadline looms

The Farm Bill, a massive piece of federal legislation that covers things ranging from farm subsidies to forestry to low-income nutrition, boiled over into headlines throughout May and June, but lately it’s on the Congressional back burner.

The Senate passed its version 86-11 back on June 28. One week prior, the House passed its version — the first-ever Farm Bill to pass with zero bipartisan support — by just two votes. This came after a previously failed House attempt at passing a Farm Bill in May, when House Democrats teamed with conservative Republicans to spike the legislation.

Since then, though, not much has happened. The bills move to a conference phase where the two chambers sort out the significant differences in their respective proposals. Generally, the House Farm Bill has been received as being somewhat austere toward small- and medium-sized producers, as well as supplemental nutrition recipients. The Senate version is much more status-quo, and was even commended in part by WORC for the modest improvements it made on local and regional food system development, conservation, and rural renewable energy.

In a contrast with how well the bills were received in their respective chambers, the two Congressional bodies have approached the conference committee quite differently. The House, possibly seeking to strengthen its

bargaining hand, opted to bring more negotiators — it named 47 Representatives to the conference committee. The Senate, on the other hand, will bring nine Senators and touts what it feels is a better bargaining position based on the bipartisan support of the Senate draft. When asked about the differential between the chambers’ representation, Senate agricultural committee chair Pat Roberts (R-Kan.) quipped, “Our bill passed 86-11.”

That said, the Senate took nearly a month to move the bill to conference with named conferees. It may likely be mid- or late-September until the committee finishes its work, as the House is on August recess. The conferees have until the end of the fiscal calendar, Sept. 30, to pass a Farm Bill to be signed by the President, before farm programs expire. There is a modest chance that if the two chambers cannot reconcile their differences — meaning, approve a bill austere enough to pass the House, but not so much so that it can’t clear the Senate — we may see a continuing resolution to extend the existing legislation. WORC is committed to advocating for the best-possible deal for independent American producers, and if you want to follow that effort, you can subscribe to blog posts and sign up for action alerts at WORC.org.

For more information on the Farm Bill, visit our website at www.worc.org and sign up to take action.

Around the Region

A look around WORC's network

Dakota Resource Council

Fort Berthold POWER hosted a National Environmental Policy Act (NEPA) Workshop in New Town, N.D., to give tribal citizens



a practical understanding of how the NEPA process can work for them. Practitioners with decades of NEPA experience shared success stories of NEPA and discussed the strengths and weaknesses of the process. Dr. Sandra Steingraber, scientist and author of *Living Downstream*, delivered a presentation on the scientific effects of fracking on health and the environment. A cancer survivor, Dr. Steingraber discussed the detrimental effects of living near industrial development and how that impacted her life as a scientist and activist. Fort Berthold POWER is an affiliate of the Dakota Resource Council.

Dakota Rural Action

In a major victory for Dakota Rural Action and property rights, the Grant County Commissioners voted



unanimously to revoke permission for confined animal feeding operation operators to run force-main manure disposal pipes through the right-of-way across private land. The motion was the result of a lawsuit scheduled for a court hearing on July 16. The suit contends that the county does not have the right to give permission for manure pipes to be placed in county road ditches.

These 66-foot rights-of-way were set along every section line by the territorial legislature to guarantee a path to travel. This land is owned, and taxes are paid on it, by the adjoining landowner. By law, the rights-of-way can be used for transportation only, even though state law does permit utilities to use the rights of way without permission from landowners.



Twenty-seven people from eleven organizations and nine states gathered in Sioux Falls, S.D., July 17-10 for WORC's Principles of Community Organizing training. Using small group activities, role plays, exercises and discussions, participants sharpened their knowledge and skills in community organizing and leadership.

Idaho Organization of Resource Councils

On July 28, the Idaho Organization of Resource Council hosted a Leadership in Action Workshop in partnership with its local chapter, the Portneuf Resource Council, and WORC. Fourteen people participated in the workshop, including IORC board members, PRC member-leaders, and prospective members.



The workshop concentrated on campaign planning and membership recruitment skills, with a focus on PRC's *Put Water First* campaign, an effort to pressure the Pocatello City Council to pass a watershed protection ordinance. Members agreed upon goals and objectives, identified key decision makers, worked on a power map, and began building a membership recruitment plan.

Northern Plains Resource Council

After months of research and analysis, the Northern Plains Resource Council released a study analyzing the job creation potential of coal ash pond cleanup in Colstrip, Mont. *Doing It Right, Colstrip's Bright Future with Cleanup* was published in partnership with the International Brotherhood of Electrical Workers Local 1638, the Colstrip power plant union. The joint study examined ash pond cleanup in different states to determine how the remediation process affected the local workforce.

Northern Plains found that the more robust the cleanup efforts, the greater the workforce required to do the job. In particular, the study determined that removing



the coal ash material from the plant sites is the most effective way to protect groundwater while also creating more jobs.

The study and an executive summary are available at <https://northernplains.org/colstrip-jobs-study/>.

Oregon Rural Action

Oregon Rural Action has selected Leigh Ratterman as the staff director. She previously served as a Sustainability Specialist with the Boulder County Commissioners Office in Boulder, Colo.

A graduate of Central Connecticut State University in Anthropology, Leigh began her duties with ORA on September 10.



Powder River Basin Resource Council

In July, Powder River Basin Resource Council released a new report, *Reclaim Wyoming: Prioritize Coal Mine Reclamation* on the state of reclamation at Wyoming coal mines. The report found that only 2.4% of approximately 206 square miles of disturbed land from 14 Wyoming coal mines has been fully reclaimed. The report investigated why the rate of reclamation is slow even though state and federal law requires it to take place alongside active coal mining. The report also highlights the economic benefits of increased reclamation efforts.



The report proposes three recommendations to improve reclamation rates. First, it recommends ending the practice of self-bonding to ensure that companies are financially invested in completing reclamation activities. Self-bonding is not a financial guarantee but rather a promise to pay from the company. Second, the report recommends establishing a firm definition of the “long-term mining or reclamation facilities” to reduce

the amount of land that companies can delay reclaiming. Last, the report calls for increased enforcement of contemporaneous reclamation requirements by state and federal regulators so that reclamation happens as it should, and more jobs are created.

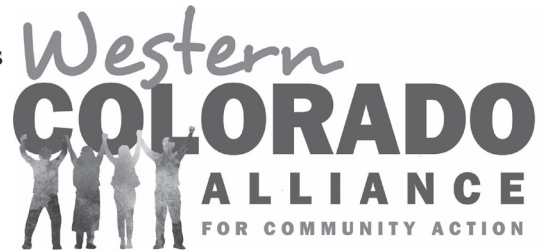
Find the study at <https://www.powderriverbasin.org/wp-content/uploads/2018/07/Coal-Mine-Reclamation-Web-Final.pdf>.

Western Colorado Alliance

Western Colorado Alliance has launched a Youth Voter Initiative with the goal of registering students who are eligible to vote, and educating students of all ages about the importance of engaging in civic affairs.

The Alliance has recruited 17 Grassroots Democracy interns and plans to train at least 25 students

from Mesa, Montrose and Garfield Counties to register students in nine high schools beginning in August.



Western Native Voice

Western Native Voice (WNV) has organizers registering voters and preparing for elections in the fall on the Crow, Fort Peck, Fort Belknap, Rocky Boy, Confederated Salish and Kootenai, and Blackfeet reservations, and in Billings, Great Falls, and Missoula.



WNV community organizers are tabling at powwows and other community events as well.

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Interns take flight to report on coal mine reclamation

Climbing into a six-seater propeller plane is like loading up for a road trip – except the interior of the car shrunk and you’re about to go 3,000 feet into the air. Our stomachs filled with butterflies as the plane’s engine came to life and the ground retreated from under us. But once we were in the air, we found that smiles had crept across our lips and we couldn’t wipe them away. From our little sedan-in-the-sky, we could see the coal mines of the Powder River Basin from a new perspective. Though at a distance, coal mines may look like scratches on Earth’s surface, we realized that by leaving land unreclaimed, the coal industry could be making permanent scars.

This wasn’t our first time viewing coal mines in Montana and Wyoming. Shortly after starting our internships with WORC in June, we traveled into the Powder River Basin by car to become acquainted with some of the mines we would be studying for our summer project: a report on the status of coal mine reclamation in the western United States. The purpose of this report is to identify why reclamation is not happening in a more timely manner (the law requires it to be “contemporaneous” with mining) in order to advance the conversation with mine operators and regulators, who have the opportunity to prioritize reclamation work while mines are still operational and profitable. Our report features the results from months of data analysis on reclamation activities and bond release in Wyoming, Montana, Colorado, North Dakota, New Mexico, Utah, and on Black Mesa, on Navajo and Hopi land in the state of Arizona. We have analyzed states, mine operators, and individual mines, creating over 300 graphs to visually represent our findings. Our report also suggests policy and operation changes that regulatory agencies could make to improve the reclamation process across the western United States.

While on that original coal mine tour, we viewed several mines’ activities from their perimeters by standing on the roof of our car while mammoth trucks screamed by us, wishing we were just a bit taller. It was difficult to understand the extent of disturbance since we could barely peek over the edge. From this skewed perspective, we could tell that mines were large, but not how large. We would later learn that mines had a lengthy and complicated history, including the dramatic change in the market for their product that has led to the long decline that the industry finds itself in.

Our summer continued, first by researching these mines’ histories, then analyzing their reclamation progress, and finally evaluating the regulatory framework for reclamation.

We spent hours on our laptops scrutinizing satellite imagery of the mines on Google Earth to get to the root of the problem: why was there so much unreclaimed land? Each day in the office, our work helped us to understand these mines in greater depth. However, the full purpose of our report didn’t become clear until we were in the air.

From the air, you can tell just how big a coal mine is. The half million-pound haul trucks look like tiny beetles in the massive pits and the highways look like lines in the dirt. Mined areas span for miles on end; the distance from the western to the eastern edge of the Rosebud mine in Colstrip, Montana, is more than a half-marathon – a length that is still hard for most people to conceptualize. Coal mine reclamation is challenging to address because the scope of the issue is similarly hard to fathom. There are a variety of factors which may impede reclamation – changes to the mine plan, insufficient incentives, declining markets for coal – and sometimes we still feel like roadside observers peeking in as this giant problem unfolds. However, we know that as citizens we can demand more of industry executives and our regulators. While the task of coal mine reclamation may be daunting, we’ve inspected it from a variety of perspectives, and we’re ready to propose the next steps.

In many ways, our evolving perspective on coal mines is a metaphor for our experience as interns in these past few months. Our project at WORC was originally something that we understood only on the surface level, but now we have a deeper understanding of our importance as individuals in the realm of this organization and the importance of the coal industry in the western United States. As the summer nears its end, it feels like we are coming in for landing, but we will not be leaving our high-speed adventures behind us. Hopefully, our report will carry this momentum forward, creating a better-informed public that will make coal mine reclamation a priority.

- Kate Manzer & Sophie Watterson, WORC interns. Kate recently graduated from the University of Colorado, Boulder, with a Masters of Environment, Policy, and Management. Sophie is a junior at Washington University in St. Louis studying Spanish and environmental studies.

WORC inspects coal strip mines

Leaders and staff flew in a small plane over coal strip mines in the Powder River Basin of Wyoming and Montana in July. The trip was part of an investigation into the progress made on coal mine cleanup, or reclamation, after decades of mining. WORC will publish a report on the results of that investigation this fall. For more information about the report, see the article by WORC's summer interns about the trip, "Interns take flight to report on coal mine reclamation" on the previous page. You can see more photos, captured by EcoFlight, online. For Wyoming, see <http://bit.ly/worc-ecoflight-2018-wy>. For Montana, see <http://bit.ly/worc-ecoflight-2018-mt>.



Ridges of mine spoil stand 12 deep at the Coal Creek Mine, operated by Arch Coal, near Wright, Wyo. Spoil ridges must be reshaped by bulldozers to create final surface grade before topsoil can be replaced and vegetation regrown. Because a significant amount of mine reclamation must be deferred until the mine ceases production, there will be lots of reclamation work that could extend the careers of coal miners.

Mine facilities, such as those pictured here at the Black Thunder mine, make up a significant portion of coal mines. Facilities, including coal loadouts, conveyor belts, rail tracks, machine shops, offices, lay-down areas, stormwater ponds, among others, are not required to be decommissioned until after the mine has ceased producing coal. Worryingly, the end of coal production is also the point at which a coal mine has stopped making money that could finance reclamation of the site.



Shiloh Valley Family Farm

Homegrown Stories

Theresa Shaw stands in a greenhouse at Shiloh Valley Family Farm as dark storm clouds fill the sky. Her youngest son, 5-year-old David, hangs on her hip as she begins her story.

“The Farmer Veteran Coalition provided us a grant to buy this greenhouse as we were expanding into vegetables,” said Theresa. The Coalition educates and gives grants to veterans who are making a transition from active duty military to farming. “Neither my husband nor I were combat veterans but farming is healing.”

The Farmer Veteran Coalition provides a much needed service, Theresa says. “The Farmer Veteran Coalition is vital because many of our veterans are in distress. Farming can be a very healing activity but it also has an incredibly steep learning curve and financial investment. The Coalition provides educational, as well as grant opportunities to assist veterans in the sometimes difficult transition to civilian life.”

Theresa grew up on a conventional farm in Miles City in southeastern Montana. She went into the Reserve Officers’ Training Corps at Montana State University, where she met her husband, Chris Shaw. Both Theresa and Chris served in the Air Force. Theresa served as a Special Agent with the Air Force Office of Special Investigations for five years. Chris served as a Civil Engineering Officer for nine. “When my husband and I got out of the Air Force we knew we wanted to farm and we ended up in Sheridan,” she said.

Theresa and Chris run Shiloh Valley Family Farm with their four children. Chris studies online through Montana State University on the GI Bill. He’s working on a masters in education, while teaching as an adjunct professor at Sheridan College. Theresa runs the farm full time, while homeschooling their children.

The Shaws primarily raise pigs, goats, and lamb as well as produce pastured eggs. Theresa saw a need in Wyoming for good pork. “I knew, this being Wyoming, I could get good grass-finished beef, I could get lamb, but when I went to the grocery store, the selection of pork kind of grossed me out. That’s how we decided to raise our own pastured pork. Later, we went with dairy goats and dairy cows for our own personal consumption, and then we started selling goat meat, and eventually, lamb.”

After a few years of solely raising livestock, the Shaws ventured in to growing fruits and vegetables, due to the interest of their son, Michael, in gardening. They now have a market garden which is Michael’s foray into local food production, and an orchard for fruit. “After being in the Air Force and moving every two or three years, we never had gardens or anything so that’s been a huge learning experience. We just planted our orchard last year and some berry plants. So really, a little bit of everything — and that just goes with our vision of things being sustainable and diversified.”



“I guess growing up on a farm really formed who I am, and I wanted to recreate that sense of community and family entrepreneurship with my own family...”

Every Shaw product is stamped with the “Homegrown by Heroes” label. “The Homegrown by Heroes label is a designation,” Theresa said. “Once you’re a member of the Farmer Veteran Coalition, then you can use that label to advertise that you’re a veteran-owned business.”

Theresa worked with the Powder River Basin Resource Council to bring the Homegrown by Heroes label to Wyoming. The label provides consumers with a choice. “To have that designation of the Homegrown by Heroes, for people to be able to say, ‘yes, I want to support that veteran-owned business,’ I think it’s valuable and I would just encourage any veteran to look into it.”

Livestock labeling in general has become a hot-button issue at the national level. The U.S. Department of Agriculture (USDA) recently began to accept public comments on a rule that allows meat processors to import foreign-raised grass-fed beef, run it through a USDA inspector, and slap a “Product of the U.S.A.” label on it. This practice helps slaughter companies undercut market prices, hurting American producers. It also encourages deforestation in Latin American countries, where would-be ranchers clear acres of rainforest to pasture cheap beef bound for a trip north and a “Product of the U.S.A.” sticker.

Production practices in the Shaw family are the opposite of the suspicious USDA labeling practices. Shiloh Valley Family Farm reflects the family’s belief in honesty, sustainability and diversity. Although they are not certified organic, the Shaws feed their livestock organically grown grain in addition to their grass-fed diet. The family doesn’t use any pesticides or chemicals on any of their food. Their production values stem from the Shaw’s wanting the best food possible for their own family.

“We started out with wanting to teach our kids where their food comes from, respect for animals, respect for the land and just wanted to feed them really healthy food.” That blossomed into producing sustainable, wholesome food for their entire community.

All of the Shaw children help out on the farm.

“We have four kids. Our youngest is five and our oldest is 18,” Theresa said. The Shaw children have varying interests, but all value wholesome food. “My oldest is going off to college this year and she’s going to be doing something completely different than farming. She’s either studying physics or music and has no desire to farm but says she will always have dairy goats and chickens. It’s something that we all value. I don’t expect any of my children, except for maybe my 15-year-old, to farm as a career, but I think the lessons learned and the values that come from farming will stay with them.”

The Shaws take pride in the food they produce for themselves and for their community. “It’s a privilege to be able to provide food for people,” said Theresa. The Shaws sell their meat and vegetables at Landon’s Greenhouse Market, the Sheridan Farmers Market, local health food store Good Health Market and directly to several customers. “We’ve been very fortunate that people from Jackson and Casper have actually started buying our pork and so we’re expanding outside of our primary market, but Sheridan is where we really focus.”

The sense of community that comes from growing food helps fuel the Shaw operation. “I guess growing up on a farm really formed who I am, and I wanted to recreate that sense of community and family entrepreneurship with my own family and my husband decided that that was a good idea, too,” she said.

Connecting with customers at markets is one of the ways Theresa feels a bond with her community. She considers some of her customers more friends than patrons. “I know my customers, and my customers know me, and that’s just really important that I’m contributing to my community. That money spent with me or with our farm gets recycled in the community — we’re giving the community something that maybe they couldn’t get otherwise.”

The U.S. Senate recently stepped up its support for farmers like the Shaws. Included in the Senate 2018 Farm Bill is more funding and protection for a program that pays for technical training, business planning, farmland access, and other supports for beginning, military veteran, or socially disadvantaged farmers.

The new Farming Opportunities, Training, and Outreach Program combines the Beginning Farmer and Rancher Development Program and the 2501 Program (a program aimed at helping socially disadvantaged farmers) will help lift an entirely new group of farmers.

Both of the old programs were threatened with cuts in recent Farm Bill cycles. The Senate bill combined the two, made them permanent, and grants them 50 million dollars in annual funding with an additional 50 million dollars in discretionary spending. A conference committee will work out the two different versions of the Farm Bills passed by the Senate and House of Representatives.

Studies fault agency on oil and gas well tracking and cleanup

Orphaned and idle oil and gas wells continue to grow across the West, yet state and federal policies fail to hold companies accountable for reclamation or manage the risk that taxpayers will shoulder the cleanup risks. In the past six months, two government agencies, the Office of Inspector General (OIG) and Government Accountability Office (GAO), have issued reports criticizing the Bureau of Land Management (BLM) over reclamation bonds and reviews for oil and gas wells on federal land. Both agencies found a stunning lack of accurate data tracking across the agency on the number and public costs of orphaned wells, which have grown in number since the program was last examined in 2010.

When oil prices and supplies decline, operators idle wells, and, if conditions don't improve, many companies responsible for plugging and reclaiming the sites go out of business. Yet, the BLM has not updated original reclamation bond amounts set in the 1950s and 1960s to account for the increased costs of reclamation. Companies can use a nationwide blanket reclamation bond set at \$150,000 as financial assurance for reclamation for their entire number of wells of federal land. If adjusted for 2018, this bond should be set at \$1,488,224.

The OIG report cited one BLM field office that “anticipated that 97 idle wells would become orphaned in the near future. Each of these wells would cost approximately \$15,000 to plug and abandon, then reclaim, for a total of almost \$1.5 million. The companies’ bonds to cover these activities totals only \$150,000, leaving taxpayers responsible for the remaining \$1.35 million.” The GAO report interviewed 13 field offices responsible for 80% of federal oil and gas development and the offices “identified about \$46.2 million in estimated potential reclamation costs associated with orphaned wells and inactive wells that officials deemed to be at risk of becoming orphaned.”

Where the federal government has failed, states are beginning to improve their policies to increase the reclamation bond amounts and ensure orphaned wells are reclaimed. Several years ago, Powder River Basin Resource Council (PRBRC) made a case to the Wyoming Oil and Gas Conservation Commission to update the minimum reclamation bond amounts to account for the full costs. It was hard for state regulators to ignore because Wyoming experienced a reclamation crisis with thousands of orphaned wells following the coalbed methane bust in 2009 and subsequent oil bust. In the end, PRBRC’s campaign resulted in increasing the blanket bonds to \$100,000 and

additional bonding of \$10/foot for idle wells. While the new rates are an improvement, they still do not go far enough.

In July, Colorado’s Governor John Hickenlooper issued an executive order directing the state to plug, remediate and reclaim all medium and high priority orphaned wells and sites by 2023. The order also directs the state to create a system of financial assurance to prevent future orphaned wells and sites. The Colorado Oil and Gas Conservation Commission was directed to create a working group to review existing financial assurance requirements and report to the Governor on recommended changes by December 1, 2018.

While important reforms are beginning to take place, these changes still do not go far enough to ensure taxpayers and landowners aren’t left with an expensive mess to clean up. WORC supports bonding amounts that reflect current reclamation costs to reclaim the land and limit taxpayer liability. And PRBRC’s campaign shows that persistence is key to obtaining reforms and protecting landowners and taxpayers from millions of dollars in future liability.

The two government reports on reclamation bonds and oil and gas well reviews are available on these sites:

- *Government Accountability Office, Oil and Gas Wells: BLM Needs to Improve Its Data and Oversight of Its Potential Liabilities, May 2018, <https://bit.ly/2MBgAaM>*
- *Office of Inspector General, Dept. of the Interior, Final Audit Report, Bureau of Land Management's Idle Well Program Report, No. 20 16-EAU-061, <https://bit.ly/2BZmXPY>*

Living with Oil and Gas

I'm a rancher. My parents ranched on our place before me, and my grandparents and great-grandparents before them. We've got... how many? Twenty-two, twenty-three wells on our place? And we own some of the mineral rights, but a lot of them belong to the BLM [Bureau of Land Management] and the state. Honest to God, I can't keep track. It's just a mess. You can go on the state website and find maps for land ownership. But the minerals are impossible. They're all divided up a thousand times.

The first company to drill on our ranch was called Zenergy. Zenergy's policy was, they wouldn't turn a well on until they had a gas line hooked up to it. So it took 'em awhile to build that stuff in, and be able to get the wells going. But then, a different company bought Zenergy, or their Montana holdings. And what was odd about that was...well, the new company would drill a well, and there'd already be a gas line very close to it, from when Zenergy was running the show, but the new company would say, 'Well, we use a different company to market our gas, so we're not going to use that line.' So they'd flare it off, until the new line was built. Eventually, we ended up with double pipelines all over the place. Just...real odd. It took the infrastructure of two companies to solve the one thing.

I've seen enough natural gas wasted to have heated my home forever. You could have heated my home until the end of time with the gas they've flared off. It just makes no sense.

The other day, one of the wells on our place had a pit fire. Something was wrong with the treater, I suppose. Instead of separating the oil and gas and water, the treater was dumping the oil and the water, or one of the two, into the gas line. It happens throughout the oil patch...it just happens a lot. So, anyways, we spotted it during the day, when I was chasing down a cow. You could see black smoke, a whole lot of it, from real far away. And I went over there, and the pumper was getting it fixed, so, you know. I didn't worry. But then that night—well, it was worse. There was a huge fire.

Does the landowner who doesn't own his mineral rights get screwed? Yes. No question about it. The landowner who does own his mineral rights—well, he's got a little more leeway. But you still kind of get screwed. Say there's a spacing unit that's 1,280 acres, and you own forty acres of the mineral rights. Which is most often the case. Mineral rights have gotten divided every which way over the years, so hardly anyone owns all of the minerals beneath them. So, anyways, let's say you own forty acres. If you don't sign a lease on those forty acres, the oil and gas companies will just force pool you. That means your minerals get drilled anyway, but you get a worse rate for them. So you have to sign, because otherwise you basically get penalized for not signing.

The worst thing in my mind has been the displacement of all the folks who'd lived here for a long time. The mindset was, if you could make oil come out of the ground, you were worth more than someone who couldn't make oil come out of the ground. It wasn't intentional, you know, but it was just how things worked. It didn't matter who you were; if you couldn't pay, you were vulnerable. And it wasn't only bad for the people who lived here. It screwed over the people who moved up here, looking for work, too. The oil industry was really greedy, but the way the housing market responded...well, that was in a whole other echelon.

- Mike Wilson, Bainville, Montana



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POWDER RIVER BASIN RESOURCE COUNCIL HARVEST FESTIVAL
Sheridan, Wyoming September 8

POWDER RIVER BASIN RESOURCE COUNCIL BOARD MEETING
Sheridan, Wyoming September 9

DAKOTA RESOURCE COUNCIL ANNUAL MEETING
Bismarck, North Dakota.....October 26-27

POWDER RIVER BASIN RESOURCE COUNCIL ANNUAL MEETING
Sheridan, Wyoming November 3

DAKOTA RURAL ACTION ANNUAL MEETING
Ft. Pierre, South Dakota.....November 16-17

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WORC Staff Directors Meeting
Billings, Montana.....December 6

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Billings, Montana.....December 7-8