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Montana brings sage grouse concerns into oil and gas decisions

By Matthew Brown
Associated Press Writer

BILLINGS, Mont. (AP) - Montana officials are imposing a new restriction on the oil and gas industry that gives more say to state wildlife biologists who have sought to slow energy development to protect an imperiled bird, the greater sage grouse.

The restriction - criticized as a potential new hurdle for companies seeking to do business in Montana - underscores the state's shift away from neighboring states and provinces that embraced aggressive energy policies to maximize economic returns.



This undated image provided the U.S. Fish and Wildlife Service shows a wild sage grouse. The federal government has imposed new restrictions on oil and gas development in the West because current policies are failing to protect sage grouse, according to conservationists, citing a new study of the birds in western Wyoming. Sage grouse inhabit large areas of the West, including Wyoming, Colorado, Utah and Montana, where energy development is booming. AP Photo/Gary Kramer/U.S. Fish and Wildlife Service

Across the Rocky Mountain West, from New Mexico to Alberta, Canada, a boom in exploration this decade has sparked a backlash from environmental and conservation groups. They claim game animal populations have suffered from a proliferation of oil and gas wells in once-undeveloped areas.

In Montana, those groups are finding allies in state agencies under Democratic Gov. Brian Schweitzer. During Schweitzer's tenure, the state has charted a more circumspect course for development, giving greater weight to potential negative effects on wildlife and the environment.

The latest restriction requires companies hoping to drill on newly issued state leases to first undergo review by the Montana Department of Fish Wildlife and Parks if sage grouse breeding grounds are present. Biologists from the agency will forward recommendations on where and when to allow drilling to the Department of Natural Resources and Conservation,

which issues drilling permits through the state land board.

Although DNRC director Mary Sexton retains authority over the process, oil and gas representatives said the wildlife agency's increasing sway over state energy policies could portend a drop in future exploration.

"They've got the potential to seriously dampen oil and gas exploration in Montana," said Dave Galt, executive director of the Montana Petroleum Association. "There has to be a lot more analysis and thought that goes into this before pulling the trigger like they've done."

The new restriction will apply first to a lease sale scheduled for Sept. 5, including more than 300 square miles of state land scattered through the central, western and northeastern parts of the state.

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In pushing for restraints on drilling, Fish Wildlife and Parks officials cited recent research that found declines in sage grouse and other game species in Wyoming and Alberta. Sage grouse are of most concern because they are considered candidates for an endangered species listing, which could prompt curbs not just on oil and gas but also agriculture and residential development.

Company executives and industry representatives argue any problems are overstated. Industry-sponsored scientists are scrambling to publish research they say will disprove claims of a grouse decline.

Pressure from Fish Wildlife and Parks was responsible in part for a decision by the U.S. Bureau of Land Management to withdraw 73,600 acres of federal land in Montana from an oil and gas lease sale held Aug. 2. The BLM said those acres would be reconsidered in light of recent studies indicating declines in sage grouse populations around some gas fields in the Powder River Basin, a coal- and gas-rich region on the Wyoming-Montana border.

A BLM proposal now tied up in litigation would allow up to 20,000 gas wells on Montana's side of the basin in coming decades, on a mix of state and federal land.

Montana currently has leases out on 1.7 million acres of state land, or about 2,650 square miles. One-third of that has been leased in the last two years. Revenues from lease sales, royalties and other sources on state land totaled \$43 million in 2006, said Sexton.

Oil and gas development near sage grouse leks, or breeding grounds, already is subject to some restrictions. Those include months-long drilling shutdowns during mating season within two miles of leks, and year-round prohibitions - also called "no surface occupancy" - within a quarter-mile of leks.

Fish Wildlife and Parks has pushed to expand those closed areas to four miles for the seasonal restrictions and one mile for the year-round closures. But the agency's energy policy coordinator, T.O. Smith, said future reviews of DNRC permits will be handled case-by-case.

"The biologists in that area can take a look and they might say this is not a big issue, the lek is located on the other side of a hill," he said. "Or we might recommend that, wow, this is in a core area that is really sensitive and the lek is in the center of the parcel. We would recommend no surface occupancy."

Sexton downplayed the significance of the new layer of review for oil and gas permitting. She said her staff has always been receptive to Fish Wildlife and Parks biologists.

"We have often tried to change leases to address their comments," she said. "This just formalizes a process."

But conservation groups, which worked closely with Fish Wildlife and Parks in pressuring the BLM to withdraw some leases, said they were keen to bring the state program into a debate that has focused to date on federal leasing practices.

"DNRC needs to feel the same pressure. They are not going to get a free pass," said Bill Geer with the Theodore Roosevelt Conservation Partnership.

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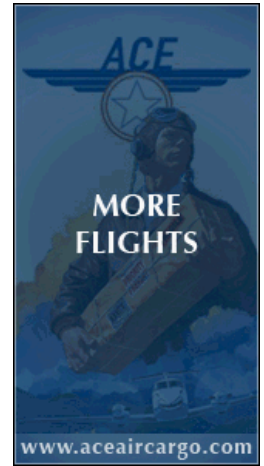
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