



THE
WILDERNESS
SOCIETY

“EPCA III” Fact Sheet

“EPCA III” Report Exaggerates “Restrictions” to Federal Oil and Gas Development and Understates Extent of Drilling on Public Lands.

On May 21, 2008, the Bureau of Land Management released its “EPCA III” report which unfortunately painted a highly misleading portrait of the extent to which the development of federal onshore oil and gas resources are “inaccessible” to development. Despite the report’s implications to the contrary, *most* federal onshore oil and gas resources are available for leasing and drilling, and have been for a long time.

There are several major methodological failings of the report:

1. The EPCA III report incorrectly categorized the 21.9% of federal oil and 21.6% of natural gas resources that are in areas undergoing land use planning as “inaccessible” to development. In fact, federal oil and gas deposits in these areas have been available for leasing and drilling since at least 2001, and many lease sales have occurred in such areas from the beginning of the Bush Administration.
2. The report also incorrectly placed 2.5% of oil and 3.7% of natural gas resources subject to “no surface occupancy” leasing conditions in the “inaccessible” category. In fact, these resources are accessible to drilling, but from offsite areas. The industry and Administration frequently tout the benefits of such “directional” drilling as a means of reducing the “footprint” of oil and gas operations.
3. The report omitted from categorization altogether “proved reserves” of 68.7 trillion cubic of gas and 5.3 billion barrels of oil on federal lands as a consequence of their being under development, even though these resources were and are subject to various lease stipulations prior to production.

If these three methodological errors are corrected – inclusion of: (1) federal oil and gas resources in areas undergoing land use planning; (2) leases subject to NSO stipulations; and (3) “proved reserves” in the “accessible” category -- the results would have shown that 88% of onshore federal gas resources (263.7 TCF of an estimated 299.7 TCF) and 68% of onshore federal oil resources (24.3 billion barrels of an estimated 35.8 billion barrels) are available for leasing and development. Instead, the BLM, by mischaracterizing the affect of certain “access categories” and omitting “proved reserves” from their analysis, portrayed only 59% of natural gas and only 37.8% of onshore federal oil resources as “accessible.”

Here are some other problems with the report:

1. The report lists all of the National Petroleum Reserve-Alaska’s Northeast Planning Area as “no leasing.” However, the area has already seen two lease sales, and a third lease is scheduled for October. Four million acres of the 4.6 million acre planning area are currently open and when the new Record of Decision is signed in July, 4.4 million acres of the 4.6 million will be opened.

2. Also in Alaska, the report lists the entire National Petroleum Reserve-Alaska's Northwest Planning Area as having impediments related to "timing limitations." In reality, 7.3 million acres of the 8.8 million acres are immediately available and have been offered for sale.

3. The report suggests that environmental laws and protected lands are "impediments" to drilling, which skew the report's calculations and run counter to BLM's multiple-use mandate and to public values. For example, the report includes in its inventory National Parks, National Monuments, Wilderness areas, Wilderness Study Areas, Inventoried Roadless Areas, National Conservation Areas, such as Glacier National Park, the Grand Staircase Escalante National Monument and the Bob Marshall Wilderness Area, to name a few. With oil and gas drilling already encroaching on national parks such as Canyonlands and Mesa Verde, is the administration now suggesting that America's flagship protected lands should be open to drilling?

4. The report lists existing laws to protect clean air, clean water, and wildlife habitat as "impediments." It also lists "Native American consultation" as an issue impacting access.

5. The report includes lands where there is no drilling demand, such as the Eastern Great Basin (ID, NV, AZ and part of UT), and southern Florida in its listing of lands that are off limits

6. The report ignores data on the frequency of "exceptions" to protective wildlife "stipulations" on federal oil and gas leases. It suggests that protective wildlife stipulations are burdensome and waived in a very low percentage of cases, which directly contradicts actual data available from BLM websites. For example, the Rawlins, Wyoming Field office granted 72% of requests for "exceptions" to protective stipulations between October 1 2005 and September 30, 2006, and the Pinedale Field Office – which manages the hottest onshore gas play in the nation -- granted 88% of requests for "exceptions" in 2006-07.

7. The BLM ignored the economic costs associated with production. All estimates of oil and gas resources are provided in terms of "technically recoverable" rather than "economically recoverable" resources. Employing estimates of "technically recoverable" resources provides an exaggerated expectation of the amount of oil and gas resources than can actually be produced from these lands, since only those resources that are "economically recoverable" will be developed.

In summary, the EPCA III report is a false portrait of the availability of federal oil and gas resources for development. Drilling in the U.S. is booming: The U.S. contains more than 700,000 oil and gas wells, with about 80,000 wells on public lands, record numbers of drilling permits have been issued on federal lands during the last seven years, and the industry has nearly 45 million acres of onshore public land under lease already. In fact, the oil and gas industry has access to tens of millions of acres of federal leases that it is not using.

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