Deal Opens Wyoming Grouse Habitat To Oil Drilling

Mead Gruver, AP

A deal between Chesapeake Energy and the Wyoming governor's office would guide drilling of potentially hundreds of oil wells in a vast area of designated sage grouse habitat in east-central Wyoming. The agreement allows the state to accommodate drilling while sticking with its strategy to keep the birds off the federal endangered species list. State and Chesapeake officials have been negotiating the drilling plan for a year. Bob Budd with the Wyoming Wildlife and Natural Resource Trust and Laurie Heath with Chesapeake presented details of the proposal Wednesday in Cheyenne.

The deal was hard-won, showing the challenges faced by state officials as they attempt to implement Wyoming's statewide strategy for protecting the chicken-sized, ground-dwelling bird on mostly private land targeted for oil drilling. "It was knock-down, drag-out at the beginning," Budd said at the meeting of the Sage Grouse Implementation Team, a 14-person panel charged with implementing Wyoming's sage grouse conservation strategy. Other states and federal officials have praised Wyoming's sage grouse conservation strategy as a model to follow. The U.S. Bureau of Land Management is adapting it for use on BLM lands in other Western states that are home to sage grouse.

The Wyoming strategy designates 31 "core areas" of important sage grouse habitat statewide, including the 140-square-mile Douglas Core Area a few miles east of Douglas. Oklahoma City-based Chesapeake Energy Corp. has substantially leased up the core area for possible oil drilling. The deal between Governor Matt Mead's office and Chesapeake would divide the Douglas Core Area into three zones. The company would temporarily suspend drilling in one 15-square-mile zone of substantially intact sagebrush habitat until 2016. The suspension would occur with a number of caveats, including that Chesapeake could go ahead and complete at least one well if it doesn't secure lease extensions there.

Drilling in the other two zones would occur under certain restrictions. Chesapeake would honor seasonal restrictions in a 31-sqare-mile zone of "predominantly suitable" sage grouse habitat. Chesapeake would operate year-round in the other area classified as "predominantly disturbed and low quality and unsuitable habitat." That area covers about 65 square miles. Meanwhile, Chesapeake has committed $2.3 million to restore sage grouse habitat in the Douglas Core Area. "We are committed to being an environmental steward in this area," Health told the sage grouse team.

How many wells Chesapeake intends to drill isn't clear. Chesapeake spokeswoman Lindsay McIntyre declined to answer that question, or say how many acres the company has leased and state drilling permits it has obtained in the Douglas Core

Area. The draft development plan states that Chesapeake has 17 existing well pads and plans an estimated 92 more in the Douglas Core Area. A typical oil well pad can support half a dozen wells or more, meaning the development plan sooner or later could apply to hundreds of new wells.

State Game and Fish Department officials say that as it is, the Douglas Core Area has more sage grouse habitat that is in need of restoration than any other core area in Wyoming. The executive order outlining the rules for Wyoming's strategy to conserve sage grouse allows no more than five percent of sage grouse habitat in a core area to be disturbed. Habitat disturbance in the Douglas Core Area is approaching 22 percent, largely due to wildfires that have burned through the area in the past few years. One member of the Sage Grouse Implementation Team questioned why the state wasn't sticking by the five percent rule.

"Frankly, that rattles my box more than anything else," said Brian Rutledge, executive director of Audubon Wyoming. "We're stepping away from the standard." Jerimiah Rieman, natural resources policy adviser to Mead, said the state won't permit sage grouse habitat to become fragmented. "We will still continue to have those hard conversations, and Chesapeake has already found that out," Rieman told Rutledge.

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