Statement to the House Natural Resources Committee

March 27, 2007, Full Committee Oversight Hearing:

The organizations listed below are pleased to submit this statement to the House of Representatives Committee on Natural Resources. We are submitting this statement because of the importance of the oil and natural gas resources under America’s multiple use public lands to our nation’s economy, and because the record demonstrates that our industry’s operations can coexist with other uses of multiple use public lands.

We believe this record also shows that it is untrue that our industry’s operations on public lands in the Mountain West somehow deny access to other users of those lands, including those who enjoy them for hunting and fishing. We offer the following information to support this premise.

Currently crude oil and natural gas production occur on roughly 1 percent of the 262 million acres of Federal lands administered by the Bureau of Land Management (BLM). Less than 10 percent of BLM’s federally managed surface and mineral estate is currently leased for oil and natural gas development. On lands administered by BLM and leased to energy companies, only a fraction of the total acreage under lease is occupied by surface operations for exploration or production.

Exploration and production activities on BLM leases are subject to conditions of approval imposed by BLM to assure public access or to further reduce environmental impacts on the basis of the requisite site specific Environmental Assessment – in addition to other lease stipulations that are based on land use plans. In many cases, BLM may issue leases that greatly restrict exploration and production activities, such as stipulations for No Surface Occupancy, or with conditions that limit these activities to only a portion of the leased land or to a couple of months a year. It is important to note that these seasonal and surface occupancy restrictions apply to oil and natural gas operations on public lands, but none of them are used to curtail general public access. On the lands that are actually under lease, anglers, hunters, ranchers, motorized recreation enthusiasts and the general public enjoy broad access, subject only to the laws and regulations of state and other resource management agencies.

Because our operations are on public lands, operators must comply with NEPA requirements which require public involvement and preparation of NEPA documentation. The NEPA process is frequently used to address public access concerns. BLM has discretion to require operators to fully reclaim roads to dry holes or abandoned facilities; and to partially reclaim lease operations access roads to allow recreation, fishing or hunting access, or keep such roads open for public use including requiring operators to pay for maintenance obligations. There are a few occasions where operators are required to restrict access during drilling to protect public safety (for example during drilling operations through H2S-prone or overpressured formations), or during production operations due to high pressure or other safety concerns, but these instances are limited to the actual site in use. Such access restrictions are limited to the duration of the operation in question, or to the vicinity of the facility that may present the risk.

Thus as a general rule, the principal restriction to hunters and fishermen arising from exploration and production activities on multiple use public lands is the common sense safety restriction
against entry carefully focused on sites where drilling operations are taking place, or where production equipment and facilities may be found.

Federal lands, which comprise about 31 percent of the total land area of the contiguous 48 states, are vital to America’s future energy supply. According to data compiled by the Energy Information Administration (EIA), proven natural gas reserves in the five principal energy producing states of the Mountain West had increased to more than 57 trillion cubic feet by the end of 2004, accounting for almost one third of the natural gas reserves for the lower 48 states. Based on EIA forecasts, natural gas production in the states of the Mountain West is poised to increase to nearly 40 percent of the U.S. total by 2025. The Mountain West is a region where clean burning natural gas can be found in abundance, to provide heat and energy to homes and businesses, and to provide an essential feedstock for an array of products.

The energy resources of the Mountain West that are found on and under public lands are resources of national importance. Experience shows that exploration and production for these resources are managed in a manner that allows other economic and recreational uses of these multiple use public lands to take place with negligible interference. Nevertheless, certain groups have routinely supported policies which substantially restrict access to our public lands. The National Roadless Area policy, for instance, would have eliminated access to fully one third of the National Forest System. These groups have made no mystery of their priorities for this Congress as well, seeking enactment of huge wilderness bills which will eliminate areas from potential oil and gas development and reduce access for almost all others. While resource using industries make efforts to accommodate recreational interests, opponents seek no compromise.

The notion that oil and natural gas operations block access to hunting and fishing in a consequential way is unsupported by the experience of the oil and natural gas industry and the record of practical and balanced management by BLM in cooperation with other agencies.

We appreciate the opportunity to offer this statement to the Committee, and we welcome the opportunity to engage with the Committee further on this important issue.

American Petroleum Institute
American Association of Petroleum Geologists
American Chemistry Council
American Forest & Paper Association
American Gas Association
Domestic Petroleum Council
Independent Petroleum Association of America
Independent Petroleum Association of the Mountain States
International Association of Drilling Contractors
National Association of Manufacturers
Natural Gas Supply Association
Petroleum Equipment Suppliers Association
US Oil & Gas Association