

Sage-grouse Habitat Conservation Advisory Council

NOTES

Meeting 3: Oil and Gas, Mining
Location: Montana Board of Investments, 2401 Colonial Drive, 3rd Floor Conference Room
Dates: June 25 – 26, 2013

June 25

Council representatives: Pat Connell, Janet Ellis, Gary Forrester, Jay Gore, Robert Lee, Glenn Marx, Ray Shaw, Brad Hamlett, Bill McChesney, Paul Callahan, Curtis Monteau, Carl Wambolt, Jeff Hagener, Tim Baker

Agency/invited partners:

USFWS: Brent Esmoil, Jeff Berglund;

Bureau of Land Management: Sandra Brooks, John Carlson, Johanna Munson, Pascual Laborda, Phillip Perlewitz;

Department of Natural Resources and Conservation: Shawn Thomas, Monte Mason;

Department of Environmental Quality: Steve Kilbreath

Montana Fish, Wildlife and Parks: Ken McDonald, Rick Northrup, Catherine Wightman

Public: Laura Blake, Arch Coal; Patrick Farmer, Westech; Rusty Shaw, Denbury Resources; Chad Olsen, Hayden-Wing Associates; Mike James, Denbury Resources; Jeff Tiberi, MACD; Mara Johnson, World Wildlife Fund; Richard Brown, WYO-BEN, Inc.; Laura Pfister, Newfields; Bob Green, Cloud Peak Energy; Melissa Lewis, ONEOK; Joe Kolman, EQC; Jay Bodner, MSGA; Eric Detmer, Spring Creek Coal; Lauri Teig, KLJ Engineering; Jessie Luther, BKBH/GNP; Gates Watson, The Conservation Fund; Shelby DeMars, Count on Coal Montana and United Property Owners of Montana; Ron Quinn, Decker Coal Co.; John Berry, WWC Engineering; Matthew Dillon, American Colloid Co.; Mary Cornia, American Colloid Co.; John Alke, Fidelity; Gail Abercrombie, Montana Petroleum Assoc.; Dave Naugle, U of Montana; Tom Richmond, Board of Oil and Gas;

Review of draft documents from previous meeting

Jeff Hagener

Brief discussion. No substantial changes recommended.

Montana Utilities Co-ops handed out some details related to their operations that might be used to revise the draft powerline recommendations.

Handout: Montana Co-op Power Line Information

Oil and Gas Board

Tom Richmond, O&G Board

Tom Richmond presented on current oil and gas permitting in Montana and discussed the regulatory authority of the Oil and Gas Board.

Presentation: Richmond _25June2013

Water and Wetland Permits

Steve Kilbreath, DEQ

Steve Kilbreath discussed permits administered by DEQ that are relevant to oil, gas and mining.

- SMCRA
- Major Facilities Siting Act
- Air Quality
- Municipal waste
- Water Quality

Handout: Water Quality Permits fact sheet

Coal Mining

Bob Green, Cloud Peak
Laura Blake, Arch Coal

Bob Green presented on the footprint of coal mining, reclamation activities, and federal oversight through SMCRA.

Presentation: Green_25June2013

Laura Blake also discussed coal mining footprint, future development plans, and reclamation activities.

Presentation: Blake_25June2013

Bentonite Mining

Richard Brown, WYO-BEN
Matt Dillon, American Colloid

Richard Brown discussed Bentonite mining footprint, reclamation activities, and future development plans. Matt Dillon presented on a sage-grouse telemetry study in Carbon County related to mining.

Presentation: Brown_Dillon_25June2013

Oil Industry

Rusty Shaw, Denbury
Chad Olsen, Hayden-Wing

Rusty Shaw discussed Denbury's efforts to minimize footprint and new CO2 injection technology.

Presentation: Shaw_25June2013

Chad Olsen presented sage-grouse survey data from the Cedar Creek Anticline.

Presentation: Olsen_25June2013

Gas Industry

Fidelity Exploration

John Alke, Attorney representing Fidelity, discussed the importance of the wells in the Baker field to Fidelity for meeting customers' needs. He also indicated that additional conservation restrictions would be detrimental to their operations.

Pinedale research

Rob Ramey (remote)

Rob Ramey discussed his work on sage-grouse in the Pinedale Anticline, WY.

Presentation is not available at author's request as it includes proprietary data.

Sage-grouse and oil and gas development research

Dave Naugle

WY Core Area Strategy Assessment

Dr. Naugle discussed threats to sage-grouse in Montana, as identified by USFWS. He explored recent research related to energy development and cumulative impacts of energy and other threats. He also presented an analysis of how WY's core area policy is effecting sage-grouse conservation in that state.

Presentation: Naugle_25June2013

Video: Saving Sage-Grouse – The Wyoming Example [CD handed out at meeting]

Handouts for Council:

Summary of COT and other state recommendations

FWP straw-dog recommendations

PECE policy

USFWS position on WY Core Area Strategy

WAFWA Near-term Conservation Action Plan

Representative Connell handed out a proposal – "The Montana Offset"

June 26

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Public: Laura Blake, Arch Coal; Richard Brown, WYO-BEN, Inc.; Matthew Dillon, American Colloid Co.;

Gail Abercrombie, Montana Petroleum Assoc.; Dave Naugle, U of Montana; Tom Richmond, Board of Oil and Gas; Van Jamison, Gaelectric;

Many interested persons did not sign in on June 26, so the list above is incomplete.

PECE policy review

Pat Deibert, USFWS (remote)

Pat Deibert gave a brief refresher to Council on PECE policy. It is for voluntary actions, not regulatory. Two main elements for a voluntary conservation strategy to be considered under PECE are the certainty of an action being implemented and the certainty of that action being effective.

DNRC energy regulations

Shawn Thomas

Shawn Thomas discussed the process for current and potential oil and gas leases on state lands. Shawn also discussed the impact of conservation regulations on the state's ability to maximize development.

Presentation: Thomas_26June2013

BLM Mineral Development

Sandy Brooks, John Carlson

Sandy Brooks and John Carlson presented on the range of alternatives found in draft Resource Management Plans relative to leasable, nonleasable, and fluid minerals. BLM reiterated that decisions made by Council will be considered before Resource Management Plans are finalized.

Presentation: Brooks_Carlson_26June2013

PUBLIC COMMENT

Gail Abercrombie requested that Rusty Shaw speak on behalf of Montana Petroleum Association.

Rusty Shaw encouraged Council to review WY Executive Order and Conservation Plan. He stressed that there are places that need to be protected and other areas that should be available for development. He questioned why Cedar Creek Anticline was designated a core area. He also requested that there not be a disturbance cap in general habitat; this would shut down industry. The intent should be to push development in to general, not restrict it there.

Bob Green provided additional comments regarding areas core areas that BLM designated as restoration areas instead of core areas because they already have or will have development pressure. He encourages Council to consider something similar.

Richard Brown asked DNRC if they could do an analysis on different conservation strategies in areas of potential development, not just current. DNRC indicated they didn't have a potential layer.

Matt Dillon re-iterated that mining impacts might be relatively small but disturbance caps would be significant. He also said that limitations on mining will have impacts on local economies.

Draft recommendations for mining (coal and bentonite)

Draft recommendations for oil and gas

There was considerable discussion regarding oil, gas and mining recommendations. Final details are summarized in the Draft Recommendations Table, available on the website.

DRAFT: Draft recommendations table_1July2013.pdf

Note: Surface disturbance restrictions and timing stipulations were not addressed at this meeting but will be covered in future discussions.