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Madam Chairwoman, members of the Subcommittee, I am Rick Robitaille, Western Division manager of public affairs for Houston-based Anadarko Petroleum Corporation. My office and my home are in Casper, Wyoming.

Anadarko is an independent oil and gas exploration and production company with operations in the United States, Canada, Gulf of Mexico and several other countries. In the United States, we are the seventh-largest producer of natural gas and one of the most active drilling companies.

In Wyoming, Anadarko and its subsidiaries directly employ 165 individuals and provide additional employment opportunities for approximately 475 contractors. We have offices in Rock Springs, Gillette, Rawlins, Midwest, Powell and Casper and are active in crude oil, natural gas, coal, trona and agriculture operations. Anadarko is one of the state's largest mineral producers and taxpayers.

In mid-2000, Anadarko merged with Union Pacific Resources. That transaction transferred to Anadarko the original land grant awarded to the Union Pacific Railroad in 1862. That land grant included every other section of land for twenty miles either side of the main tracks across southern Wyoming. With the addition of these holdings, Anadarko is now the largest private mineral owner and one of the largest private surface owners in the state.

With approximately four million acres of mineral estate and one million acres of surface estate intermingled in a checkerboard pattern with lands owned and controlled by the federal government, we are keenly aware of the management role and regulations of the federal government.

This checkerboard land ownership pattern, which results in private lands being surrounded by federal lands and federal lands being surrounded by private lands, presents many unique challenges for us as well as the primary federal agency, the Bureau of Land Management (BLM). In much of southwest Wyoming, private land owners and the federal government must work together to facilitate mineral development. The beneficiaries of a successful relationship include; federal, state and local treasuries; private enterprise; education; local employers; and, most important, domestic energy consumers.

Anadarko's objective is to explore for and produce minerals in harmony with our private and government neighbors while preserving and protecting rights to our private property.

Primary challenges we have identified in the area include: (1) access to our private property as well as federal oil and gas leases; and (2) reliable timelines for approval of proposed operations and required permits.

Access to federal lands and leases for oil and gas development has become increasingly difficult with more stringent regulations, increased study requirements, expanded permit approval times, greater challenges from anti-development groups and antiquated limitations. Private surface and mineral owners are also directly impacted by these conditions.

One of the governing documents influencing activities on federal lands and, as a result, the private lands located within the checkerboard pattern in southwest Wyoming, is the Resource Management Plan (RMP), which is required by the Federal Land Policy and Management Act (FLPMA). These RMPs are in dire need of updating before larger exploration and production projects can begin. We believe these plans must be written with increased consideration and recognition of local land ownership patterns and allow more timely access to private property rights adjacent to federal lands. To access much of our own land for exploration and transportation of production, we must obtain access rights-of-way (ROW) from the BLM. Obtaining these ROWs can take several months, barring any unforeseen complications.

Many mitigation measures enforced by BLM essentially apply to private lands as well. When federal lands are restricted from winter seismic or drilling activity, by wildlife stipulations or threatened and endangered species, by default so too are the adjacent private lands. Furthermore, federal land management agencies use the pretext of "cumulative impacts" of proposed activities on both federal and private lands and minerals as a tool to urge a commitment to "voluntary" measures regardless of land ownership. Should the developer oppose application to private property, delays in the permitting process are all but assured to occur. These measures can reduce the window of opportunity for activity on private property to a few months each year. Many private owners do not want to provide access to conduct required surveys which may ultimately impede development and reduce land values. We recognize that federal agencies have the mandate through NEPA to assess for cumulative impacts regardless of landownership; however, the Act does not give the agencies the authority to regulate private property. Effectively and unfortunately, private property owners have been subjected to the same time frames, conditions and stipulations as those imposed on the management of neighboring federal lands and leases.

The National Environmental Policy Act (NEPA) is a well-intended law. Over the years it has been converted from simple language to volumes of regulations, legal decisions and policy interpretations which serve to stifle exploration for and production of this country's needed energy resources. It appears some federal land managers have opted to insulate their agency from unfounded criticism and potential litigation by resorting to massive environmental assessments (EA) that resemble environmental impact statements (EIS) in extent. Furthermore, decisions are often made to prepare the more extensive EIS where heretofore they were not routinely required. This cumbersome process takes enormous amounts of time, often times up to five (5) years, and casts doubts on project timing and planning. It is also becoming routine for federal land management agencies to shift the financial burden of preparing these voluminous documents to the developer. Because of land ownership patterns in southern Wyoming, private property rights can be significantly affected by this burdensome process through lost opportunity. We believe there may be several projects that will not come to fruition because time delays discount the present value to unacceptable levels.

Additionally, BLM, as a result of the EISs, appears to be shifting the responsibility to industry to provide all relative wildlife, other resource and cultural studies at the time of permitting. In an ever increasing fashion, BLM as a land management agency is unable or unwilling to provide resource information from which developers can plan activities to minimize environmental impacts. Year by year, BLM grows its reliance on industry to conduct this data gathering and resource inventories. This shift in responsibilities is evident when examining language contained in BLM's Onshore Order #1 which provides industry with direction on filing applications for permits to drill (APD). When originally drafted in 1983, the Order stated, "the involved SMA (surface management agency) shall identify any threatened and endangered species and/or critical habitat problems or other environmental concerns . . . to minimize the possibility of drill site relocation." In recent years, documents which required assessments for wildlife have increased the study group from thirteen (13) species to seventy-two (72). Some studies are seasonally sensitive, which if missed, can delay permit issuance for up to a year. For an owner who would like to develop private minerals, these and similar requirements can have a chilling effect.

As recognition of national scenic and historical trails increases, so too must the realization that every other mile of some trails in Wyoming crosses private property. While private owners with trails on their land have

generally worked to protect this portion of our national heritage, most remain troubled over imposition of federal stipulations for certain uses around the trails. For example, while there do not appear to be any regulatory requirements for use of the trails by recreational enthusiasts, private mineral development proposed adjacent to a trail may be restricted or denied.

Suggestions of land purchases by the federal government or creation of protective trail "view sheds" have the potential to severely limit private property rights and the development of associated resources. Visual resource restrictions for temporary structures appear overly restrictive in some areas. Further complicating the issue is the fact that management of "view sheds" is an inexact art replete with subjectivity whereby decisions for resource protection can be left to the whim of individual managers.

We believe where Congress grants the federal government authority to acquire private land for trails, it should make clear that the government should do so by acceptance of an easement if the landowner prefers that form of conveyance. The grant of an easement -- as opposed to a fee interest -- allows the landowner to reserve the right to continue existing or to undertake future endeavors on the surface as well as the subsurface of his land adjacent to and upon which the trail is located.

Predictability and consistency from the BLM is paramount. Whether it is in stipulations identified in an EA or EIS or in the timing of drilling permits and pipeline ROWs, owners and developers have to know what to expect so that they can plan effectively. Predictability and consistency should also apply across field office areas and within the agency's internal groups.

Some federal agencies appear motivated to try to speed up the permit process, but are still hampered by lack of staff. Timing problems are likely to increase as much of BLM's senior staff qualifies for retirement within the next several years.

As petroleum production technology and methodologies advance, the federal government should revisit existing requirements. For example, the federal chargeable acreage limitations do have merit and should be in place for protection of a monopoly on federal lands. However, the rules need to be updated to reflect current development practices. Chargeable limits need to be increased from 246,080 to 500,000 acres to reflect the need for larger land positions required for coal seam and fractured shale natural gas production. Larger land positions are required for economies of scale to make these projects economical. Producing acres should not count towards chargeable acres.

Anadarko Petroleum is proud of its record and will continue to stress the importance of developing energy resources in a manner compatible with the environmental. We are not seeking to circumvent the laws designed to protect the environment. Anadarko is, however, very aware of the need to provide energy to the American public, and we remain concerned about the impact of federal actions on private property rights.

We offer the following recommendations:

National Environmental Policy Act -

- To reduce excessive analyses, agencies must comply with the CEQ regulations at 40 CFR 1500 to 1508 (e.g., scope of environmental analysis, public participation and documentation) and relevant executive orders (e.g., energy impact assessments).

Resource Management Plans -

- Must recognize the need to protect private property rights and be updated as quickly as possible.
- Revisions should be prioritized based on most active or potentially most active areas.
- Need to be comprehensive plans that are flexible and timely.
- Should provide for concurrent activity while being revised and the fact that they are undergoing revision should not be the basis for delaying or denying access to private lands.

Improve Predictability -

- Ensure and enforce time specific agency action on NEPA required studies, oil and gas lease issuance, applications for permits to drill, rights-of-ways, cultural clearances, etc.

- Establish measurable performance standards and accountable deadlines for land management agencies and personnel and provide reports to the public.

Personnel -

- Federal land management offices should be sufficiently funded and staffed with knowledgeable professionals to meet increasing activities to develop natural resources.

Private Property Development -

- Federal management agencies should not dictate activities on private surface.
- Decisions by landowners for development on private property must be respected and not denied by federal agency actions.

Anadarko Petroleum appreciates the opportunity to appear before you today and looks forward to working with you to address the issues contained in our comments.