

Report: Oil, gas auction was flawed on some Utah tracts

Interior Department » Some parcels should never have been put up for bid.

By Thomas Burr
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Washington » Some of the Utah tracts offered for oil and gas exploration in the waning days of the President George W. Bush administration should have been left out and the process in selecting and auctioning others was flawed.

But some of the parcels pulled off the auction block by new Interior Secretary Ken Salazar may be re-opened for drilling, an Interior Department report to be released Thursday will say.

The report details troubling decisions that led to thousands of acres near or adjacent to Arches and Canyonlands national parks and Dinosaur National Monument being included in the Dec. 19 auction, according to a senior Interior official who spoke to *The Tribune* on condition of anonymity. In part, the report says the Bureau of Land Management failed to inform the National Park Service that more tracts of land that affected the parks had been added to the sale at the last minute.

Some of the more egregious additions were pulled from the auction, but the Park Service acquiesced in allowing several to go through, the official confirmed.

U.S. District Judge Ricardo Urbina issued a temporary restraining order against finishing the sale in January, a move that was quickly followed by Salazar shelving the leases.

In tossing out the sale, Salazar said the department needed time to study the auction and how 77 leases for more than 100,000 acres -- some encroaching on national parks -- ended up on the auction block.

"In its last weeks in office, the Bush administration rushed ahead to sell oil and gas leases at the doorstep of some of our nation's most treasured landscapes in Utah," Salazar said at the time.

The new report is being issued by Salazar's top deputy, David Hayes, whose nomination was temporarily blocked by Republicans led by Utah Sen. Bob Bennett. In exchange for the GOP's agreement to allow Hayes to face a confirmation vote, which he easily cleared, Salazar promised to dispatch the deputy to Utah to conduct an expedited review. The findings of that effort are contained in the report.

Hayes spent time in Utah reviewing the sale and hearing from affected industry workers, including angry complaints of job losses during a May 26 public meeting in Vernal. The report essentially backs

up the department's reasons for holding up the auction on the 77 parcels.

But the document also notes that about 30 tabled leases, those near existing oil and gas development, may be again offered to the winning bidders or auctioned at another sale if a special BLM team decides they meet an appropriate standard, the official confirmed.

The other 47 parcels will undergo a more extensive review by the BLM based on their proximity to the parks or Dinosaur National Monument, Desolation Canyon or Nine Mile Canyon.

Among changes recommended by the report are:

- » That the BLM work more closely with the Park Service to avoid future listing of parcels too near national parks or monuments;
- » That Interior issue specific guidance to help BLM officials decide what parcels are appropriate to auction off for oil and gas leases if they are near parks or other sensitive landscapes, including those with wilderness characteristics;
- » That BLM create a special team -- picked by the acting BLM director -- to make a final decision on whether to re-open some of the 77 leases;
- » That the BLM, in consultation with the Park Service, the Environmental Protection Agency and state officials, chart a comprehensive air quality strategy for the region.

The report is unlikely to satisfy either side of the contentious issue.

Energy industry officials have argued that President Barack Obama's administration has been too aggressive in blocking public lands from development in disregard of long-range blueprints for the region that included parcels for potential oil and gas exploration.

Environmentalists -- chiefly the Southern Utah Wilderness Alliance, whose suit prompted the federal court injunction -- is expected to object to Salazar's willingness to throw some of the tracts back to auction.

One recommendation of Hayes' report on the lease sale, that the BLM and Park Service must have closer interaction on lease sales, may have already been implemented.

The two agencies have entered into a binding agreement to work together on future auctions, according to the Interior official.

tburr@sltrib.com