

# Oil leases off in Monterey and San Benito counties until 2016, feds say

*De facto ban on new local operations*

**Jason Hoppin, Bay Area News Group, 10-16-14**

MONTEREY -- A moratorium on new federal oil and gas leases in Monterey County will remain in place for another two years, according to court filings in an ongoing federal lawsuit.

A federal review of the environmental impacts of oil production, including hydraulic fracturing, will take until October 2016, the Bureau of Land Management said in court papers. A spokeswoman for the agency confirmed that new oil development in the region, which had been opposed by Monterey County officials, is off the table until that time.

"We would not begin any oil and gas leasing until that process is completed," BLM spokeswoman Dana Wilson said.

The decision impacts the Hollister Field Office, which issues leases in Fresno, Kings, Monterey and San Benito counties. Wilson said leases issued by the BLM's Bakersfield office, which conducts most of the leasing operations in California, would resume in the spring.

The decision does not impact ongoing operations, or operations on private land. The BLM is conducting an exhaustive environmental review after losing a lawsuit brought by the Sierra Club and the San Francisco-based Center for Biological Diversity over the sale of a handful of leases in 2011.

Monterey County protested that sale, arguing the BLM's environmental assessment was inadequate. In comments to the BLM, the county raised concerns over "the potential to induce seismic activity and the lack of scientific study related to potential impacts to drinking water and groundwater."

The suit was brought against the backdrop of an expansion of fracking, which uses a mixture of water and chemicals, blasted deep into wells, to produce previously unattainable oil. The technique has helped push the U.S. past Saudi Arabia in global oil production, and California is one of the nation's biggest oil producers.

The environmental groups argued fracking poses new threats to groundwater and the environment that demand close scrutiny, and said Thursday they believed new federal leases in California should remain on hiatus.

"Until they complete that environmental review, we don't believe they can carry out any new oil leasing on public lands in California," said Brendan Cummings, senior counsel for the Center for Biological Diversity.

Argued before U.S. District Judge Paul Grewal in San Jose, the case drew widespread industry attention. The American Petroleum Institute, California Independent Petroleum Association and Western Energy Alliance all weighed in on the case.

In April 2013, Grewal sided with the environmental groups. One result of the ruling was an independent review of fracking published by the California Council on Science and Technology, the same group

tasked with a more exhaustive look at fracking's impacts mandated by 2013 state legislation.

Published in August, the review found California fracking operations use a fraction of the water of operations elsewhere, between 450- and 1,200-acre-feet a year statewide. However, the report said even that relatively small amount could contribute to local water constraints.

The report also found no reported instances of groundwater contamination from fracking, and almost no impact on seismic activity. However, it also cautioned the state's fracking data is incomplete.

Cummings said there is concern because some of the planned leases lie west of Highway 101 from the San Ardo Oil Field, which would be a first for oil development in that area. The Monterey Shale, which underlies the San Joaquin Basin, was once seen as having the potential to produce 15 billion barrels of oil, through federal energy regulators this year revised their assessment to 600 million barrels.

Since 2003, the BLM's Hollister field office has sold thousands of acres of oil and gas leases. The 2011 leases at issue included one 2,300-acre parcel in southern Monterey County.

While the lease sales produce almost no revenue for the federal government, Wilson said they include royalty-sharing agreements with operators.