

# Coalition to Protect the Rocky Mountain Front

May 2008

Dear Friend:

This spring brought more good news for efforts to protect federal land along the Rocky Mountain Front. A fourth lease holder, the Kohlman Company out of Billings, agreed to retire its federal mineral leases, thus putting those lands off-limits to future drilling. Removing these existing federal leases is made possible by the bipartisan law enacted in December 2006. This document answers the most frequent inquiries we've received about this Front legislation.

**What's the Latest News?** In March, federal mineral leases owned by Kohlman were sold to Trout Unlimited. Those federal leases are located in the Badger Two-Medicine area, just south of Glacier National Park and west of the Blackfeet Indian Reservation. Kohlman joins Questar, Epperson and Alberta Clipper as energy interests choosing to forgo natural gas development on a total of 63,374 acres on the Front in favor of protecting its pristine fish and wildlife habitat, water quality and excellent recreation. All of these leases are being returned to the federal government and can not be re-issued since they are located in the area withdrawn from leasing by the new federal law concerning Front leases.

**Why Was the Front Lease Withdrawal Law Pursued?** In 2004, the Bush Administration began an Environmental Impact Statement (EIS) on proposals to drill within the Blackleaf portion of the Front. In October of that year, however, the Administration put the EIS on hold, citing overwhelming public support for protecting the Front's outstanding wildlife and recreation. The Administration, through the BLM, said it would welcome creative solutions, including legislation to retire the federal leases:

*"There may be a better resolution of the issue than the EIS process. Stopping work on the EIS will give all parties a chance to step back and look at other alternatives to resolve the issues of energy development in the Blackleaf Area. Some of the alternatives could include providing the lessee with credits towards other BLM leases; buying out the lease; exchanging the lease for other public land leases; or completing the EIS in the future. BLM does not have the authority to begin work on buying out or exchanging the leases. The course of action would need to be initiated through the lessee and Congress."* -- BLM Blackleaf EIS Briefing Document, October, 2004

**How Did Montana's Senators Get Involved?** Senator Conrad Burns was open to privately funded solutions. In June 2006 he announced legislation to prohibit new federal oil and gas leasing on the Front noting "the majesty of Montana;" that he had heard from Montanans across the board; and that his bill "strikes a common-sense balance that benefits all parties involved." Burns' legislation became part of the larger Interior Appropriations Bill. When that bill stalled, Senator Max Baucus placed the bill, with additional language providing tax incentives for leaseholders to sell or donate their Front leases, onto a tax bill that passed Congress and was signed into law by the President.

**What Does the Front Law Do?** The law does three things. One, it prevents any new leasing of federal mineral rights along the Front. Two, while existing federal leases are not affected, should an existing lease expire or be retired, then that area would be off limits to re-leasing. Three, the bill has tax incentives to encourage existing Front leaseholders to voluntarily retire their federal leases.

**What Area is Included?** The law covers only federal mineral rights and federal leases within an approximately 500,000 acre area extending from Glacier National Park to near Rogers Pass. Most of the affected area is National Forest and BLM lands. However, soon after the Front legislation was announced, Senator Burns, in consultation with the BLM, agreed to extend the boundary covered by the proposed legislation further east. Senator Baucus used this same boundary for his bill that eventually became law. As in the original proposal, only federal mineral rights are impacted and this boundary change helped facilitate voluntary lease retirement efforts underway in the Blackleaf area.

**What About Private Property?** The lease withdrawal legislation applies only to federal rights and in no way diminishes the rights of private or state mineral owners. Private and state mineral owners remain free to develop, hold, or sell their mineral rights as they see fit. For example, the State of Montana has since leased about 5000 acres near Deep Creek within the federal withdrawal area.

**What Does the Energy Industry Think?** Several recent events have revealed how the “energy market” views the Front. First, in the summer of 2005, a wildcat natural gas well on Flesher Pass resulted in a dry well. This well tested the same geological formation as the Front, cost \$10 million and went 16,000 feet deep. As a result, Suncor Energy declared a financial loss and plugged the well. This event was closely monitored by the energy industry. As noted earlier, four energy firms already have come forward to donate or sell their Front leases. These companies have a responsibility to create profits and they saw an opportunity with the Front law to avoid similar losses and recoup some costs. Other entities now are looking at similar efforts to sell or donate their Front leases.

**What is the Long-Term Impact of the Front Law?** This legislation helps keep the Front the way it is now – open and accessible for everyone to enjoy. The law is a creative public-private solution that represents the best of Montana; working together to protect our heritage and way of life. Simply put, it’s what the Bush Administration and others had in mind when they halted proposed drilling in October 2004. As noted earlier, private and state property and leases – whether existing leases or possible future private or state mineral leases – are not impacted by this law which addresses only new federal leasing (plus tax breaks for voluntarily retirement of existing federal leases).

**What’s the Public Response to the Front Law?** Efforts to protect the Front are supported by a broad coalition of Montanans – local landowners, hunters, sportsmen, and others. For example, more than 30 Montana hunting and fishing groups have sent an open letter to Congress stating their full support for the Front law. Bush Administration officials and federal agency staff also support the law. A statewide poll conducted in 2006 by a well-known Republican polling firm, Public Opinion Strategies, showed 60 percent of Montanans favored retiring or donating federal energy leases along the Front. Also, five major Montana newspapers applauded the Front legislation.

**How Unique Is This Effort?** The Front legislation continues a long Montana tradition of protecting the Front. The Front is one of the best places for hunting, hiking and other outdoor activities. This solution from a broad coalition of Montanans continues the 100+ years of efforts to protect the Front that was started by local families, hunters, and anglers that live and work along the Front. Also, it should be noted that similar federal lease withdrawal legislation – with similarly diverse and bi-partisan support – has passed for the Valle Vidal area in northern New Mexico.

**What’s the Economic Impact?** Protecting the Front is economically beneficial for Montana families and communities because it preserves existing, local jobs in outfitting, hunting, fishing and outdoor recreation. Protecting the Front makes even more sense when you consider that many other parts of Montana are now booming with energy development – and that the energy industry has little interest in the Front. Polls show that visitors to Montana overwhelmingly name “open space,” “mountains and forests,” and “wildlife” as reasons for visiting; attributes Front-based communities have in abundance.

**What’s the Coalition?** The Coalition to Protect the Rocky Mountain Front is an organization of ranchers, hunters, anglers, outfitters, local business owners, Blackfeet Tribal members, public officials, conservationists, and other Montanans seeking to protect the Front for this and future generations.

**Want More Information?** See [www.savethefront.org](http://www.savethefront.org) or call 466-2600.