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United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Wyoming State Office
P.O. Box 1828
Cheyenne, Wyoming 82003-1828



JUN 12 2008

Honorable Dave Freudenthal
Governor of Wyoming
State Capitol
200 West 24th Street
Cheyenne, WY 82002-0010

Dear Governor Freudenthal:

The Wyoming Bureau of Land Management (BLM) Buffalo Field Office is pursuing a modification to the 1985 Buffalo Resource Management Plan (RMP). As you know in 2003, the BLM approved a Record of Decision (ROD) for the Powder River Oil and Gas Project which included decisions to monitor and collect greater sage-grouse data to make modifications to our decisions, as necessary. The ROD also stated that BLM would manage activities to ensure that they do not contribute to the listing of the greater sage-grouse under the Endangered Species Act.

Our Buffalo Field Office began meeting with companies and other interested parties last week to discuss management strategies for oil and gas development, sage-grouse and other activities during the pendency of the longer termed RMP modifications. As we proceed, we need to ensure that our management of surface disturbing activities and sage-grouse, in the short run, are appropriate to ensure that we have adequate decision space while the RMP modification is undertaken. Put another way—what we authorize today may limit the options available to us during the RMP modification process, both in terms of future development and sage-grouse habitat protections, so we must proceed prudently with any authorizations. However, rumors surrounding this suggest that the BLM is not processing drilling permits and has imposed a moratorium: this is incorrect; the BLM is processing drilling permits.

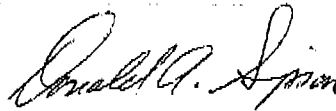
I am aware of your Sage-Grouse Implementation Team's work to define "core areas" for sage-grouse within the Powder River Basin and across Wyoming. We have received maps of the core areas identified by the Team along with recommendations to you and understand that the U.S. Fish and Wildlife Service have provided an endorsement of both the areas and strategy. Consequently, it seems appropriate to base our management strategy on these "core areas." This allows us to preserve sufficient sage-grouse habitat, secure adequate decision space for our future RMP modification, and begin processing permits no later than mid-July. As the State completes its mapping and ground-truthing effort this fall, and as we meet with industry to discuss their interim proposals for development, we are quite interested in working with the State. We are looking forward to working with the Implementation Team, to ensure that our future management of surface disturbing activities and sage-grouse is sound.

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As a rough timeline, we asked industry to submit their respective development proposals no later than mid-June, but were asked by the companies to extend the deadline to June 30. Giving us 2 weeks to analyze these proposals against the core area maps and strategy, with the input of the Implementation Team and others, we should have a good understanding of our strategy by mid-July—allowing us ample opportunity to process permits for this drilling season and protect key sage-grouse populations.

If you have any questions, please contact me.

Sincerely,



Donald A. Simpson
Acting State Director