



WEST MICHIGAN ENVIRONMENTAL ACTION COUNCIL

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Translating concern
into action

PRESS RELEASE

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PRESS RELEASE

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PRESS RELEASE

FOR IMMEDIATE RELEASE

PIGEON RIVER DRILLING AGREEMENT REACHED

Ken Sikkema, Executive Director of the West Michigan Environmental Action Council (WMEAC), was in Northern Michigan today for the purpose of discussing a compromise drilling plan for the Pigeon River Country State Forest.

The Pigeon River Forest, located in Otsego and Cheboygan counties, has been the subject of one of Michigan's longest and most controversial environmental disputes. Since 1968, oil companies and environmental groups have battled over oil development in this large, semi-wilderness Forest.

Sikkema's organization has led the battle to protect the Forest for a number of years. In 1979 they won a State Supreme Court decision that banned the drilling of ten test wells in the Forest. In 1980, however, an Ingham County Circuit judge ruled that the oil companies could drill as long as they stayed off the 10 sites specified in the Supreme Court decision.

This new compromise Plan (see attached summary) was hammered out after weeks of negotiations between WMEAC, oil companies, and the Department of Natural Resources. It will be presented to the

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Legislature, and the Governor for approval.

Sikkema said that the new Plan includes those elements which are necessary to protect the Forest from long-term environmental damage. He highlighted what he considered to be several important features:

"One of the most important provisions is this concept of 'sequential development.' This simply means that the area in which drilling will be allowed will be divided into three areas. Development can begin in one area and can proceed to the next only if the oil companies do all the work in an environmentally sound manner.

"Another important feature," Sikkema noted, "mandates that the interested public have an opportunity to comment upon the development plan. This is accomplished by establishing the Pigeon River Country State Forest Advisory Council as a public review board to advise the Director of the DNR on the development plan before it is implemented."

Sikkema also noted that the Plan included new, tough standards to prevent brine contamination and to control sour gas emissions: "The Plan for the Pigeon River Forest could very well become a model for the rest of the State regarding prevention of brine and sour gas problems," he said.

Sikkema also explained the necessity for a compromise at this time:

"The economic and energy problems which we face today have had an impact upon the attitude of the courts and the political climate in the Legislature. We must recognize this change, and realize that environmental gains are possible only by being flexible and maintaining a willingness to compromise those items that are not essential in order to achieve those that are.

"There are those who wish to maintain a position of no drilling in the Pigeon River Forest. We have fought shoulder to shoulder with these people for many years. They must realize, however, that some sort of drilling is almost

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certain, given our economic and energy problems. In the face of that fact, there is neither integrity nor virtue in maintaining a position that will ultimately result in less environmental protection or that will jeopardize our ability to independently enforce strict controls."

The Natural Resources Commission unanimously supported the compromise at a special meeting November 24 in Clare. Also, the agreement received the unanimous support of the House of Representative's Economic Development and Energy Committee on November 25 in Lansing. The Committee voted to replace S.B. 1119 with a legislative form of the compromise drilling plan. Governor Milliken has already said he will sign that bill once the Michigan Legislature approves it.

PIGEON RIVER DRILLING -
NEW PROTECTIONS AGREED TO BY ENVIRONMENTALISTS,
OIL COMPANIES AND THE DNR TO BE ADDED TO THE
RESTRICTIONS IN THE 1976 PLAN

1. Sequential Development

The southern one-third of the Forest is divided into three areas, beginning with the least sensitive and ending with the most sensitive. Development begins in the first area and can only proceed to the next if the oil companies demonstrate compliance with all the restrictions in this new development plan.

2. Time Limit on Hydrocarbon Production

The purpose of establishing a limit on hydrocarbon production is to shorten the time that these activities are conducted in the Forest. This is accomplished by (1) prohibiting low cost, low productivity "stripper" wells, (2) removing the current ceiling which prohibits pumping more than 300 barrels per day; and (3) shutting off all "marginal" wells and restoring the site.

In addition, we have specifically stated that "the goal is to produce oil and gas as quickly as possible to minimize the duration of associated hydrocarbon activities within the Forest."

3. Public Participation

The Pigeon River Country State Forest Advisory Council (composed of citizens members broadly representative of all interests) is established as a public review board to assist in all phases of the development plan. They will advise the Director on (1) all exploration and development plans before such plans are approved; (2) alternative surface drilling locations before drilling permits are issued; and (3) all study plans and study results.

4. Enforcement

Full time DNR enforcement officers will be located on-site to monitor all phases of hydrocarbon development and to enforce the provisions of this plan.

Additional Environmental Protections

- a. a plan to control Off-Road Vehicle use of new roads and pipeline corridors;
- b. strict measures to prevent brine contamination of ground or surface waters;
- c. new measures to protect streams:
 - (1) no new bridges or culverts over the Black River;
 - (2) only one new pipeline crossing of the Black River;
 - (3) only one new location for flowline and electric line crossings of the Black River, unless for environmental reasons;
 - (4) new measures to control sour gas problems
- d. oil companies must update the "Contingency Plan" (used in the event of accidents), applying best available technology.

6. Studies

The oil companies have agreed to fund \$85,000 worth of studies:

- a. one study (\$25,000) will be designed to identify preferred drilling locations and drilling times to minimize impacts upon recreational use and wildlife;
- b. another study (\$60,000) will be conducted for the purpose of measuring factors related to wildlife for the purpose of improving their habitat in the Forest.

7. Annual Reports

Annual reports will be prepared, summarizing results of all studies, plans, and activities. The report will include a schedule of the next twelve months of anticipated activities, as well as data regarding actual oil and gas production and the money received by the State through royalties, taxes, fees, and rentals.

8. Forest Expansion

The Pigeon River Country State Forest Advisory Council will make a recommendation regarding possible expansion of the Pigeon River Country State Forest.

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FINALLY, AND MOST IMPORTANTLY:

Environmental organizations will have the independent legal right to enforce this plan in court!