

Kathleen Sgamma Interview
Wilderness Documentary

Interviewer-John Howe

Kathleen let's start out by talking about-is wilderness important? How does wilderness designation affect oil and gas development?

Kathleen Sgamma

Well I think it's important that we have a connection to the land, I mean especially in our modern society. If you lose that connection, I think you're really missing something from your life. So I think it is important to have that connection with nature. I think that that varies from individual to individual whether in how connected they are to nature, and how much wilderness plays a part in that. Some people, you know, need that primitive solitude and primitive recreation that is defined in the wilderness act of 1964, and others are content to drive up, walk out a few steps, and call that a visit to the wilderness. Some people drive out on an ATV and will still describe that experience as a wilderness experience. So, you know, I think it, as a society, it tends to vary from individual to individual. Now how wilderness affects the oil and gas industry is certainly when you designate an area as wilderness, you're taking that land off-you're putting that land off limits to development. So, off limits to not just natural gas and oil but also renewable like wind, energy, solar, geothermal and biomass. So, whenever you put land off limits you're taking that energy resource away from the American public, and I think that needs to be balanced with the impact that natural gas and oil actually has. If you look at the seven hundreds millions of acres that, of the federal mineral estate, only about four hundred seventy two thousand acres or zero point zero seven percent are actually disturbed for natural gas and oil development. From that small impact we get twenty seven percent of the natural gas that we need to heat our homes, address climate change, and back up renewables. I think that's an appropriate balance.

Interviewer-John Howe

Robert Redford and the others were critical of opening lands near the national parks for development. What do you think they were missing in that debate?

Kathleen Sgamma

Well, they were missing the fact that there was indeed coordination with the Bureau of Land Management and the National Park Service, and even before the lease took place the acreage around the national park-immediately adjacent to the national parks was removed from the lease sale. So, I think that got lost in the rhetoric. Further, if you look at what actually was sold on December nineteenth with that Utah oil and gas lease sale, was acreage that was surrounded-either surrounded by other leases or surrounded by actual activity. So, it wasn't-well first of all, the land right next to the parks was taken off, and then of that that was left and sold that day it was surrounded by existing natural gas and oil fields, or other leased acreage.

Interviewer-John Howe

While we're on the subject of the leases. What was your opinion of what Tim

DeChristopher did and whether or not that was appropriate or not?

Kathleen Sgamma

I think it's important for us as a society to stay connected to nature, and I think people have varying levels of their need to be out in wilderness, and some people view wilderness as something they can drive up to and take a few steps into, and that's wilderness. I mean just go to Zion or any national park-Yellowstone, and it doesn't take too long to get off the trail and get away from the crowds. Where as other people get on an ATV or drive a truck right into a natural area, and describe that as a wilderness experience. So they're various needs to get into the wilderness depending on the person. The original intent was to provide solitude and primitive recreation opportunities, and of course that means that if you designate an area as wilderness then it's not available for natural gas and oil development, and incidentally it's not available for renewable energy development either-wind, solar, biomass, geothermal. So, if you take off an area and put it off limits to energy development, you're taking that energy that we as Americans own in my case natural gas and oil that we all own as Americans, you're putting that off limits. Right now already sixty percent of federal lands in the intermountain west are off limits to development, and that places a lot of energy resource off limits as well. So, you have to balance that with the impact of that development on the land. If you look at the entire seven hundred million acres of federal mineral estate about four hundred and seventy two thousand of those acres or zero point zero seven percent are actually disturbed by natural gas and oil development. That's a pretty small impact for the natural gas that we need to heat our homes, address climate change, and back up renewables.

Interviewer-John Howe

Robert Redford and some others were critical of opening lands near the national parks for development. What were they missing?

Kathleen Sgamma

I think they were missing, first of all, the fact that there was coordination between the Bureau of Land Management and the National Park Service, and that coordination led to lands originally being designated as appropriate for natural gas and oil development, and that further coordination led to most of those areas adjacent to the national parks, actually all the areas adjacent to the national parks being taken off the lease sale in December two thousand and eight. So, the remaining lease acreage was removed from the national parks, it was surrounded by other leaseholds and other active oil and natural gas fields.

Interviewer-John Howe

You talked about that a little bit, but tell me a little bit more about the jobs that were created for world communities and the school trust of money there that's created as a benefit.

Kathleen Sgamma

Well the natural gas and oil industry employs about eleven thousand people in the state of Utah, most of those in rural areas. So we're very important in certain rural communities, I'm not sure exactly the amount of money that goes into the school trust lands, I didn't

think to bring those statistics with me today, but it's a fairly substantial portion of their budget. I think natural gas and oil is the majority of the budget for the state-school trust lands, so it's important for Utah's education and it's important for rural communities and jobs in those communities.

Interviewer-John Howe

What do you think of Secretary Salazar's postponement of the leases calling for more study, was that appropriate and what should be done there?

Kathleen Sgamma

Well, I don't believe it was appropriate. Leading up to that lease sale, contrary to the rhetoric, was a seven year process costing the government over thirty five million dollars where they analyzed lands over the course of six resource management plans. So, they carefully analyzed all different resource values, not just natural gas and oil, timber, livestock, grazing, recreation uses, cultural resources, wildlife-analyzed all these different resources within Utah's public lands and came up with a balanced plan that no one group got one hundred percent of what they wanted. That balance plan identified certain areas for oil and natural gas leasing, and it's important to note that not one single acre was opened up after that seven year process that wasn't opened before to natural gas and oil development, and not one single acre had fewer environmental protections on them than before, quite the contrary is true. The protections added in those resource management plans were extremely protective of various natural resource values, and were much higher than what they were before. Some folks are calling for the Secretary to resend those plans, just throw them out and start over again, if they do that that would mean that we revert back to the nineteen eighties and nineteen nineties era resource management plans in Utah which have much fewer environmental protections. So, I believe that they were balanced plans of a result of seven years open in public process. It's interesting to note one hundred and eighty five thousand people commented on those plans, over a hundred different cooperating agencies-federal and state-met to put in place these resource protections. So, there's a huge public process behind that lease sale.

Interviewer-John Howe

What do you see the common ground between competing groups-environmentalists and industry? What needs to happen there in terms of a dialogue?

Kathleen Sgamma

Well, I think we can all agree that we need to protect our wildlife, our air, our water, cultural resources-we all can agree on that, and industry works very hard to make sure that our footprint our impact on the land, is as small and temporary as possible. We work very hard to protect wildlife, to insure that we disturb as little ground as is necessary to drill a well and then reclaim that land as soon as possible. So we work very hard to protect air, water, wildlife, and other resource values.

Interviewer-John Howe

Discuss climate change and global warming a little bit. Is the science accurate, and what can be done to combat global warming and climate change?

Kathleen Sgamma

I'm really not qualified to really comment on the science, certainly it seems that there's a consensus that there is some impact from-there's obviously an impact from human activity on climate change, and that there's-but there's really not so much of a consensus on exactly what needs to be done, when it needs to be done, and how far to go to address that. However, one thing that we know is several different universities and other groups have studied, things like cap and trade legislation, or other methods to address climate change, and have come up with figures of about twenty percent to fifty percent increase in demand for natural gas as we try to address climate change. And the reason for that increased demand for natural gas if we go to a cap and trade policy, for example, is that natural gas is so much more clean burning and emits so-many fewer greenhouse gas emissions than coal, for example. That our use of natural gas will increase as we address climate change. So, we'll need more natural gas, luckily we produce ninety seven percent of the natural gas we consume in the United States here in North America. So, it's a secure energy resource. We can provide that natural gas, we can address climate change, and it's natural gas is part of that solution. Natural gas also backs up intermittent renewable energy, such as wind and solar, which are only available, you know, around twenty percent of the time. So you need natural gas in order to enable renewables.

Interviewer-John Howe

How do you feel that the new EPA stance that came out last week on global warming?
How do you think that will affect your industry?

Kathleen Sgamma

It's hard to say now how much that will affect the industry. I mean there's a lot of rule making that needs to be done before there's anything clear on what exactly is going to come out of that process. So, I don't have a crystal ball on that. I think it's important that if you look at natural gas, certainly there's impact when you produce natural gas. There are emissions from natural gas production, but if you look at the larger picture, since it's so much more clean burning and such an efficient energy source, that if you look at the full life cycle, I think you should take into fact that whole lifecycle when you're determining how to balance the greenhouse gas emissions from production. You need to look at how much fewer emissions you have when you're actually providing that heat in your home, or creating power or powering industry.

Interviewer-John Howe

For general public, what do you think needs to be done to keep the cost of energy down at the pump? And for our heating houses, and things like that.

Kathleen Sgamma

Well certainly if we put in place policies that take natural gas and oil off limits so that we can't develop it here in the United States, we'll certainly become more reliant on foreign energy sources, and we'll certainly increase prices because obviously decrease supply leads to increase prices, basic economics. Natural gas, we're almost one hundred percent energy independent on natural gas, so if we put areas off limits, suddenly we will be

putting in place policies where we might be creating, well where we might be forcing ourselves to import more foreign energy, and that will have negative impacts on prices and our security.

Interviewer-John Howe

What do you think's the biggest misconception about the oil and gas industry?

Kathleen Sgamma

I think that sometimes we're presented with an either, or choice. Either we develop our domestic energy or we irreparably damage the land. In reality, wilderness proposals are currently the Red Rocks Wilderness Act in Utah, there are other ones in the Northern Rockies for example where there proposing new wilderness areas in areas that have prior or even existing natural gas and oil development. So, which kind of raises the question, if energy development so sacrifices the land how could lands that have had previous development possibly qualify for wilderness designation? You know, I would think it's a little bit intellectually dishonest to claim that natural gas and oil development irreparably damages the land while at the same time claiming that lands that have prior development should now be designated as wilderness. I think its results from this misleading of the public that it's an either or question, either we sacrifice the land to energy development or we have natural gas and oil. In reality, that's a false choice. We can develop our natural gas and oil and at the same time protecting the lands that we love.

Interviewer-John Howe

What do you see for the future of development here in the American West? What do you think the next ten years or so is going to bring? And what I'm talking about here is the new technologies and things that may be available.

Kathleen Sgamma

Well we have been able to develop, particularly natural gas in the intermountain west using new technologies that enable us to more efficiently and effectively go after what's called unconventional natural gas resources-tight sands, gas shale's, that we really weren't able to go after five or even ten years ago. These technologies enable us to have a much smaller footprint on the land, while going after reserves that we just couldn't get to before. So we've managed to increase production quite a bit here in the Rockies, Utah and the Rockies. So that we provide about twenty seven percent of the nation's natural gas using this new technology, and we're doing it on less-much less than one percent of public lands here in the west.

Interviewer-John Howe

Tell me a little bit about oil shale and its promise for the future.

Kathleen Sgamma

You know we really represent more of the conventional natural gas and oil producers, so we don't really get into oil shale.

Interviewer-John Howe

Are you familiar with Brian McPherson's project here at the U about trying to bury CO2 emissions, and that kind of thing?

Kathleen Sgamma

I'm not familiar with his particular project, there's a certainly lot of different research efforts across the country looking into carbon sequestration. It seems like that technology is several years off, I've heard ten to twenty years, it seems promising as a way to address climate change, and hopefully you know his efforts and others will lead us to that ability to sequester carbon.

Interviewer-John Howe

How would you address your critics that basically say that there should be less development, especially in wilderness or around the national parks. What do you think is appropriate there?

Kathleen Sgamma

Well, I would point out to them that natural gas and oil development is a very small and temporary impact on the land. From much less than point two percent of the lands in Utah we get natural gas and oil to heat our homes, power our vehicles, generate electricity with a very small impact on the land. Of course, there's an impact to any human activity. There's certainly an impact from oil and gas development, but we work very hard to make sure that that impact is as small and temporary as possible. For example if you look at reclamation, you go in, you drill a well, typical well pad is five acres or less, once that drill rig moves off in three days to possibly several weeks depending on how deep that well is, you reclaim that pad to about a third of it's original size. Then the well produces for ten to thirty years depending on the life of that well, and the geology, reservoir pressure, etcetera. Once that well is no longer producing, it's plugged and abandon, and then that land is reclaimed to it's original state, and that is the well pad is reclaimed and roads leading up to it. So, we work very hard as an industry to make sure that our impact is as small as possible.