Gulf lease sales planned despite opposition by La.

By BOB ANDERSON
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The U.S. Minerals Management Service plans to sell mineral leases on 23.5 million acres of Gulf of Mexico water bottoms despite Louisiana's stance that the sale violates the state's Coastal Zone Management Plan.

State officials say they are considering legal action to block the sale. "They have ignored our denial of consistency" with the state's CZM program, said Dave Soileau, assistant secretary of the Department of Natural Resources. "They have made no attempt to consult with us."

Offshore operations have serious effects on the state's coastal marsh and its coastal communities, DNR officials said. MMS is not willing to mitigate those effects.

MMS is legally required to consult with a state before such a lease sale to make sure it does not violate the state's CZM program, but no state has ever attempted to block such a sale since that law was put into place, so the legal avenues are untested.

"We are generally considering that option," Soileau said when asked about a legal attempt to block the Aug. 21 sale. DNR Secretary Ron Gomez and Gov. Buddy Roemer will be meeting to discuss that.

The state has previously warned MMS it would not allow further lease sales without mitigation and we "couldn't just continue to cry wolf and do nothing," Soileau said.

Carrol Hollingsworth of MMS in Washington, D.C., told the Morning Advocate MMS had reviewed the matter and believes the sale is consistent with the state's CZM program.

The state may pursue litigation or request mediation by the Department of Commerce, according to MMS. If a court finds in favor of a state, the president can still issue an exemption for all or a portion of the disputed area.

Leases

The Office of Management and Budget is reviewing proposed legislation that would provide financial assistance to state's when leases are sold off their coasts, and similar legislation is already moving in the U.S. Senate.

Gomez said he thinks the federal government is trying to drain the oil and gas from coastal waters off Louisiana before it has to share the revenue with the state.

Currently, the only money the state receives from oil and gas operations in federal waters off its coast is 27 percent coming from a 3-mile zone outside state waters, according to state officials, who say wells in that zone extract oil and gas from pools that extend beneath state lands.

The proposed lease sale is in the western third of the Gulf's federal waters and extends outward to 222 miles.

Pipelines and shore activities to support wells in those areas have a big impact on Louisiana's coast, Gomez said.

Last year the federal government received more than $2 billion from oil leases off the Louisiana coast, according to DNR.

Gomez thinks that amount should be even higher.

Area-wide leasing and "unrealistically low" minimum acceptable bids are result in the government not getting appropriate value for the water bottoms it leases to oil and gas companies, he said.