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# Mississippi Offshore Drilling Plan Rejected as Inadequate

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An attempt by the Mississippi Development Authority (MDA) to lease parts of the Mississippi Sound for natural gas drilling stalled Thursday after a judge said the economic impact review was inadequate.

Chancery Judge William H. Singletary of Hinds County, MS, ordered MDA to prepare a study resolving deficiencies that he outlined in his seven-page ruling. Without a full study, the offshore drilling rules are "arbitrary and capricious and are not supported by substantial evidence."

A "cursory reading" of the economic impact statement to drill in the state's offshore is "severely lacking in the requirements," wrote Singletary.

The rules governing offshore leasing were to have taken effect two years ago (see *Daily GPI*, [March 29, 2012](#)). However, the Sierra Club and Gulf Restoration Network (GRN) filed a lawsuit to block the rules, and they commissioned a study that indicated gas drilling would harm tourism more than drilling would benefit the state.

MDA claimed it did not need a separate study on the drilling impacts because in 2004 the state legislature gave it a mandate to issue seismic survey and leasing rules (see *Daily GPI*, [Dec. 22, 2011](#)). Singletary didn't buy that argument and said that MDA had wrongly concluded the state's role in leasing gas and oil rights is "purely administrative" because the leasing process is linked directly to drilling.

"Exploration and extraction are intrinsically linked to the leasing process; the same is obviously included in the implementing and enforcing of the proposed action," the judge wrote. "MDA acknowledges such by its statement that the ultimate goal of leasing is to explore and extract oil and natural gas."

Singletary said MDA violated state law by only considering the costs and benefits of seismic exploration and leasing, not the actual drilling impacts.

MDA had challenged the right of the Sierra Club and GRN to bring the case because they had not exhausted administration channels. Singletary rejected that argument as well.

MDA has proposed opening about 186,000 acres, 38% of Mississippi's offshore waters, to seismic and leasing activities.

"We are aware of the court's ruling, and we are working with our attorneys to determine our next steps," MDA

said.

An estimated 350-380 Bcf of natural gas resources are in the areas that the state legislature has allowed for drilling, primarily the area south of the state's barrier islands and the easternmost portion of the Mississippi Sound. One-mile buffer zones were established to protect the barrier islands, specifically Cat, Ship, Horn and Petit Bois islands, and around oyster reefs in the western part of the sound.

Mississippi Sierra Club Director Louie Miller said the entire leasing process needed to be restarted. "They're going to have to go back and see what the impact of drilling is on the tourist economy," he said.



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