SCOPING NOTICE

EOG Resources, Inc.
Greater Chapita Wells Natural Gas Infill Project

Bureau of Land Management
Vernal, Utah Field Office

1.0 Introduction

EOG Resources, Inc. (EOG) proposes to drill up to 7,028 new infill natural gas wells to fully develop all currently known productive formations underlying EOG's leased acreage in the Greater Chapita Wells Natural Gas Infill Project Area (GCWPA) in Uintah County, Utah (see attached map). The number of new wells represents a conceptual maximum development scenario, as determined by EOG's evaluation of producible reserves from known reservoirs.

The GCWPA consists of 42,027 acres in the Uinta Basin in eastern Utah. It is located in portions of T8S/R22-24E, T9S/R22-23E, and T10S/R23E (Salt Lake Meridian). The GCWPA includes 32,823 acres (78%) of federal lands administered by the Bureau of Land Management (BLM), 1,914 acres (5%) of state lands administered by the State of Utah School and Institutional Trust Lands Administration, 6,727 acres (16%) of Northern Ute Tribal and allotted lands administered by the Bureau of Indian Affairs, and 563 acres (1%) of privately-owned lands.

Oil and gas exploration began in the Uinta Basin in the late 1920s, with the first well drilled in the Chapita Wells area in 1952. As of November 10, 2008, the GCWPA contained 1,008 active natural gas wells, of which 224 wells were twin wells sharing a well pad with one other well.

2.0 NEPA Compliance

2.1 EIS Development: The BLM has determined that permitting this proposed project constitutes a major federal action that may affect the quality of the human environment. Pursuant to NEPA and the Council on Environmental Quality Regulations on implementing NEPA, the BLM will prepare an Environmental Impact Statement (EIS) that will describe and evaluate the potential impacts of the proposed action and alternatives. The purpose of the EIS will be to provide the public and decision-makers with sufficient information to understand the environmental consequences of the proposed action and alternatives, and to identify and develop appropriate mitigation

measures to minimize potentially adverse environmental impacts to the affected resources.

2.2 Public Involvement: The public is encouraged to participate during the scoping process to help:

- Identify issues of concern related to the proposed action;
- Determine the depth of the analysis needed for issues addressed in the EIS;
- Identify potential mitigation measures; and
- Identify reasonable alternatives to be evaluated in the EIS.

A open-house style public meeting to discuss the proposed project is scheduled for the following date and location:

Tuesday, September 29, 2009
6:30 to 8:30 p.m.
Utah Field House Museum of Natural History,
496 E. Main St., Vernal, UT 84078

Written comments will be accepted on or before October 9, 2009. Please submit written comments to:

Bureau of Land Management
Vernal Field Office
Attn: Stephanie Howard
170 South 500 East
Vernal, UT 84078
Fax: (435) 781-4410
UT_Vernal_Comments@blm.gov

Please reference the Greater Chapita Wells Natural Gas Infill Project when submitting your comments. Comments, including names, e-mail addresses, and street addresses of respondents will be available for public review at the BLM Vernal Field Office during regular business hours, 7:45 a.m. to 4:30 p.m., Monday through Friday, except holidays and will be subject to disclosure under the Freedom of Information Act (FOIA). They may be published as part of the EIS and other related documents. Individual respondents may request confidentiality. If you wish to withhold your name, street address, or email address from public review and disclosure under the FOIA, you must state this prominently at the beginning of your written comment. Such requests will be honored to the extent allowed by law. All submissions from organizations or businesses will be made available for public inspection in their entirety. The BLM will not accept anonymous comments.

3.0 Land Use Plan Conformance

The BLM Vernal Field Office Record of Decision (ROD) and Approved Resource Management Plan (RMP) (October 2008) directs management of the BLM-administered

public lands within the GCWPA. For oil and gas resources, management decisions in the ROD and approved RMP provide for:

- The exercising of valid existing rights, such as the subject leases (page 21).
- surface-disturbing activities for energy resource exploration and development unless precluded by other program prescriptions and surface-disturbance related stipulations (page 97).
- A variety of oil and gas operations and geophysical explorations unless precluded by other program prescriptions and surface-disturbance related stipulations (page 98).

4.0 Purpose and Need

The BLM's need for the proposed project is to respond to EOG's request to develop its valid existing leases covering the subject lands. The BLM's purpose is to manage the public lands for multiple uses while protecting other resource values by minimizing environmental impacts. The Federal Land Policy and Management Act of 1976 (Public Law 94-579, 43 U.S.C. 1701 *et seq*.) recognizes oil and gas development as one of the "principal" uses of the public lands. Federal mineral leasing policies (Mineral Leasing Act of 1920, 30 U.S.C. 188 et seq.) and the regulations by which they are enforced recognize the statutory right of lease holders to develop federal mineral resources to meet continuing national needs and economic demands so long as undue and unnecessary environmental degradation is not incurred.

Decision to be made: The Decision to be made is whether the BLM should approve the proposed action, or an alternative to the proposed action (including the no action alternative). The BLM Decision would only apply to BLM-administered lands and/or minerals. It would not apply where BLM has no jurisdiction. Due to the programmatic nature of this project, additional site-specific review and/or analysis would be required following the Decision and before on the ground implementation would be allowed.

5.0 Proposed Action

EOG would drill up to 7,028 new natural gas wells throughout the GCWPA. Most of the new wells would be drilled to the Wasatch and Mesaverde formations to depths ranging from 6,000 to 11,000 feet below the surface. EOG plans to drill infill wells at an average rate of approximately 469 wells per year until the resource base is fully developed. Drilling all the new wells would require approximately 15 years. The productive life of each well would be approximately 40 years, and all wells are expected to be productive.

EOG would utilize the existing infrastructure to the greatest possible extent by drilling vertically and directionally from existing well pads. EOG would expand approximately 979 well pads, including existing and previously authorized well pads to accommodate new

wells. EOG would construct up to approximately 700 new well pads and access roads, but only where needed to ensure maximum recovery of the hydrocarbon resource. Conceptually, most well pads within the project area would contain more than one well. If fully developed, each section within the GCWPA would contain 32 well pads such that optimal surface density would be one well pad every 20 acres. The 20-acre surface density of well pads within the GCWPA would maximize effective reservoir drainage but would minimize well pad density on the surface by facilitating the drilling of multiple directional wells from a shared well pad.

In general, EOG would vertically drill new Mesaverde and Wasatch infill wells on every 20 acres of the project area where such wells do not exist. In addition, infill wells would be directionally drilled to the Mesaverde Formation to 5 to 10-acre bottom hole locations. EOG plans to drill from one to six wells on each well pad. The number of wells that would actually be drilled on a particular pad would be a function of existing wells, subsurface spacing, and well pad location in relation to surrounding well pads and their associated wells.

Existing gas compression facilities, produced water disposal and treatment facilities, and natural gas pipelines would support the project. In addition, EOG would construct and install new support facilities where needed. EOG would construct new roads to new well pads and upgrade existing roads where needed. In general, production facilities on a well pad would include the wellhead, valves, piping, separator, dehydrator, tanks, and gas meter. New natural gas gathering pipelines would transport natural gas from the wellhead to lateral pipelines, then to existing centralized compression and processing facilities and from there to mainline pipelines. Produced water would be transported by truck or pipeline to existing produced water disposal wells or evaporation ponds for disposal.

Approximately 5,688 acres would be disturbed as a result of construction operations, or 13.5 percent of the GCWPA. The construction and expansion of well pads would comprise 59 percent of the initial disturbance. After interim reclamation is performed, approximately 2,598 acres, or 6 percent of the GCWPA, would remain disturbed for the lives of the wells.

6.0 Preliminary Resource Issues for NEPA Analysis

The BLM Vernal Field Office identified the following resources as those resources that may be potentially impacted by the project. The list is not meant to be all-inclusive, but rather a starting point for public input and a means of identifying the resource disciplines needed to conduct the analysis. The identified resources include:

- Air Quality: Potential impacts to local and regional air quality from project-related emissions sources.

- Water Resources: Potential impacts from sedimentation; contamination from spills or releases; effects to surface and ground water quality and availability, floodplains and riparian areas.
- Paleontological Resources: Possible loss of or damage to paleontological resources.
- Soil Resources: Soil disturbance and effects to productivity; construction resulting in potential erosion.
- Vegetation: Potential loss of vegetative cover and forage; potential introduction/expansion of noxious plants.
- Special status plants and wildlife: Possible damage or loss of individual plants and habitat; species include the Uinta Basin hookless cactus and Colorado River fish.
- Wildlife: Potential displacement of big game, raptors, sage grouse, and prairie dogs from occupied habitats; possible loss of habitat and habitat fragmentation.
- Cultural Resources: Possible damage to or loss of cultural resources/sites, including structures, objects, and areas having Native American religious concerns.
- Range management: Potential loss of forage; possible damage to grazing management facilities.
- Recreation: Potential conflicts with dispersed recreation, including hunting, camping, sightseeing, fishing, and rafting on the White River; possible conflicts with public enjoyment and use of Fantasy Canyon, a managed recreation site.
- Visual Resources: Potential changes to perception of landscape character.
- Socioeconomics: Potential changes to demographics and local social infrastructure, including housing, schools, government services; effects to worker income; effects on revenues to local, state, and federal governments.