



## Bureau of Land Management

# SEIS Project Newsletter

## Supplemental EIS Being Prepared for CBNG

### Special points of interest:

- Statewide Record Of Decision signed April 2003
- Court ordered SEIS April 5, 2005
- 555 CBNG producing wells currently in Montana
- 18,225 Predicted federal, state & private CBNG wells (2003 FEIS RFD)

The Bureau of Land Management (BLM) has embarked on a project to supplement the *2003 Montana Statewide Final Oil and Gas EIS and Amendment of the Powder River and Billings Resource Management Plans (SEIS)*. The SEIS is being conducted by order of the U.S. District Court for the District of Montana. The SEIS will evaluate the effects of phased Coal Bed Natural Gas (CBNG) development within the Billings and Powder River Resource Management Plan (RMP) areas. The SEIS will also incorporate the cumulative impacts associated with



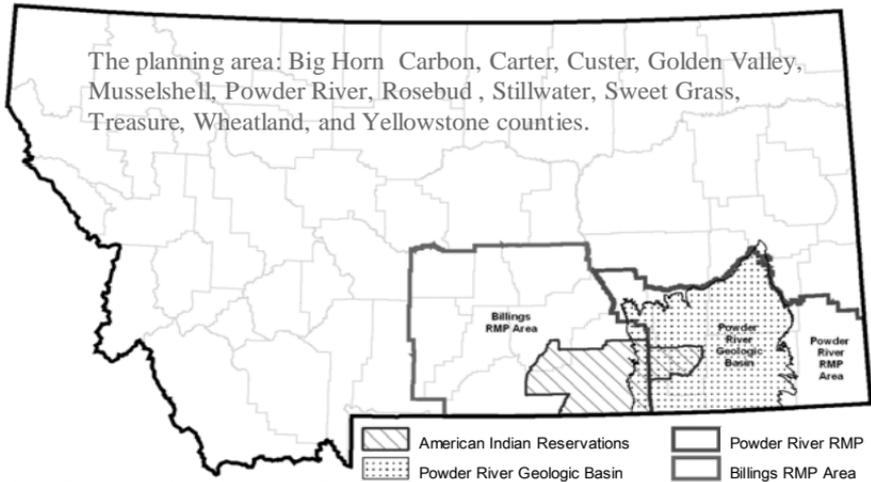
Typical CBNG well heads located in a cluster in South-eastern Montana near Decker.

the proposed Tongue River Railroad, analyze the effect of private water well mitigation agreements for alleviating the impacts from methane migration and groundwater draw-down, and update the public on the results of monitoring since the 2003 document was approved.

### Inside this issue:

Planning Area	2
Collaboration	2
Alternative	3
Watersheds	6
Comments	7
Schedule	7

## SEIS Planning Area



## Alternative Development Collaboration

### *Cooperating Agencies and Collaborators in the SEIS:*

*EPA, Dept of Energy, BIA, U.S. Army Corps of Engineers, MT DEQ, MT Board of Oil & Gas Conservation, Crow Tribe, Northern Cheyenne Tribe, Lower Brule Sioux Tribe, Counties: Big Horn, Carbon, Golden Valley, Powder River, Rosebud, and Yellowstone*

An alternative development meeting was held with Cooperating Agencies and other collaborators on September 21, 2005 in Miles City. During the meeting an overview of all suggested phased development alternatives received during scoping: numerical, geographical, geological, and temporal were discussed with the participants. The participants then provided phased development elements that should be included in the analysis. Three draft alternatives were developed. Following the meeting, the three alternatives were combined into an internal “Draft Phased Development Alternative” and distributed to the Cooperating Agencies and Collaborators for comment. As a result of the comments and further consideration of scoping comments, BLM revised the alternative to address several issues such as the numerical approval of Applications for Permit Drill (APDs) annually, preservation of habitat, protection of surface water quality, Reservation buffer zone, and geographical distribution of CBNG wells on a watershed basis. That alternative is presented in this newsletter for your review as the “Phased Development Alternative—Multiple Screens.”

## Phased Development Alternative —

Under this Alternative, development of CBNG on federal leases in the Billings and Powder River RMP areas would be done in a phased manner through restrictions imposed by BLM. BLM would limit the number of federal applications for permits to drill (APDs) that could be approved each year cumulatively and in each 4<sup>th</sup> Order watershed. BLM would also limit the percentage of disturbance on BLM surface or on private surface overlying federal minerals within each 4<sup>th</sup> Order watershed. Finally, BLM would also place a limit on the volume of untreated water that could be discharged to surface waters from all federal CBNG wells within each 4<sup>th</sup> Order watershed. The 4<sup>th</sup> order watershed level was adopted for this alternative because it provides a geographic perspective that is consistent with the analysis completed for the 2003 FEIS and is appropriate for the SEIS analysis. See the Map on Page 6 for depictions of the 4<sup>th</sup> order watersheds within the planning area.

The cumulative limit placed on federal APDs would be based on 5% (910 wells) of the total number of state, private, and federal wells (18,225 wells) predicted to be drilled in the RMP areas, as identified in the Reasonably Foreseeable Development (RFD) scenario in the 2003 FEIS. This means that if the total (private, state, federal) number of APDs issued at any time during a given year exceeds 910, then the BLM would not issue any additional APDs that year. The 5 percent limit was chosen to level the pace of development over a 20 year period and to apply a numerical limit to federal APD approvals.

The BLM would also limit its approval of APDs each year within each 4<sup>th</sup> Order Watershed. This limit would be based on the total number of wells (state, private and federal) predicted for each watershed times the predicted rate of development in the 2003 document (Figure Min-4). Therefore, cumulative APDs per year per watershed would not exceed that percentage. However if this percentage were to reduce the number of wells to below 50 wells/watershed it would be suspended and 50 wells/watershed would be considered the limit for that watershed that year to allow the opportunity to develop an economically viable project.

## Multiple Screens

*Example of 4<sup>th</sup> order watershed limit:*

*In the Middle Powder watershed 2,206 total APDs are predicted to be drilled. The RFD indicates that 12% of the total APDs would be approved in year 4, thus 265 total APDs could be approved in this watershed that year. Based on the RFD predictions for state and private wells (133 wells), the BLM could approve up to 132 APDs in this watershed in year 4.*

## PDA-Multiple Screens *continued*



BLM would also limit the amount of disturbed habitat on BLM surface or on private surface overlying federal minerals within each 4<sup>th</sup> Order watershed. A threshold expressed in terms of percentage of disturbed habitat would be based on the potential to affect species of special concern from habitat fragmentation related impacts. BLM would use identified wildlife habitat to develop this criterion during the analysis for the SEIS. Areas would no longer be considered to be disturbed once the required vegetation has become established. For analysis purposes it is assumed that re-vegetation would require approximately 2 years following seeding.

*The Reasonably Foreseeable Development Scenario predicted 18,225 state, private and federal wells to be drilling in the Billings (2590 wells) and Powder River (15,635 wells) RMPs over the next 20 years.*

The combined numerical limits for cumulative and watershed development, coupled with the disturbed habitat limit would necessitate a varied geographical development pattern across the RMPs. It is foreseen that only a few watersheds would be developed in the initial three to five year period, (Upper Tongue, Lower Tongue, Middle Powder, Little Powder) while the remaining watersheds would most likely be developed in later years.

BLM would also limit the volume of untreated water that could be discharged to surface waters from federal CBNG wells within each 4<sup>th</sup> Order watershed. This volume would be based on 10% of the 7Q10 flow as calculated from all CBNG wells at the down stream end of the watershed. If state and private wells use the entire 10%, no discharge of untreated water produced by federal wells would be allowed into that particular drainage. All other federally produced water would need to be reinjected, treated, or put to beneficial use.



Within 5 miles of the Northern Cheyenne and Crow Indian reservations site specific groundwater and air analysis would be required to be included with the operator's Plan of Development (POD) submissions. The operator's analyses needs to demonstrate if Indian Trust Assets would be impacted from development of federal CBNG wells and provide protection for these assets. If the analysis does not show protection of Trust Assets, BLM would not approve the APD. Monitoring wells and air monitoring stations may be required to be installed between the development area and the reservations.

## PDA-Multiple Screens *continued*

If monitoring indicates that Trust Assets are not being protected, wells would be shut in. If CBNG development occurs on a Reservation, this requirement may be modified in consultation with the Tribe and other affected parties.

The BLM restrictions would apply only to BLM administered leases. Development on private and state leases would be managed by the Montana Board of Oil and Gas Conservation. For analysis purposes, it is assumed that development of other leases (state, private, Indian and underlying US Forest Service surface) would continue at the rate predicted in the 2003 FEIS. The current rate of development (555 producing wells) is near the 2003 RFD's year 1 prediction. Therefore, the SEIS analysis will begin at year 2.

BLM would continue to implement the concept of Adaptive Management by using data from studies, monitoring and inspections to guide approvals of federal lease operations. Plan of development requirements, the use of state and federal permits, lease stipulations, as well as the use of surface owner agreements and other management actions described in Alternative E of the 2003 FEIS would also be features of this alternative.

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*BLM Planning area consists of roughly 1.5 million acres of BLM managed surface, 5.0 million acres of BLM managed mineral estate including 3.2 million acres of BLM managed oil and gas resources*

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### What is a watershed?

“Watershed” is the term used to describe the geographic area of land that drains water to a shared destination.




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*Within the Powder River and Billings RMP areas there are predicted to be 7,716 and 751 CBNG wells respectively on BLM Minerals. Total predicted BLM APDs 8,465.*



# Request for Comments

The BLM would like your comments regarding this Multiple Screen Phased Development Alternative. Please provide comments regarding the phasing approach, numerical limits, resource screening triggers, or geographic development pattern to the following address:

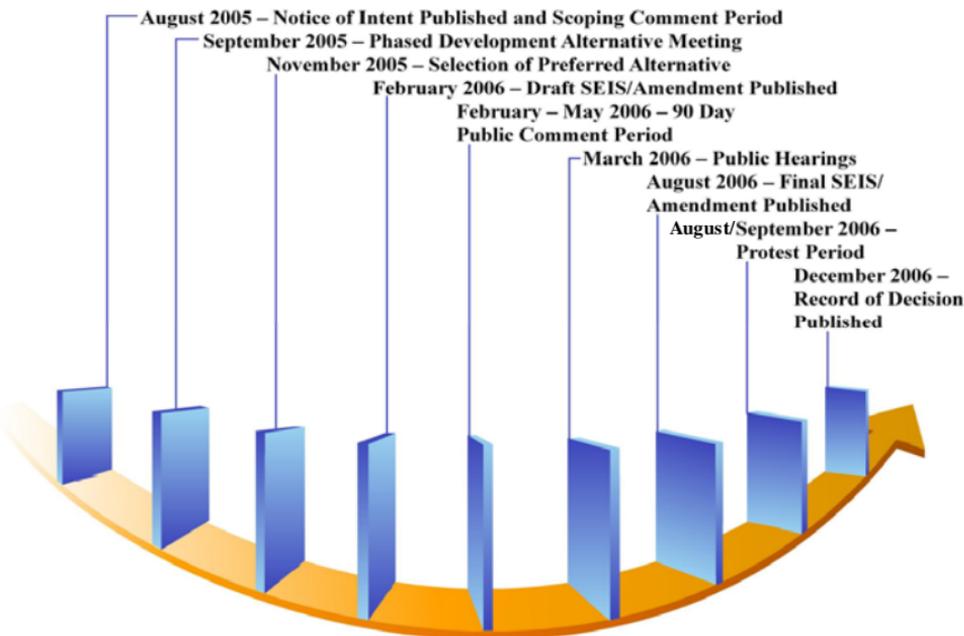
BLM  
 Miles City Field Office  
 SEIS—PDA Comments  
 P.O. Box 219  
 Miles City, Montana, 59301

Comments received after October 31, 2005 will be incorporated in the next SEIS milestone.

## Note

*Please submit your comments regarding this Multiple Screens Phased Development Alternative by October 31, 2005.*

# SEIS Project Milestone Schedule



The SEIS Project schedule is 18 months from July 2005 – December 2006

Miles City Field Office  
ATTN: Jon Seekins  
111 Garryowen Road  
Miles City, Montana 59301

Presorted Std. Mail  
U.S. Postage Paid  
Billings, Montana  
Permit No. 205