



In Reply To:
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United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Miles City Field Office
111 Garryowen Road
Miles City, Montana 59301-0940
<http://www.mt.blm.gov/mcfo/>



November 22, 2004

Dear Interested Public:

Powder River Gas Company submitted a Plan of Development (POD) for its Coal Creek coal bed natural gas (CBNG) project northeast of Decker, Montana. The Coal Creek project area is approximately 10 miles northeast of Decker and on the west side of the Tongue River.

The project is an exploratory project designed to determine if commercial quantities of CBNG exist in this area of the Powder River Basin. The project proposal included the drilling and testing of 8 federal wells and 8 private wells. The proposal also included treating the water produced with the gas at a project facility and then discharging the water into the Tongue River under a permit approved by Montana Department of Environmental Quality (MDEQ). Drilling of each well would take 3 days and the testing period for the project would be 6 months or less.

An environmental analysis of the proposed project was recently completed. The analysis was a cooperative effort by MDEQ, Montana Board of Oil & Gas Conservation and BLM. Each agency made its own decisions based upon the analysis. Based upon that analysis, I have selected Alternative C as the BLM's preferred alternative. The preferred alternative is the project proposal with additional mitigation measures that must be implemented by Powder River Gas. The mitigation measures are designed to minimize or eliminate adverse impacts to the environment and surface owners.

Enclosed please find a copy of the final Environmental Assessment and BLM decision record. The environmental document and BLM decision record also can be found on the internet at: www.mt.blm.gov/mcfo.

We appreciate your interest in the management of our public lands. Please contact me at (406)233-2827 or David Breisch, CBNG Manager, at (406)233-3645 if you have any questions or need additional information.

Sincerely,


Field Manager