

1.0 INTRODUCTION

Southwestern Production Corp. (SWPC) has filed Notices of Staking with the Casper Field Office (CFO), Bureau of Land Management seeking approval to drill eight (8) horizontal oil wells within the existing Hornbuckle Field in Converse County, Wyoming - which is located approximately twenty-six (26) miles northeast of Glenrock in Townships 37 and 38 North, Range 73 West (see Figure 1.1).

This environmental assessment (EA) has been prepared to analyze the eight (8) wells proposed by SWPC within the Hornbuckle Field and is a site specific analysis of the potential impacts that could result from implementation of the Proposed Action or alternatives thereto. The EA assists the Bureau of Land Management in project planning, ensuring compliance with the *National Environmental Policy Act* of 1969 (NEPA), and in making a determination as to whether any “significant” impacts could result from the analyzed actions. “Significance” is defined by NEPA and is found in 40 CFR 1508.27. This EA will assist the Authorized Officer (AO) in making a determination to either issue a Finding of No Significant Impact (FONSI) or begin the preparation of an environmental impact statement (EIS). A FONSI is a document that briefly presents the reasons why implementation of the Proposed Action would not result in significant environmental impacts (effects) beyond those already addressed in the Casper Resource Management Plan and Record of Decision (BLM 2007). If the Authorized Officer determines that this project has significant impacts following the analysis in this EA, then an EIS would be prepared for the project. Otherwise, a Decision Record (DR) may be signed for the EA approving the selected alternative.

1.1 PURPOSE AND NEED FOR THE PROPOSED ACTION

1.1.1 Need for the Proposed Action

The project proposal would involve the drilling of eight horizontal oil wells over a period of approximately one year. These wells would be drilled to test the potential of the Sussex Formation for commercial oil production at vertical depths of approximately 10,200 feet. Information gathered from the drilling and evaluation of these wells would ultimately be used to determine if additional horizontal drilling is warranted within the Hornbuckle Field and surrounding area(s).

Oil will remain an integral part of the energy future of the United States until such time as reasonably-priced alternative energy sources have been developed and become readily available. By continuing to develop domestic hydrocarbon reserves, the United States would reduce dependence on foreign sources of energy and maintain an adequate and stable supply of fuel to maintain economic well-being, industrial production, and national security.

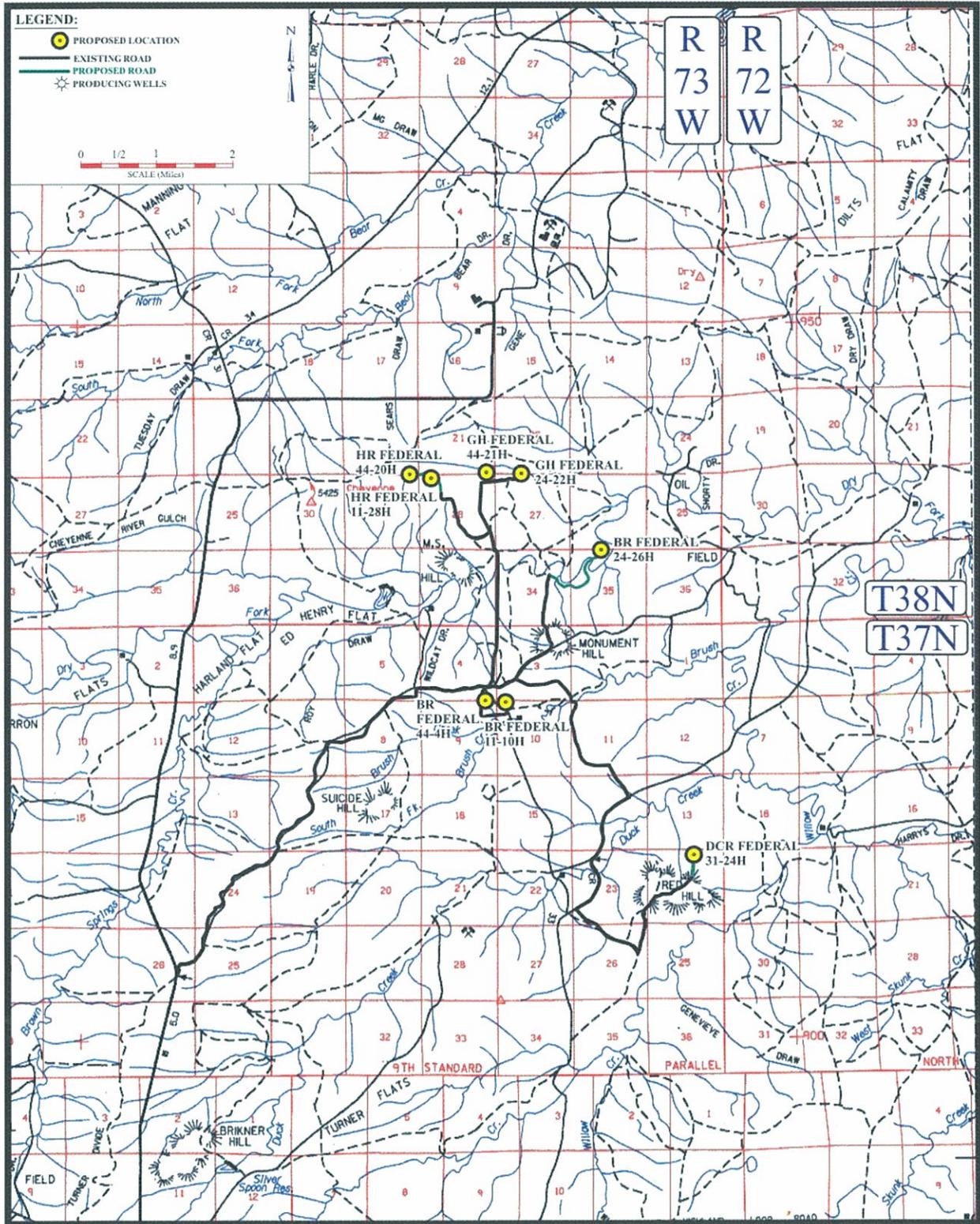


Figure 1.1: General Project Vicinity Map

1.1.2 Purpose of the Proposed Action

The exploration and development of federal oil and gas leases is an integral part of the BLM's oil and gas leasing program under the authority of the *Mineral Leasing Act* (MLA) of 1920 as amended (30 USC 181 et seq.), the *Federal Land Policy and Management Act* (FLPMA) of 1976 (43 USC 1701 et seq.), the *Federal Onshore Oil and Gas Royalty Management Act* (FOOGRMA) of 1982 (30 USC 1701 et seq.), and the *Federal Onshore Oil and Gas Leasing Reform Act* (FOOGLRA) of 1987 (30 USC 226 et seq.). The BLM's oil and gas leasing program is intended to encourage the development of domestic oil and gas reserves, thereby reducing national dependence upon foreign energy supplies. Furthermore, exploration and production of both oil and natural gas is in accordance with the President's National Energy Policy, 2005, as outlined in Executive Order (EO) 13212.

1.2 CONFORMANCE WITH EXISTING LAND USE PLANS

BLM planning for the project area is documented in the Casper Resource Management Plan (RMP) approved in December of 2007 (BLM 2007). The RMP established the following objectives for oil and gas resources:

- MR:2.1 Maintain oil and gas leasing, exploration, and development, while minimizing impacts to other resource values.
- MR:2.4 Facilitate the evaluation of public lands for oil and gas potential.
- MR:3.1 Maintain opportunities to explore and develop federal oil and gas resources and other leasable minerals

The RMP specified the following decisions/management actions to achieve the above objectives:

- Decision 2004 (Leasable Minerals) - The Casper Field Office is open to mineral leasing, including solid leasables and geothermal, unless specifically identified as administratively unavailable for the life of the plan for mineral leasing. These open areas will be managed on a case-by-case basis.
- Appendix D - Oil and Gas Operations, Applications for Permit to Drill (APD) specified "If necessary, site-specific mitigation can be added to the APD as a Condition of Approval (COA) for protection of surface and/or subsurface resource values in the vicinity of the proposed activity".

In accordance with 43 CFR 1610.5-3(a), the Proposed Action has been determined to be in conformance with this plan. The project area has been determined to be suitable for oil and gas leasing and the proposed exploration and development with incorporated mitigation measures to reduce impacts to other resource values is consistent with the land use decisions and resource management goals and objectives.

1.3 RELATIONSHIP TO STATUTES, REGULATIONS, AND OTHER PLANS

This EA has been prepared in accordance with NEPA and is in compliance with all applicable regulations and laws passed subsequent thereto, including the Council on Environmental Quality (CEQ) regulations (40 CFR 1500-1508), U.S. Department of the Interior (USDI) requirements contained in *Department Manual 516, Environmental Quality* (USDI 1980), guidelines listed in the *BLM Manual Handbook, H-1790-1* (BLM 1988), and *Guidelines for Assessing and Documenting Cumulative Impacts* (BLM 1994). The proposed project would be consistent with other federal, state and local laws, rules and regulations and SWPC would procure any required permits or easements prior to the commencement of drilling operations and subsequent evaluation of the eight proposed wells as identified in Table 1.1.

Table 1.1

**Major Federal, State and Local Permits and Approvals Required
for the SWPC Horizontal Drilling Project Proposal**

Agency	Permit, Approval or Action
Bureau of Land Management	Approval of the individual Applications for Permit to Drill for operations on federally-owned mineral estate
U.S. Fish and Wildlife Service	Conformance with the Endangered Species Act
Wyoming Game and Fish Department	Coordination on impacts to wildlife and state-sensitive species
Wyoming State Engineer	Approval of permit to appropriate ground/surface water for use in drilling operations
Wyoming Oil and Gas Conservation Commission	Approval of the individual State of Wyoming drilling permit applications
Affected Private Surface Owners	Easements/agreements for surface disturbing operations on privately-owned surface estate