



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Kemmerer Field Office
312 Highway 189 North
Kemmerer, Wyoming 83101-9711



Bear Canyon Exploratory Development EA
WYW-152773
1310 (090)

December 3, 2006

SCOPING NOTICE Bear Canyon Exploratory Development

Dear Reader:

Fortuna U.S. L.P. has filed a Notice of Stakings (NOSs) with the Bureau of Land Management (BLM), Kemmerer Field Office, for a wildcat exploratory field on public lands within Lincoln County, Wyoming. The project area is located throughout multiple Sections within Township 23 North, Ranges 117 and 118 West, 6th Principal Meridian. The attached document serves as notice of the beginning of the environmental analysis process to fulfill the requirements of the National Environmental Policy Act. If you are interested in participating in the process and have concerns, issues, or alternatives you would like to see addressed, please respond with your written comments by **January 3, 2007**.

Send written comments to:

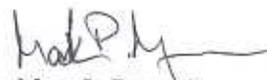
Address: James Roberts
Kemmerer Field Office
312 HWY 189 N.
Kemmerer, Wyoming 83101

Email: Kemmerer_wymail@blm.gov
(Please reference the Bear Canyon Project in the subject field)

Written comments in response to this notice, including the names and addresses of respondents, will be available for public review at the BLM Kemmerer Field Office during regular business hours (7:45 a.m. thru 4:30 p.m.) Monday thru Friday (except federal holidays) after the comment period closes. These comments may be published as part of the environmental process although individual respondents may request confidentiality. If you wish to withhold your name and/or address from public view or from disclosure under the Freedom of Information Act, 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. You have been included in this mailing because you previously indicated interest in receiving information on actions of this type.

Enclosed with this scoping notice is a notification card. If you would like to receive a copy of the environmental document, please return the card. If you have questions regarding this project or the NEPA process, please contact James Roberts at (307) 828-4506.

Sincerely,


for Mary Jo Rugwell
Field Manager

Enclosure: Scoping Notice

Bureau of Land Management
Kemmerer Field Office

SCOPING NOTICE
Bear Canyon Exploratory Development

Description of Project

Fortuna (US) L.P. (Fortuna) has filed a Notice of Staking (NOS) for the development of two wildcat oil well locations with the Bureau of Land Management (BLM), Kemmerer Field Office.

The proposed wells are located approximately 20 miles northwest of the town of Kemmerer and 12 miles southeast of Cokeville Wyoming (Figure 1). The Environmental assessment will analyze the exploratory development associated with this project which would be the construction, drilling and completion of four well pads with a total of eighteen wells being drilled. The project area is currently being identified as the area within Township 23 North and Ranges 117 and 118 West, 6th Principal Meridian where Fortuna currently has existing leased lands (see Figure 2). Those portions of the project occurring on state and private lands are not subject to BLM authorization and would be permitted separately.

Oil exploration and development occurs in phases. The construction phase would utilize bulldozer, scrapers, and other heavy equipment necessary to construct a well pad large enough to support all equipment necessary throughout the drilling and completion phase.

The drilling phase of the development would utilize a diesel power generated drilling rig, which is proposed to be on a "closed loop" mud system requiring tanks on location rather than the construction of a reserve pit. Water for drilling and dust abatement will be attained by either drilling approved water well on the proposed location or by trucking water from an approved perennial water source. The current discussions indicate that the operator will be looking a multiple well pad if the initial wells drilled are productive, therefore, directional drilling of additional wells will be incorporated into the Environmental Analysis. It is estimated that the total time necessary to drill each well would be approximately three to four months. Once the operator reaches the targeted depth they will complete testing to determine if the well will be economic.

The proposed well bore will contact a number of geologic formations that may contain Hydrogen Sulfide Gas. The operator will be required to follow Onshore Order No. 6 which details the necessary safety precautions and other requirements necessary for the development of wells which may either have the potential to release Hydrogen Sulfide or would produce a product with Hydrogen Sulfide also known as "Sour."

The completion phase would include the placement and cementing of well tubing in compliance with Onshore Order No. 2. Well casing involves running steel casing pipe into the open borehole and cementing the pipe in place. Once casing and cementing have been completed the well casing is perforated in the productive formations to allow for the flow of hydrocarbons into the well bore and back to the surface. The proposed project would utilize a number of vehicles and other support equipment tractor trailers and fuel trucks.

The operator has also informed BLM that since they anticipate a "sour" oil to be produced from this well formation that they anticipate the need to truck the oil to an approved sales location.

Relationship to Existing Plans and Documents

Resource Management Plan – The document that directs management of the BLM administered lands within the analysis area is the Kemmerer Resource Management Plan (RMP, June 1986). The objective for management of geophysical exploration is to provide opportunity for exploration of mineral resources and collection of geophysical data, while protecting resource values.

Use Authorization – An approved Application for Permit to Drill are subject to the Terms and Conditions for the Lease. Other conditions of approval to protect important resources may be added to the authorization if analysis proves such measures would further reduce environmental impacts.

National Environmental Policy Act

On reviewing the proposal from Fortuna, the BLM has determined that an environmental analysis is required to determine whether impact for the Proposed Action would be considered significant. Additionally, NEPA requires that a No Action alternative be considered in all environmental documents. This will allow a comparison of the economic and environmental consequences of all alternatives. Under the No Action alternative, exploration drilling would not occur in the project area.

Identified Resource Management Issues, Concerns, and Opportunities

The following issues and concerns have been identified by the BLM to date. It is not meant to be an all-inclusive list, but rather a starting point for public input and a means of identifying the resource disciplines needed to conduct the analysis.

Air Quality

Raptor nesting habitat

Greater sage-grouse habitat

Big game winter ranges

Steep slopes

Riparian areas

Cultural resources including Sublette Cutoffs of the Oregon-California Trail

Native American religious sites

Paleological rock outcrops

Abandoned mines

Residential areas

Underground utilities and other facilities

Road Development

Road crossings

Weeds

Hunting areas and other recreation

Grazing

Sensitive soils

Sensitive plant species

Steep slopes

Threatened and Endangered Species

Timing Needs or Requirements

Public input is important in establishing the level and scope of the analysis. The public is encouraged to participate in the environmental analysis process to help identify the level of analysis needed, alternatives to the proposed action, other issues or concerns that should be analyzed, mitigation opportunities, and any other comments or ideas to help ensure the completeness of the analysis process.

Please submit your comments by January 3, 2007. Written Comments should be mailed to:

Address: James Roberts
Kemmerer Field Office
312 HWY 189 N.
Kemmerer, Wyoming 83101

Email: Kemmerer_wymail@blm.gov
(Please reference the Bear Canyon Project in the subject field)

Public Participation

The following individuals and organizations will receive a copy of this scoping statement:

Government Offices

Bureau of Land Management, Wyoming State Office (910, 912, 920,930)
Office of the Governor
U.S. Department of the Army, Corps of Engineers
U.S. Fish and Wildlife Service
Wyoming State Clearinghouse
Wyoming Department of Environmental Quality (Land, Air, and Water)
Wyoming Oil and Gas Conservation Commission
Wyoming Game and Fish Department (Cheyenne, Green River)
Office of State Lands and Investments
Wyoming State Planning Office
Wyoming State Geological Survey
Wyoming State Engineer
Wyoming Department of Revenue
Wyoming Water Development Commission
Bureau of Reclamation

Elected and Other Officials

Mayor of Kemmerer, Diamondville, Frontier, and Cokeville
State Senators:
State Representatives:
Lincoln County Commissioners
Lincoln County Planner
Lincoln County Libraries

Public Land Users and User Groups

Grazing permittees for the Fish Creek, Rock Creek, Airport, and Quaken Asp Canyon Allotments

Affected Federal oil and gas lessee holders

Anshutz Oil and Gas, Gary Williams Company, Hallador Petroleum LLP., Liberty Petroleum, SBG Forever, Blanco Company, and Questar Exploration and Production Co.

Figure 1: Provides the initial analysis area in relation to the two staked well locations

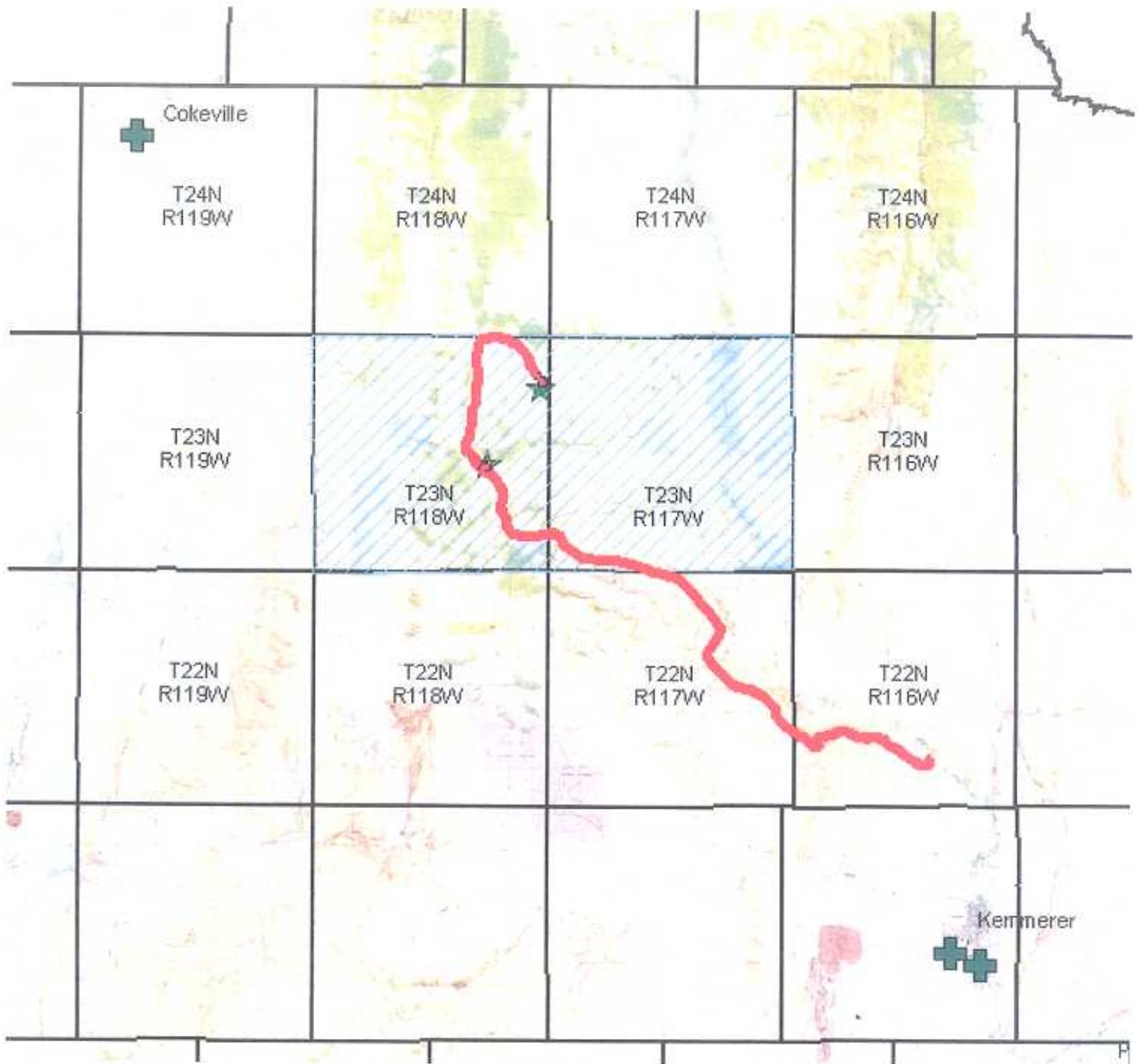


Figure 2: Site Specific map showing proposed new construction and current well staked locations.

