



Cabot Oil & Gas Corporation

January 9, 2008

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Moxa Arch DEIS, Project Manager
Bureau of Land Management
Kemmerer Field Office
312 Highway 189 North
Kemmerer, WY 83101

VIA FAX and FED EX

RE: Cabot Oil & Gas Corporation's Comments Regarding the Moxa Arch Area Infill Gas Development Project Draft Environmental Impact Statement

Dear Ms. Easley:

Cabot Oil & Gas Corporation (Cabot), as an operator and leasehold owner in the Moxa Arch Area (MAA) and a paying participant in the Moxa Arch Area Infill Gas Development Project Draft Environmental Impact Statement (MIDP DEIS), has reviewed the captioned MIDP DEIS and has the following general comments.

Cabot is one of the smallest active operators in the MAA based on market capitalization. Nevertheless, the MIDP DEIS Study Area (Study Area) represents a **significant** portion of Cabot's assets and planned future development activities. Of our future locations that are managed by Cabot's Western Region Office (Denver), more than a third (1/3) are within the Study Area.

Because it would significantly reduce or even cease operations in the Study Area, Cabot does not believe that the MIDP DEIS, particularly Alternatives A and B, meets the **purpose and need** associated with the Operator's Proposed Action dated November 2005.

The consequences of the implementation of either Alternative A or B in the MIDP DEIS could effectively halt any further drilling by Cabot on its existing Bureau of Land Management (BLM) leasehold. 87% of Cabot's leasehold in the Study Area is BLM acreage. Because Alternatives A and B use the surface disturbance limits from the 1997 Record of Decision (ROD), there would be a constricted number of BLM permits issued for traditional vertical wells due to the limited amount of additional surface disturbance allowable in the Study Area. This limited number of BLM permits would instigate a "land rush" by all of the operators to apply for permits. Operators who control the majority of the fee lands could expeditiously receive state permits, develop their fee lands with little or no impact from the surface disturbance limitation affecting the BLM lands in the Study Area.

This surface disturbance limit could potentially force Cabot to directionally drill all of its locations in the study area. Admittedly Cabot has not had extensive experience drilling

wells directionally. In most instances, wells that could only be drilled directionally have been dismissed as uneconomic because of the increased costs and increased technical risk associated with directional drilling.

This impediment on Cabot's right to drill is in direct opposition to the rights granted in its BLM leases. Restricting Cabot's ability to drill wells on its BLM leasehold will limit the flow of royalty payments to the BLM. The proposed surface disturbance limitations under Alternatives A and B could lead to the drainage of Federal minerals if Cabot is prohibited from timely developing its BLM leasehold thereby damaging both the Federal Government and Cabot.

Cabot is further concerned regarding 1) the omission of any reference or discussion regarding the Operator's proposed Directional Drilling Paper previously submitted to the BLM, 2) inaccurate references to the Operator's Proposed Action and project description, regarding commitments made by the operators with respect to best management practices and 3) statements and assumptions stating or suggesting that all operators have not made diligent reclamation efforts.

Cabot supports the adoption of the Moxa Operator Proposed Action dated November 2005. In the alternative, Cabot would encourage the addition of an Alternative D that might include the calculation of surface disturbance on a Section by Section basis. This would alleviate the "land rush" as described above. The fee and state lands would be eliminated from consideration and each Operator on BLM lands would be limited by its own disturbance and reclamation responsibility. The tracking of surface disturbance and reclamation would be more manageable on a Section by Section basis versus tracking disturbance and reclamation across the 475,000+ acre Study Area.

Cabot has reviewed EOG Resources Inc.'s comment letter dated January 9, 2008 with regard to the MIDP DEIS and concurs with the statements, positions and comments contained therein. For the purpose of simplifying the comment process and minimizing duplication of effort, Cabot incorporates herein by reference the statements, positions and comments contained in said comment letter.

I thank you for taking our comments into consideration. Should you have any questions, please contact me at 303-226-9440 or at laurie.tur@cabotog.com.

Sincerely,

CABOT OIL & GAS CORPORATION



Laurie Tur
Landman

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