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JAN 11 2008

Ref: EPR-N

Michele Easley
Bureau of Land Management, Kemmerer Field Office
312 Hwy 189 N
Kemmerer, WY 83101-9711

RE: Draft Environmental Impact Statement for the Moxa Arch Area Infill Gas Development Project
CEQ#: 20070416

Dear Ms. Easley:

The Region 8 office of the U.S. Environmental Protection Agency (EPA) has reviewed the Draft Environmental Impact Statement (EIS) for the Moxa Arch Area (MAA) Infill Gas Development Project for the Bureau of Land Management's (BLM) Kemmerer Field Office Planning Area in southwestern Wyoming. The Draft EIS analyzes the environmental impacts of a proposed natural gas infill development and production operation in the 475,808-acre Moxa Arch project area. The project area is located in Lincoln, Sweetwater, and Uinta Counties in southwest Wyoming and includes a "checkerboard" of federal, state, and private lands. EPA participated as a cooperating agency in the development of this Draft EIS. Our review and comments are provided in accordance with our responsibilities and authorities under the National Environmental Policy Act (NEPA), and Section 309 of the Clean Air Act.

The Draft EIS considers four alternatives for infill development of conventional gas in the MAA. Alternative A is a No Action Alternative which, under a 1997 Record of Decision, authorizes up to 1,325 well pads (of which 655 have been completed to date). The Operators' Proposed Action Alternative involves drilling approximately 1,861 additional wells at the rate of 186 wells per year, over a period of 10 years, or until the resource base is fully developed. This scenario of 1,861 wells includes federal, state and private leases, with 690 wells on BLM and other federally administered surface and mineral estate. Alternative B assesses a high-field development scenario over a 25-year drilling phase that includes 5,165 wells across federal, state and private leases, including 2,786 on BLM and other federally administered lands. Alternative B limits total gas-related surface disturbance in the MAA at any one time to 10,921 acres, meaning that no well permits would be issued for federal leases when that threshold is exceeded. Alternative C is similar to B, without the surface disturbance limitation.

EPA Region 8's comments on wildlife and surface disturbance are highlighted in this letter. EPA's comments on air quality will be provided as described under 'Next Steps' at the end of this letter.

Wildlife

EPA is concerned that impacts to wildlife -- including impacts to habitat and crucial migration corridors for antelope and other big game species and disturbances to sage grouse habitat and breeding areas -- are likely under the development densities presented for each of the Alternatives in the Moxa Arch Draft EIS.

The potential for oil and gas development to adversely affect sage grouse habitat and populations is a concern throughout much of Wyoming. A total of 41 sage grouse leks have been identified in the MAA. According to Wyoming Game and Fish Department, well densities greater than one well pad per 40-acres could result in decreased use of leks or decreased nesting success and recruitment. The Draft EIS explains that the Proposed Action would exceed this 40-acre spacing significance threshold in parts of the core development area but not overall in the MAA, while Alternatives B and C would exceed the significance threshold overall. EPA recognizes that some mitigation measures, including seasonal restrictions and density limitations around existing leks, are proposed in the Draft EIS. In addition to these, we recommend that BLM include and discuss any differences between the project's proposed mitigation measures and those recommended by the Wyoming Game and Fish Department and by the U.S. Fish and Wildlife. We also suggest that BLM consider the application of mitigation, such as mowing and mat drilling, to improve the reclamation of sagebrush in critical sage grouse habitat.

The MAA also provides habitat for several big game species, and EPA supports the application of appropriate development restrictions in areas that represent critical habitat and movement corridors for wildlife. EPA is most concerned about projected impacts to antelope, a species that relies on much of the MAA for year round habitat. Twelve pronghorn migration/movement routes have been identified in the MAA, including nine in the high-density core area, and development in these areas under all Alternatives could impact populations. While potential impacts are identified, it appears that no consideration of limiting well density in some or all of these critical routes is presented. We specifically encourage BLM to consider well density limitations in antelope movement corridors in any Preferred Alternative identified in the Moxa Arch Final EIS. The Wyoming Game and Fish Department considers a density of greater than four wells per section to represent an "extreme" impact to pronghorn; development in the core under the Operator Proposed Alternative calls for densities of 4-12 per section. Under the high-field development scenario assessed in Alternative C, short-term impacts to crucial pronghorn winter ranges would be significant. Similarly, significant impacts would occur for spring-summer-fall habitat and are

likely for yearlong range. The 16-well per section densities projected for this Alternative would represent an extreme impact to antelope, including identified migration/movement routes in the area.

EPA understands that the Wyoming Game and Fish Department has recently provided BLM's Kemmerer Field Office with updated information on sage grouse and antelope populations in the MAA. To the extent that this information informs current status, trends, and appropriate management measures and mitigation associated with future development of the MAA, EPA recommends that this information be incorporated into the Final EIS.

The Draft EIS also describes potential impacts to other big game species habitat, including mule deer, elk and moose, under Alternative C. It appears, however, that habitat areas for these species represent relatively small areas in the MAA and that these species are largely dependent on habitat outside of the MAA. EPA encourages BLM to monitor the occurrence of these species and to develop seasonal and any other development restrictions necessary to protect these species as appropriate. EPA is encouraged that the Moxa Draft EIS makes a commitment to doing so in Section 4 and presents other mitigation measures to protect crucial severe winter relief ranges.

Surface Disturbance

EPA also has a general concern with BLM's statement, made throughout the Draft EIS, that operators within the MAA are not complying with current reclamation standards required as part of the 1997 ROD for oil and gas development. While we understand that securing and enforcing compliance with such standards is contingent upon a number of factors, not all of which are in BLM's control, surface reclamation standards are a vital aspect of mitigation in each of the Alternatives presented in this Draft EIS. Any information about how BLM may improve compliance with existing standards and any new standards required prospectively as a result of the Moxa Arch Final EIS and Record of Decision would be appreciated. As a Preferred Alternative for the Moxa Arch project is developed, EPA supports the incorporation of some type of surface disturbance limitation to minimize impacts to wildlife and other environmental resources.

Next Steps

On January 10, 2008, BLM sent a letter to EPA indicating BLM's intent to supplement the air quality analysis. EPA understands BLM will also develop a Preferred Alternative to form the basis for this air quality analysis and, once completed, will issue this information under a new public comment period. As a result, EPA is deferring its air quality comments and its rating of the Draft EIS. We expect this information and an associated public comment period will be issued sometime in the next few months. If BLM's identification of a Preferred Alternative for the Moxa Arch project includes proposed actions and potential impacts to environmental resources that are not analyzed in the current Moxa Arch Draft EIS, BLM may

be required to release a revised Draft EIS for public comment.

Thank you for the opportunity to review the Draft Environmental Impact Statement for the Moxa Arch Area Infill Gas Development Project. EPA is committed to working closely with BLM as supplemental information associated with this project is developed. If you would like to discuss these comments, or any other issues related to the review of the Draft EIS, please contact me at 303-312-6004 or Joyel Dhieux at 303-312-6647.

Sincerely,

Larry Svoboda
Director, NEPA Program
Office of Ecosystems Protection and Remediation