

# **GUN BARREL, MADDEN DEEP, IRON HORSE NATURAL GAS PROJECT SCOPING NOTICE**

## **1.0 Introduction**

EnCana Oil and Gas (USA) Inc., Burlington Resources Oil and Gas Company LP, and Noble Energy, Inc. (identified herein as the “Operators”), operating in the area known as the Gun Barrel, Madden Deep, Iron Horse (GMI) federal units have proposed to expand natural gas development in their leased acreage within the GMI oil and gas development area (Project Area) in central Wyoming. Oil and gas leases covering these lands were issued by the Bureau of Land Management (BLM) for the U.S. government, the state of Wyoming, and private owners. The leases 1) grant certain rights to explore, develop, and produce the oil and gas resources underlying such leases; 2) grant certain rights for reasonable ingress and egress to explore, develop, and operate such leases; and 3) retain in the lessor a royalty interest on production. The proposed gas development project is herein referred to as the GMI Natural Gas Project (GMI Project).

The Project Area includes approximately 147,335 acres of mixed federal, state, and private lands in Fremont and Natrona counties, Wyoming. Of the total area, approximately 98,274 acres (66.7%) are administered by the BLM and 12,519 acres (8.5%) are administered by the state of Wyoming, with the remaining 36,542 acres (24.8%) of the Project Area being private land. The Lander Field Office (LFO) and Casper Field Office manage the BLM surface lands and the federal mineral estate within the Project Area. The Project Area is located within Townships 36 through 39 North, Ranges 88 through 92 West, 6<sup>th</sup> Principal Meridian. The towns of Lysite and Lost Cabin are located approximately in the center of the Project Area, which is bisected by Fremont County Road 117 (Badwater Road).

The Operators have proposed that approximately 1,470 new wells be drilled in the federal exploratory units to produce natural gas from the Fort Union Formation. Drilling approximately 130 new wells per year is anticipated collectively until the resource base is fully developed; although, actual annual drilling rates may vary due to many factors outside of the Operators’ control. Drilling would occur over a 10- to 15-year period after project approval, with the average life of each individual well anticipated to be approximately 40 years. All new wells would be subject to Applications for Permits to Drill (APDs) and site-specific inspection and environmental review.

Existing facilities and arterial roads would be used to the extent possible, but some new facilities would be associated with the GMI Project, including some new access roads, gas pipelines, aboveground powerlines, separation, dehydration, metering, and fluid storage facilities, to the extent that existing facilities are not adequate.

## **2.0 National Environmental Policy Act Compliance**

## **2.1 Environmental Impact Statement Development**

The BLM has determined that permitting this proposed project constitutes a federal action that may affect the quality of the human environment. The BLM has advised the Operators that it must prepare an environmental impact statement (EIS) to analyze the effects of the Operators' proposed development drilling in the Project Area. Pursuant to the National Environmental Policy Act (NEPA) and the Council on Environmental Quality regulations on implementing NEPA, the BLM will prepare a NEPA-compliant EIS that will describe and evaluate the potential impacts of the Operators' Proposed Action and alternatives. The purpose of the EIS will be to provide the public and decision-makers with sufficient information to understand the environmental consequences of the Proposed Action and alternatives and to identify and develop appropriate mitigation measures to minimize environmental impacts. NEPA requires that a no action alternative and any reasonable action alternative(s) be evaluated during the analysis process. In part, this scoping statement has been prepared to enable government agencies, the general public, and other interested parties to participate in and contribute to the alternative selection process.

## **2.2 Relationship of the Project to Existing Land Use Plans**

The Project Area is included in the lands analyzed in the 1987 Lander Resource Management Plan (RMP)/EIS and implemented through its Record of Decision and RMP (BLM 1987). The current Lander RMP states that "public lands will be available for oil and gas leasing and development to the maximum extent possible, while giving due consideration to the protection of other significant resource values. . . . all but approximately 12,000 acres of the open acreage will be managed under a management prescription that will allow for the enhanced management of the oil and gas resources by being less restrictive of oil and gas development related to other surface resource values in known geologic structures (KGS) and areas rated as having a high potential for the occurrence of oil and gas" (BLM 1987: 1). The Project Area is primarily located within the Gas Hills Management Area. "The entire area is open for oil and gas leasing. . . . In areas with a high potential for oil and gas, restrictions will not be automatically applied and will be conditioned on a case-by-case basis only when necessary" (BLM 1987: 50). The Lander RMP specifically allows "enhanced management of [natural gas] exploration and development activities by minimizing the restrictions imposed by these activities (BLM 1987: 52). The Project Area is also partially located within the Casper Field Office. The Casper RMP states that "[t]he Casper Field Office is open to mineral leasing, . . . unless specifically identified as administratively unavailable for the life of the plan for mineral leasing" (BLM 2007: 2-15, Decision #2004).

## **3.0 Purpose and Need**

The purpose of the GMI Project is to exercise the Operators' valid existing rights and extract natural gas from the subsurface to increase the available supply of domestic natural gas. The proposed development will enable the commercial production of federally owned mineral resources in conformance with the BLM's RMP mineral objectives, and to permit draining of federal minerals by wells located on adjacent non-federally owned lands. The Operators have valid existing leases and rights to extract natural gas and propose to develop an additional 1,470 wells in the next 10 to 15 years.

Implementation of the Proposed Action would:

- Contribute to the available natural gas supply for the national market;
- Reduce national dependence on potentially unstable foreign sources of energy;
- Contribute to the national supply of a clean-burning fuel; and
- Allow the Companies to develop natural gas pursuant to their rights under valid existing oil and gas leases granted by the BLM, state of Wyoming, and private owners.

Gas production in the Project Area will generate federal and state royalty revenues. Developing the gas resource supports the local economy by providing and maintaining employment opportunities and expanding the tax base.

## 4.0 PROPOSED ACTION

The Operators estimate that approximately 1,470 new wells will be drilled in the Project Area as a result of implementing this proposal. It is anticipated that future wells will be drilled on either 40- or 80-acre spacing, depending upon geologic conditions and the extent of existing development within the Project Area. In select limited areas, some wells may be drilled on a maximum of 20-acre spacing. Exact locations of future wellheads are unknown at this time, but the final location would be within the 20-, 40-, or 80-acre spacing areas subject to various environmental constraints that may be identified during the APD process and the on-site inspection reviews conducted by BLM.

All proposed wells are anticipated to be drilled during an approximate 10- to 15-year period after project approval. Although actual operations are subject to change as conditions warrant, the Operators' long-term plans of development are to drill additional wells at the rate of approximately 130 wells per year, collectively, or until the resource base is fully developed. The number of wells drilled annually largely depends upon factors outside of the Operators' control, such as market prices, permit approval, rig availability, and the availability of a skilled workforce. The average anticipated life of a well is expected to be approximately 40 years.

The associated facilities required by the GMI Project will include roads, gas pipelines, powerlines, separation, dehydration, metering, and fluid storage facilities to the extent such facilities are not already constructed. Hydrocarbons and associated liquids will generally be transported via subsurface pipeline to consolidated or individual compression, processing, and treatment facilities. Produced water will be transported by truck or pipeline to produced water disposal wells, discharged on the surface under appropriate permits, or transported to on-site evaporation ponds.

As of December 1, 2007, the GMI Project Area contained approximately 495 producing gas wells. Dry and abandoned and plugged and abandoned wells are not considered producing wells and are not included in this total.

GMI Project development will result in the use of roads previously constructed and currently used in the Project Area, such as Fremont County roads 176 (Lysite Road) and 117 (Badwater Road). Existing facilities and arterial roads would be used to the extent possible, but some new facilities would be associated with the GMI Project, including some new access roads, gas

pipelines, aboveground powerlines, separation, dehydration, metering, and fluid storage facilities, to the extent that such facilities are not already available.

## 5.0 PRELIMINARY RESOURCE ISSUES FOR NEPA ANALYSIS

The following resource issues have been identified as being related to the Proposed Action:

- Potential effects on biological resources, including sage-grouse, raptors, and other species of concern;
- Potential effects on livestock forage;
- Potential effects of development on air quality;
- Potential socioeconomic effects;
- Potential effects on soils, water quality, and vegetative resources within the Project Area;
- Potential effects on archaeology, paleontology, and cultural resources, including historic trails; and

## 6.0 PUBLIC PARTICIPATION

A critical element of the NEPA process is public scoping. Scoping activities are initiated early in the process to:

- Identify issues of concern related to the Proposed Action;
- Determine the depth of the analysis for issues addressed in the EIS; and
- Identify reasonable alternatives to be evaluated in the EIS.

The public is encouraged to participate during the scoping process to help identify the scope of the 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. **Your written comments may be mailed, emailed, or sent by facsimile and will be accepted on or before July 7, 2008.**

Please submit your written comments to:

**Bureau of Land Management, Lander Field Office**  
**Ms. Pam Olson, Assistant Field Manager**  
**1335 Main St.**  
**P.O. Box 589**  
**Lander, WY 82520-0589**  
**Pam\_Olson@blm.gov**  
Telephone: (307) 332-8419  
Fax: (307) 332-8447

You are invited to attend the public scoping meetings from 4:00 p.m. to 7:30 p.m. at the following dates and locations:

Tuesday, June 17, 2008  
Riverton Branch Public Library  
Community Room  
1330 West Park Avenue  
Riverton, WY 82501

Wednesday, June 18, 2008  
Ramada Plaza Riverside  
Spruce Room  
300 West F. Street  
Casper, WY 82601

## **7.0 REFERENCES**

Bureau of Land Management (BLM). 1987. Record of Decision for the Lander Resource Management Plan. U.S. Department of the Interior, Bureau of Land Management. Lander Resource Area, Rawlins District, Rawlins, Wyoming. June.

———. 2007. Record of Decision and Approved Casper Resource Management Plan. U.S. Department of the Interior, Bureau of Land Management, Wyoming State Office, Casper, Wyoming, Casper Field Office. December.