

PETROLEUM ASSOCIATION OF WYOMING

951 Werner Court, Suite 100
Casper, Wyoming 82601
(307) 234-5333

fax (307) 266-2189
e-mail: paw@pawyo.org
www.pawyo.org

April 5, 2007

Matt Anderson, Project Lead
Bureau of Land management
Pinedale Field Office
P.O. Box 768
Pinedale, WY 82941

Re: Comments Draft Supplemental EIS for the Pinedale Anticline Oil and Gas Exploration and Development Project.

Dear Mr. Anderson:

The Petroleum Association of Wyoming (PAW) would like to thank BLM for the opportunity to comment on the referenced document. PAW is Wyoming's largest and oldest oil and gas organization, the members of which account for over ninety percent of the natural gas and over eighty percent of the crude oil produced in the State. This project will directly affect members of PAW.

PAW has the following general comments regarding the above referenced document:

Pace of Gas Recovery

- Under the operators' proposal, development will occur at a steady, managed and predictable pace throughout the year, as opposed to the erratic activity under the current stipulations. Benefits of the proposal include a stable development that facilitates long-term community planning and low job turnover that results in a stable, well-trained workforce.
- The proposal for year-round development on multi-well pads within the concentrated development areas will allow for development of more than twice as many wells (4,399 vs. 1800) while using far fewer pads (600 vs. 700) and less surface disturbance per well than the No Action Alternative.
- The No Action Alternative leaves as much as two thirds, or 14 trillion cubic feet, of much-needed natural gas in the ground, with concurrent loss of public income of taxes and royalties.

Air

- Consolidated, computer-assisted operations will reduce human activity, dust and emissions on the Anticline. Concentrated Development Areas and Liquids Gathering Systems will reduce truck traffic by as much as 57%. With installation of a liquids gathering system, Questar has eliminated almost 17,000 truck trips to remove condensate and produced water

in a little over a year. A full-field LGS is expected to eliminate 165,000 trips per year at maximum field production.

- The stability of year-round access makes commitment for these capital investments (directional drilling, LGS, CAO, rig engine and fuel technology, air monitoring, etc.) financially viable for this project.
- During the longer production phase, the operators commit to substantially reducing the amount of human activity and on-site facilities through use of LGS and consolidated production facilities. By utilizing LGS and CAO, human activity and visual impacts are greatly reduced during the production phase of the project.

Wildlife

- Directional drilling on multi-well pads in CDAs requires 70% fewer roads leaving larger, contiguous blocks of habitat undisturbed and migration corridors available for wildlife.
- Concentrated development areas within the core will leave more contiguous undisturbed acreage on the Anticline available for wildlife, livestock and habitat. Consolidated drilling will reduce pad numbers, reduce the number of roads required, and leave more habitat available for wintering wildlife than seasonal drilling would allow.
- Development planning will address activities 10 years into the future fortified by annual planning meetings with the BLM, DEQ and Wyoming Game and Fish. The operators will continue to work with the appropriate agencies to address the needs of wildlife, livestock, habitat and air quality.

Mitigation, Reclamation, Research and Monitoring

- Year-round access on multi-well pads would allow for full resource development and earlier pad reclamation, while reducing the total number of pads required for resource recovery. Interim reclamation would occur on pads where no development activities are forecast for two years.
- The focus of the operators' proposal is to avoid, minimize and lessen impacts whenever and wherever possible and mitigate on-site where feasible and, in the event onsite mitigation is not possible, to mitigate off-site.
- The operators commit to continue research and monitoring of mule deer, pronghorn antelope, sage grouse, and vegetation on the PAPA and of control groups. The results of the monitoring and other wildlife tracking efforts will be used to cooperatively determine what, if any, mitigation actions should be taken next.

PAW has the following specific comments regarding the referenced document:

Page 2-36 DA-4

“BLM would temporarily relax stipulations that would otherwise protect greater sage-grouse leks and greater sage-grouse nesting habitat.”

Comment: PAW recommends that while seasonal sage grouse stipulations are relaxed, the operators avoid construction near leks and place compressors down wind of leks and provide complete muffling for future use of the leks after development ceases and production is continued.

Page 2-36 DA-5

“DA-5 this southernmost DA extends south from the border with DA-4. All of DA-5 is within 2 miles of at least one greater sage-grouse lek in the Yellowpoint Lek Complex (see Map 2.4-7). None of DA-5 coincides with big game crucial winter ranges (see Map 2.4-6). **The southern boundary of DA-5 is the northern boundary of the Jonah Field Project Area.** East-west boundaries of DA-5 are defined by the Alternative C Core Area. Drilling and completions would comply with the stipulations to protect greater sage-grouse leks and nesting habitat.”

Comment: DA-5 does not extend to the northern boundary of the Jonah Field Project Area.

Page 3-117 1st Paragraph

“For example, on two leks within the PAPA, before development in 2001 average counts on each lek exceeded 15 males but only one male was observed only once on each lek in 2005, and none were seen at either lek in 2006. Generally, there were fewer strutting males on leks closer to drilling rigs than on leks farther away from drilling.”

Comment: Holloran, 2005, fails to mention that these two leks were intentionally disturbed during the normal strutting, nesting and brood rearing seasonal restrictions to accommodate his study. Figure 3.22-2 shows that the overall population in the areas is increasing and Holloran 2005 shows that the leks adjacent to the Mesa Springs and Lovatt Draw Reservoir leks increased; thus, the birds were displaced, not lost to the population.

3rd Paragraph “During 2006, there were no males observed at two leks on the Mesa (Mesa Springs and Lovatt Draw Reservoir) and, as noted earlier, both leks appear to have been abandoned.”

Comment: What the analysis does not indicate, because Holloran does not reveal, is that these two leks were intentionally disturbed (i.e. drilling and completion and other activity inside of a 2-mile seasonal restriction zone) to determine the effects. Leks outside of this intentionally disturbed area were stable or increased. This indicates that the BLM stipulations do work where applied.

Figure 3.22-2

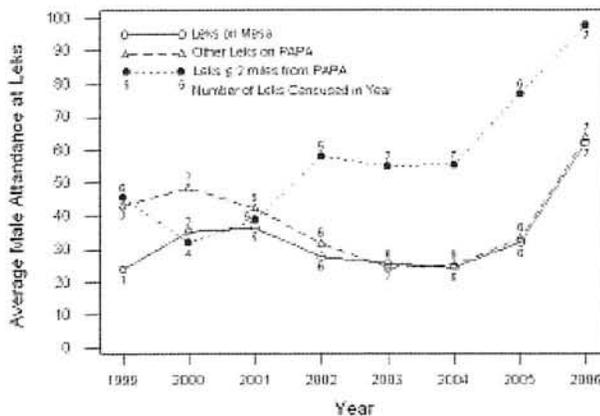


Figure 3.22-2
 Greater Sage-Grouse Average Male Attendance at Leks Censused on the Mesa,
 in the PAPA, and within 2 miles of the PAPA since 1999
 (Data from Holloran, 2005; Kaiser, 2006; and WGFD, 2006c).

Comment: This figure shows that while drilling activity increases, the bird population increases. There are definitely affects on local leks but the overall population is on the increase.

Page 4-45 Fifth Bullet

“• individuals visiting the Lander Trail in the PAPA to experience the historic setting of the area may also be affected by the industrial change in the landscape from development.”

Comment: They already can see Highway 351 from the trail. That segment of the trail is already compromised. How would non-moving gas wells affect them further? PAW believes that this viewshed is arbitrary and without actual analysis showing that “individuals” experience would be affected adversely. The original EIS and this DSEIS does not provide analysis that shows that the few individual that traverse the trail usually an annual high school group that uses vans to traverse the trail would be adversely affect. Page 4-54, Second Bullet, talks about physical changes to the trail and also “visual” changes as significant. Since there are no physical changes to the trail suggested only visual changes are expected. In this segment of the trail, Highway 351 is in view of the trail and prior to well activity compromised this segment’s visual attributes. Some additional reference in the Final SEIS should be made to this previously compromised segment of the Lander Trail and reduced visual restrictions should be proposed.

Page 4-133 2nd Paragraph in Upland Game Birds

“As distances between greater sage-grouse leks and drilling rigs, producing wells, and main roads have declined with the increased level of development since 2001, attendance of male greater sage-grouse at leks has declined (Holloran, 2005).”

Comment: This is only true for the leks in the area that were intentionally disturbed to accommodate Holloran’s study. The leks offsetting the leks that decreased of went to zero, stayed the same or increased.

“The investigation by Holloran (2005) indicates that male counts on heavily impacted leks declined 51 percent, from 1 year prior to well development, through 2004. Numbers of strutting males decreased

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W-5

with increased traffic volumes within 1.86 miles of leks and increased noise intensity at leks (Holloran, 2005).

There are similar observations in the Powder River Basin (PRB) of northeastern Wyoming where greater sage-grouse populations on leks, subject to disturbances by coal-bed methane development, have substantially declined, relative to populations on undisturbed leks (Naugle et al., 2006). Results from studies in the PAPA and PRB indicate declining greater sage-grouse populations resulting from loss of habitat, disturbance from roads, and noise during breeding (Braun et al., 2002).

Comment: Holloran fails to inform the reader that the leks heavily impacted were done so intentionally to determine the extent of the impacts with BLM's assistance and support. These leks where the drilling was intense but the BLM seasonal restrictions were observed did not decline by 51%. Naugle has recanted his claim that the population drop from 1989-1994 was due to CBM development because CBM development did not become significant until 1997.

Page 4-134 2nd Paragraph

"Holloran (2005) indicates that the 0.25-mile buffer surrounding leks may be insufficient to maintain function of lek habitats due to wellfield development and associated noise.

Comment: Holloran's indication fails to note that the well development and associated noise resulted from intentionally impacting the leks during strutting, nesting and brood rearing activities. Those leks that were protected by BLM's normal seasonal restrictions do not show severe impacts.

Page 4-134 Last Paragraph

"Highly impacted leks, those still active by 2006, are very likely to follow the Mesa Springs and Lovatt Draw Reservoir leks to total abandonment (as observed in 2006) even if development activities are restricted within the 2-mile buffers between March 15 and July 14 (BLM, 2004c). However, buffers of some leks would be impacted more than others. Extinction of leks would inevitably follow if yearling males do not replace aging adults at highly impacted leks."

Comment: The Lovatt Draw Reservoir and Mesa Springs leks were the leks intentionally impacted by operators with the support of BLM. The lek protected by BLM seasonal restrictions did not become abandoned and in fact many increase because the birds moved from Lovatt Draw Reservoir and Mesa Springs leks to nearby leks where the population is being maintained. Even if leks are intentionally disturbed under the Preferred Alternative of Alternative C, it is best to place noise-making operations (compressors etc.) in down wind positions to allow leks to recover after development has ceased and production has started.

Page 4-146

"The Proposed Action Alternative and Alternative C would affect more areas within those radii than the No Action Alternative by 2011 and considerably more in 2023."

Table 4.20-9
 Cumulative Surface Disturbance to Greater Sage-Grouse Lek Buffers by Alternative

Greater Sage-Grouse Lek Buffer	Existing Non Wellfield Disturbance (acres)	Estimated Total Existing Surface Disturbance (acres)	Estimated Cumulative Surface Disturbance (acres) by Alternative				
			No Action 2011	Proposed Action 2011	Alternative C 2011	Proposed Action 2023	Alternative C 2023
0.25-Mile Buffer	5.3	56.8	88.1	157.6	153.7	266.4	260.4
2-Mile Buffer and Sage Grouse SRMZ	758.9	3,907.1	8,252.9	9,958.1	10,099.5	14,335.2	14,623.1

Comment: The disturbances here are not all necessarily done during the seasonal restriction period for strutting, nesting and rearing. It is also important to note that the rigs will not be occupying all of the CDAs and CAs. Holloran shows that there is displacement to nearby by leks and that the 2006 data shows a few bird on the previously abandoned leks after development. Please make this note in the Final SEIS.

PAW appreciates the opportunity to comment on the proposed SEIS and please do not hesitate to contact me if I can be of any assistance.

Sincerely,

/s/ Jason Begger

Jason Begger
 Vice President

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