

East LaBarge Gas Exploration and Development Project EOG Resources, Inc.

1.0 PROJECT OVERVIEW

EOG Resources, Inc. (EOG) has notified the Bureau of Land Management (BLM), Rock Springs Field Office regarding a proposal to extend exploration and development operations underlying oil and gas leases owned by EOG within the East LaBarge area in northeastern Lincoln County and southern Sublette County, Wyoming. EOG proposes to drill, complete, produce, and eventually reclaim approximately 94 development wells to the Frontier Formation and up to 90 exploratory wells to sands within the Baxter Shale. EOG would minimize the number of well pads by co-locating wells on shared pads to the extent technically and economically viable. Up to 75 Baxter wells may be co-located on Frontier well pads as twins to a Frontier well. Up to 15 other Baxter wells may be drilled on distinct pads. There would be a maximum 109 well pads resulting from this project, in addition to associated infrastructure including access roads and gathering lines.

The productive life of each well is estimated to be approximately 40 years. Although actual operations are subject to change as conditions warrant, EOG’s plan of development is to drill wells at the rate of approximately 20 wells per year over a period of 10 years.

1.1 PROJECT LOCATION

The project area consists of an existing gas producing area located on lands owned by the United States, the State of Wyoming, and private parties. The project area consists of approximately 13,698 acres located about 40 miles northeast of Kemmerer, Wyoming, and 60 miles northwest of Rock Springs, Wyoming. The Federal land and minerals are administered by the BLM Rock Springs Field Office (FO). All or parts of the Public Land Survey System sections listed in Table 1 are included in the project area displayed on Figure 1. The acreages of surface ownership within the project area are shown in Table 2. Approximately 92 percent of the minerals beneath the project area are federally owned.

Table 1: Approximate Project Location in Public Land Survey System

Township	Range	Sections
26 North	112 West	2, 3, 4, 5, 8, 9, 10, 11, 12, 13, 14, 15, 16
27 North	112 West	10, 15, 20, 21, 22, 27, 28, 29, 32, 33, 34

Table 2: Project Area Surface Ownership

Surface Owner	Acres in Project Area
BLM	11,658
State of Wyoming	461
Private/Fee	1,579
Total	13,698

The project area includes portions of the East LaBarge, Figure Four, and Stead Canyon Units in addition to non-unitized lands.

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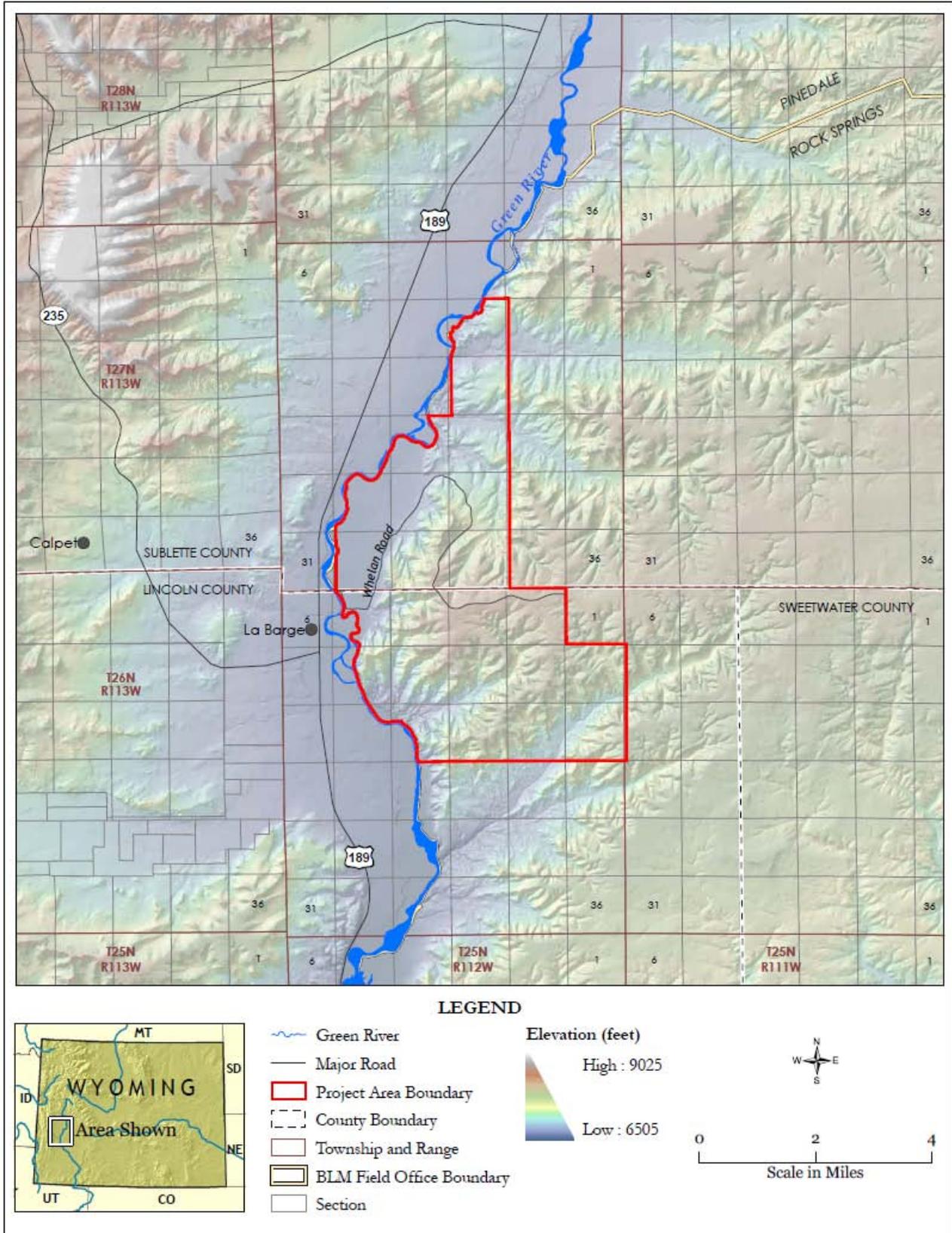


Figure 1. Project Area

1.2 EXISTING OIL AND GAS DEVELOPMENT

As of March 2006, the project area contained approximately 96 producing gas wells and 3 producing oil wells. Approximately 6 additional wells were shut in, 12 wells were dry, and 10 wells were plugged and abandoned. The project area currently contains 2 horizontal and approximately 21 directional producing wells. EOG estimates that the project area currently contains approximately 67 miles of roads and 67 miles of pipelines.

EOG primarily uses vertical wellbores to produce from the Frontier Formation. EOG has also drilled several directional wells to the Frontier formation in order to avoid topographic restraints and/or to avoid environmentally sensitive areas. EOG has drilled one vertical well to the Baxter Formation in the project area.

2.0 PROPOSED PROJECT OPERATIONS

2.1 ACCESS ROADS

Access to the project area is generally from U.S. Highway 189 to the west and numerous county and BLM roads. Access within the project area boundary would be via the existing road network. Whelan Road serves as the primary arterial road from which individual well access roads would be constructed. Project development would result in the construction of new roads and roads previously constructed and currently used in the project area. To efficiently plan new well and access road locations EOG would develop a transportation plan to minimize surface disturbance from road construction and ensure safe traffic movement.

2.2 WELL PADS

Well pads would be constructed from the native surface materials present onsite and leveled by balancing cut and fill areas. Topsoil and native vegetation would be removed and stockpiled for use in the reclamation process, including the re-establishment of vegetation. Typically, an access road and well pad are constructed within 3 to 10 days, depending on terrain and site limitations.

A typical pad for a single vertical well would average approximately 2.5 acres. If a second well were to be drilled from an existing pad, an additional 0.5 acre would be required. After interim reclamation, long-term surface disturbance associated with a typical single-well pad would be approximately 0.5 acre. Long-term disturbance associated with a typical 2-well pad would increase by 0.25 acre to approximately 0.75 acre for each shared well pad.

A fenced, lined, and padded reserve pit, approximately 10 to 12 feet deep, would be excavated within the pad to temporarily store drilling fluids, cuttings, and water produced during drilling operations. If EOG plans to drill 2 wells from a single pad, the reserve pit would be re-used for the second well.

2.3 DRILLING

Wells would typically be drilled utilizing a conventional, mechanically powered mobile drilling rig. Duration of drilling operations on a given well can vary greatly depending on depth and conditions encountered while drilling, ranging from approximately 10 to 20 days for a vertical Frontier well. Frontier horizontal wells would require approximately 20 to 45 days to drill depending on directional complexity and hole conditions. Baxter horizontal wells would require approximately 15 to 25 days to drill.

Fresh water used for drilling purposes would be consistent with water appropriation permits obtained from the Wyoming State Engineer's Office, and would be obtained from commercial or privately owned water source wells. Water may be recycled for use in drilling, completion, workover, well abandonment, and hydrostatic pipeline testing operations.

2.4 COMPLETION AND TESTING

Completion and testing operations require approximately 3 to 10 days to perform. In general, the completion of the well would consist of perforating the production casing, productivity and/or formation pressure testing if deemed necessary, stimulation of the formation(s) utilizing hydraulic fracturing technology, flow back of fracturing fluids, flow testing to determine post fracture productivity, and installation of production equipment to facilitate hydrocarbon sales. Hydrocarbons and water are typically quantified and flared during testing operations, which are conducted on an as needed basis. Following the initial flow period, the well would be shut in until facilities are in place to allow the well to produce.

2.5 PRODUCTION

EOG would utilize the existing ancillary facility infrastructure within and near the project area, including water disposal and treatment facilities, compression facilities, and gas gathering and transmission pipelines. No new ancillary facilities are planned as part of this proposal. Additional compression to support project wells or well site compression is not anticipated.

Gathering lines made of steel or other durable materials to transport the produced gas from the new wells to the pipeline system would typically be buried. EOG would consider installing surface pipelines where practical to minimize erosion, in consultation with the BLM.

Produced water is typically minimal and would be stored on the well pad and transported by truck to an EOG-permitted disposal well located at the Green River Bend #1 tank battery in SENW Section 36, T27N-R113W. Produced water storage tanks would be emptied approximately once every two months, resulting in minimal project-related truck traffic. Project truck traffic would also be reduced by the use of telemetry to monitor well operations.

2.6 INTERIM RECLAMATION

EOG would comply with Onshore Order #1 to perform interim reclamation. The reserve pit, the portion of the well location and access road not needed for production operations, and pipeline corridors would be rehabilitated according to the requirements specified in the approved APD and Conditions of Approval.

2.7 FINAL RECLAMATION

Abandonment of the well and its facilities would occur at the end of the productive life of a well and would comply with applicable federal and state regulations as well as the COAs to the APDs. Once surface equipment is removed from the site the area would be recontoured to its original appearance to the extent possible. Topsoil that was stockpiled during location construction would be distributed on the surface and all disturbed areas would be planted with a seed mixture of native plant species specified by the appropriate surface management agency.

3.0 EOG-COMMITTED ENVIRONMENTAL PROTECTION MEASURES

EOG will comply with all applicable federal, state, local, and agency rules and regulations, and has committed to the following environmental protection measures within the project area.

3.1 CULTURAL RESOURCES

- EOG will conduct site-specific surveys for cultural resources and for protected wildlife and plants, as applicable.
- EOG will avoid or mitigate impacts to these resources in compliance with all applicable rules and regulations.

3.2 SURFACE DISTURBANCE AND TRANSPORTATION PLANNING

- EOG will utilize transportation planning to minimize impacts from project development by renewing the Whelan Road maintenance agreement and providing the BLM with a description of its construction procedures.
- EOG will develop a transportation plan to document its methodology for minimizing surface disturbance and will submit it to the BLM during development of the EA.
- Concurrent with the development of the EA, EOG will utilize aerial imagery to digitally locate the existing infrastructure, including well pads, roads, and pipelines, quantify the associated disturbance, and efficiently plan well and access road locations.
- EOG will provide the BLM with GPS locations of all newly constructed access roads and well pads by December 31, annually.
- EOG will construct new roads and well sites to standards described in the BLM publication *Surface Operating Standards for Oil and Gas Exploration and Development*, 4th Edition (Gold Book) (BLM and USFS, 2006) and in BLM Manual 9113.
- EOG will design and construct all new roads to a safe and appropriate standard to accommodate their intended use.
- EOG will surface access roads with gravel or other appropriate material unless sufficient natural gravel exists, as determined by the AO on a site-specific basis.
- EOG will install 210 to 400-bbl tanks on the pads of producing wells to minimize collection and transport of produced water to its disposal site.
- EOG anticipates that water hauling trucks will need to visit well locations on the average of only once every two months, thereby minimizing impacts from well-associated truck traffic.
- EOG will re-use the reserve pit for the second well on a shared well pad.
- EOG will perform interim reclamation of well locations and access roads soon after a well is put into production unless a second well is to be drilled from that location. Interim reclamation would occur soon after the second well is drilled.
- EOG will attempt to determine whether it would drill a second well from a pad within six months of drilling the first well. If, at the end of six months, EOG has not performed interim reclamation because a second well has not been drilled, EOG will either reclaim the part of the well pad not necessary for operation of the first well or it will consult with the AO to determine a course of action. During the time that a reserve pit is not reclaimed, the fencing surrounding the pit will be maintained to prevent access by range stock or wildlife.

3.3 SOILS AND SEDIMENTATION

- EOG will consider installing surface pipelines where necessary to minimize erosion.
- EOG will implement best management practices as described in its Storm Water Pollution Prevention Plan and will consult with the AO to determine procedures and construction techniques to prevent bank erosion from construction and use, erosion, and sedimentation.
- EOG will utilize best management practices and materials such as riprap to minimize erosion from culverts and other drainages.
- EOG will employ site-specific measures to minimize sedimentation into the Green River.
- EOG will not construct using frozen or saturated soils or during periods when watershed damage is likely to occur.

3.4 WATER RESOURCES

- EOG will replace reserve pits with closed loop drilling systems for well locations where the water table or other topographic restrictions would intersect with a reserve pit.
- EOG will maintain a 500-foot offset to riparian areas and surface water, or, if not viable, will consult with the AO to develop site-specific mitigations if no other practical option exists.
- EOG will avoid construction within the 100-year floodplain of the Green River. No permanent structures will be constructed within the floodplain boundary unless it can be demonstrated on a case-by-case basis that there is no physically practical alternative. In cases where floodplain construction is approved by the AO, additional constraints including flood protection measures will be applied.
- EOG will line all reserve pits and pad them as necessary to prevent tearing or puncturing of the liner and fluid migration to the subsurface.
- EOG will construct impenetrable containment berms completely around production facilities designed to store fluids (i.e., production tanks, produced water tanks, methanol tanks). The pad floor beneath the tanks will be constructed with an impermeable liner to prevent fluid migration to the subsurface.

3.5 VISUAL RESOURCES

- EOG will paint all new facilities a color that best allows the facility to blend with the background, such as Shale Green Munsell Color Code 5Y 4/2, which typically is consistent with a vegetated background, or the color specified by the AO.
- EOG will perform final reclamation recontouring and revegetation of all disturbed areas, including access roads, to the original contour or a contour that blends with the surrounding topography.

3.6 VEGETATION

- EOG will utilize solar-powered electric fencing or other fencing, as appropriate, to surround reclaimed areas to protect vegetation from grazing.
- EOG will control weeds on disturbed areas within the exterior limits of the access roads, well pads, and pipeline routes in accordance with approval from the AO.

3.7 OTHER

- All garbage and non-flammable waste materials will be contained within a self-contained, portable dumpster or trash cage. As needed, the waste will be transported to an approved disposal facility.

4.0 RELATIONSHIP TO EXISTING PLANS AND DOCUMENTS

4.1 GREEN RIVER RESOURCE MANAGEMENT PLAN

The document that directs management of federal lands within the Rock Springs FO is the approved Decision Record of 1997, Green River Resource Management Plan (GRRMP). The objective for management of oil and gas resources, as stated in the GRRMP, is to provide for leasing, exploration, and development of oil and gas while protecting other resource values. In addition, the GRRMP states that public lands within the project area are open to mineral leasing and development in order to promote mineral recovery on behalf of the United States, along with appropriate mitigation of disturbance on a case-by-case basis. The development of natural gas within the East LaBarge project area is in conformance with the GRRMP. The environmental

analysis that will be prepared for the proposed East LaBarge Gas Exploration and Development project area will incorporate decisions, terms, and conditions of use as described in the GRRMP.

4.2 OTHER RELEVANT PLANS AND DECISION DOCUMENTS

The other plan that is relevant to the management decisions within the project area is the Enron Oil & Gas Company East LaBarge Infill Drilling Project Environmental Assessment and Finding of No Significant Impact (1992).

5.0 NATIONAL ENVIRONMENTAL POLICY ACT

The proposed project will be analyzed in accordance with the requirements of the National Environmental Policy Act (NEPA). To comply with NEPA and applicable Council on Environmental Quality (CEQ) regulations that implement NEPA, the BLM is required to prepare an environmental analysis. The environmental document, which is an environmental assessment (EA) for this project, will serve the following purposes:

- Provide the public and governmental agencies with information about the potential environmental consequences of the project and alternatives
- Identify all practicable means to avoid or minimize environmental harm from the project and alternatives
- Provide the responsible official with information upon which to make an informed decision regarding the project.

One element of the NEPA process is "scoping." Scoping activities are initiated early in the process to:

- Identify reasonable alternatives to be evaluated in the environmental analysis;
- Identify issues of environmental concern related to the proposed project;
- Determine the depth of analysis for issues addressed in the EA.

This Scoping Statement has been prepared to enable governmental agencies, the general public, and other interested parties to participate in and contribute to the analysis process. Public input is important in establishing the scope of analysis for any NEPA document, and the BLM encourages public participation.

6.0 PRELIMINARY RESOURCE MANAGEMENT ISSUES, CONCERNS, AND OPPORTUNITIES

The following issues and concerns have been identified by an interdisciplinary team of resource specialists. The issues identified below are not meant to be all-inclusive, but rather a starting point for public input.

- Potential increased traffic and associated impacts on existing county, state, and BLM roads.
- Potential socio-economic impacts to local communities.
- Potential impacts to surface and groundwater resources, including floodplains and increased surface disturbance and associated sedimentation and salinity to the Green River.
- Potential impacts from emissions resulting from additional drilling and production activities.
- Potential impacts related to reclamation of disturbed areas and control of invasive plants.
- Potential conflicts with livestock management operations in the project area.

- Potential impacts to cultural, historical, and paleontological resources within the project area.
- Potential impacts to wildlife habitats and populations within the project area, including big game and raptors.
- Potential impacts to threatened, endangered, or candidate plant and animal species, including potential Colorado River depletions and effects on downstream listed fish species.
- Potential cumulative effects of drilling and development activities when combined with other ongoing and proposed developments on lands adjacent to the East LaBarge project area.
- Potential conflicts between mineral development activities and recreational opportunities.

7.0 INTERDISCIPLINARY TEAM

Based upon current understanding of issues, concerns, and opportunities, an interdisciplinary team (IDT) made up of resource specialists within the BLM Field Office has been identified. The following disciplines are represented on the IDT.

- Interdisciplinary Team Leader
- Air Quality Specialist
- Range Management Specialist
- Archeologist
- Geologist
- Realty Specialist
- Recreation Planner
- Hydrologist
- Petroleum Engineer
- Wildlife Biologist
- Socioeconomic Specialist
- Environmental Scientist (surface protection)
- Public Affairs Specialist

8.0 PUBLIC INVOLVEMENT

8.1 PUBLIC INPUT

Public input is important in establishing the level and scope of the analysis necessary. The public is encouraged to participate throughout 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. It would best serve the needs of the BLM for a concentrated analysis if you would have all scoping comments submitted by July 9, 2007, which allows a 30-day comment period.

Please submit your comments to:

Jeromy Caldwell, Project Lead
BLM - Rock Springs Field Office
280 Highway 191 North
Rock Springs, Wyoming 82901
Or Email: rock_springs_wymail@blm.gov (Please add "East LaBarge EA" in the Subject line)

8.2 INITIAL MAILING LIST

The initial mailing distribution for this Scoping Notice includes the following agencies, organizations, and media, in addition to leaseholders and individuals.

City Government

City of Kemmerer	Sublette County Extension
City of LaBarge	Sweetwater County
Mayor of Rock Springs	Sweetwater County Commissioners
County Government	Sweetwater County Conservation District
Lincoln County	Sweetwater Wildlife Association
Lincoln County Clerk	Wyoming Business Council
Sublette County	

Educational Institutions, Universities, and Museums

Library-University of Wyoming	Western Wyoming Community College
University of Wyoming Dept of Anthropology	Wyoming Association of Professional Historians
University of Wyoming Renewable Resources	Wyoming Association of Prof. Archeologists
University of Wyoming American Studies Program	University of Wyoming Natural Diversity Database

Environmental or Conservation Group

American Lands Alliance	Rocky Mountain Elk Foundation
Animal Protection Institute of America	Safari Club International
Biodiversity Conservation Alliance	Sierra Club
Center for Native Ecosystems	Southern Utah Wilderness Alliance
Defenders of Wildlife	Southwest Forest Alliance
Earth Justice Legal Defense Fund	Southwest WY Mule Deer Foundation

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Environmental or Conservation Group, cont'd.

Environmental Defense Fund	The Nature Conservancy
Friends of Fort Bridger	The Wilderness Society
Greater Yellowstone Coalition	Theodore Roosevelt Conservation Partnership
Land and Water Fund for the Rockies	Trout Unlimited
Medicine Butte Wildlife Association	Upper Green River Valley Coalition
Mormon Trails Association	Western Watersheds Project, Wyoming Office
National Pony Express Association (NPEA)	Western WY Mule Deer Foundation
National Wildlife Federation	Wildlife Management Institute
Overland Trail Corp.	Wyoming Advocates For Animals
People for the USA	Wyoming Conservation Voters
People for the West	Wyoming Outdoor Council
People for Wyoming	Wyoming People for the USA
Predator Project	Wyoming Wilderness Association
Public Lands Foundation	Wyoming Wildlife Federation

Federal Agency

Advisory Council on Historic Preservation	USDA Natural Resources Conservation Service
FAA	USDI Bureau of Reclamation
National Trust for Historic Preservation	USDI Minerals Management Service
Natural Resources Defense Council	USDI National Park Service
U.S. Army Corps of Engineers	USDI Office of Surface Mining
U.S. Department of Energy	USDI Office of the Regional Solicitor
U.S. EPA, Region 8	Western Wyoming Resource Conservation & Development Council
U.S. Fish and Wildlife Service	

Federal Elected Official

U.S. Representative Barbara Cubin	U.S. Senator Mike Enzi
	U.S. Senator Craig Thomas

Trade Group

Independent Petroleum Association of Mountain States	Southwest Wyoming Mineral Association
Petroleum Association of Wyoming	Wasatch Mountain Placer Association
Public Lands Advocacy	Wyoming Business Alliance
Southwest Wyoming Industrial Association	Wyoming Mining Association

Media

Casper Star-Tribune
Green River Star

Other Governmental Organization

Western Governors' Association
Wyoming Association of Municipalities

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Public Land User or User Group

Chicken Creek LLC	Wyoming State Grazing Board
Frank Fear Cattle Co.	Wyoming Stock Growers Association
Motorcycle Industry Council	Wyoming Wool Growers Association
Oregon-California Trail Association	Rural Development, Economic Development,
Rock Springs Grazing Association	Green River Chamber of Commerce
Wyoming Farm Bureau Federation	Sweetwater Economic Development Association
Wyoming Public Lands Council	Western Land Exchange Project
Wyoming Sportsman's Association	

State Agency (Wyoming)

Department of Agriculture	Oil And Gas Conservation Commission
Department of Environmental Quality	Planning Office
Department of Game and Fish	State Forestry Division
Department of Revenue	State Historic Preservation Office
Department of Transportation	State Lands and Investments
Engineer's Office	State Parks
Geological Survey	Sublette County Conservation District
Wyoming State Library	Sublette County Weed and Pest
Livestock Board	Trails Program

State Elected Official

Governor Dave Freudenthal	Representative Monte Olsen
Representative Kathy Davison	Senator Stan Cooper
Representative Dan Dockstader	Senator Pat Aullman

Tribe

Eastern Shoshone Tribe
Northern Arapaho Tribe