



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Rock Springs Field Office
280 Highway 191 North
Rock Springs, Wyoming 82901

SCOPING NOTICE LUMAN RIM PROJECT AREA – SWEETWATER COUNTY

Yates Petroleum Corporation, Davis Petroleum Corp., and
Pinnacle Gas Resources, Inc.

1.0 INTRODUCTION

Yates Petroleum Corporation, Davis Petroleum Corp and Pinnacle Gas Resources, Inc., propose to drill oil and gas wells in the Luman Rim Project Area (LRPA) to develop gas reserves in the Upper Cretaceous age Lewis and Mesaverde Formations.

2.0 DESCRIPTION OF AREA

The LRPA includes 20,828.26 acres located within the Bureau of Land Management (BLM) Rock Springs Field Office in Sweetwater County, Wyoming. Table 1 summarizes the surface and mineral ownership by category. Table 2 summarizes the project location in the Public Land Survey System. See Figure 1 for a map of the area.

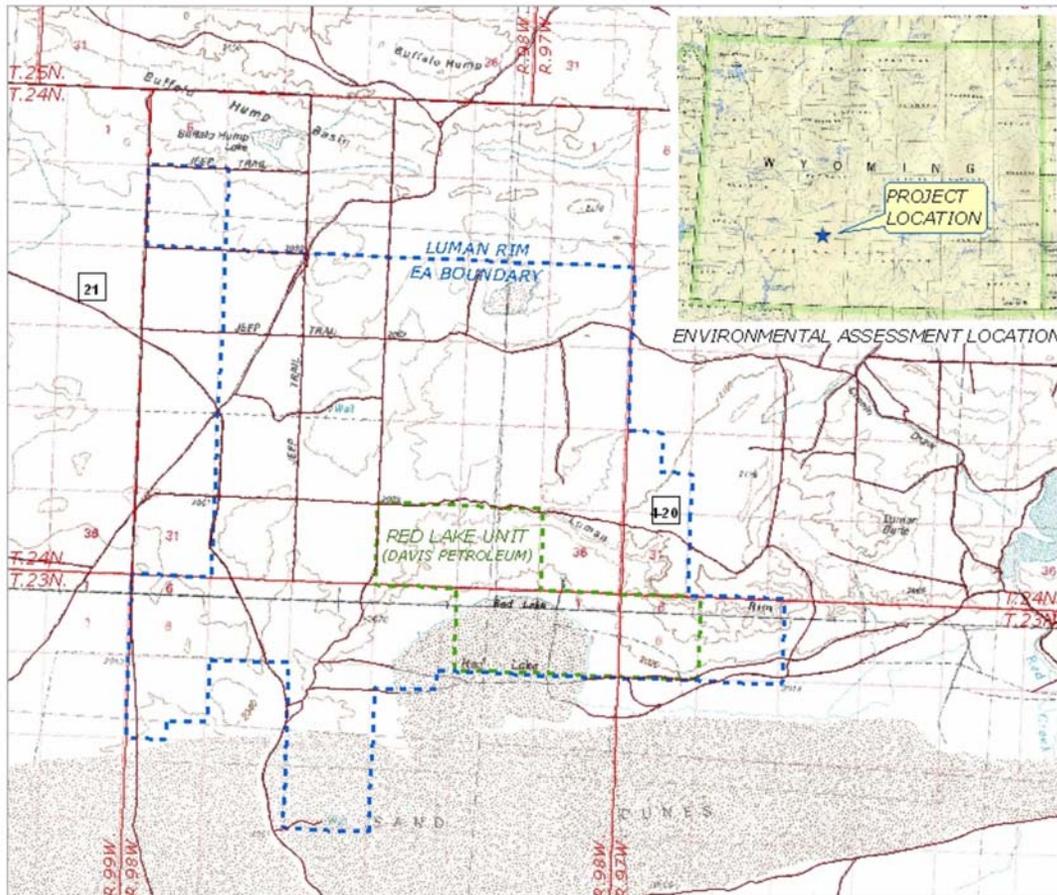
Table 1: Ownership

	Federal Acres	Private Acres	State Acres
Surface	19,548.26	0	1,280
Mineral	19,548.26	0	1,280

Table 2: Project Location in the Public Land Survey System

Township	Range	Section
24 North	98 West	7,13,14,15,16,17,20,21,22,23,24,25,26, 27,28,29,32,33,34,35,36
24 North	97 West	30,31
23 North	97 West	5,6
23 North	98 West	1,2,3,4,5,6,7,9,10,16

Figure 1. Project Area



3.0 PROPOSED DRILLING

The Companies propose to drill an additional 54 federal and 4 state conventional wells in the LRPA over the next five years. The spacing will be 1 well per 160 acres. Included in this well count and acreage, Pinnacle proposes to drill one conventional exploration well in 2008.

3.1 TOTAL WELLS

Only conventional oil and gas wells are proposed, i.e., no coalbed natural gas wells are proposed. The Companies propose to drill an additional 58 federal and state wells into the Mesaverde formation over the next five years. The actual number of wells drilled per year will depend on natural gas prices and on the success of the initial wells.

3.2 DRILLING AND DISTURBANCE

Eight gas wells are already producing from the Mesaverde formation in the LRPA with one proposed exploratory well. The 58 additional wells are expected to average

10,125 feet in depth. The average time from spud to completion is approximately 60 days, with drilling occurring for 20 to 30 days. Each well will have a drilling pad and associated road and pipeline right-of-way. The short-term surface disturbance for these wells will average approximately 13 acres. Fifty-eight wells averaging 13 acres per well would initially disturb 754 acres out of the 20,828.26 acres in the LRPA, or 3.6 percent of the area. The long-term surface disturbance (30 years) will be approximately 5 acres per well. The long-term surface disturbance for 58 wells will be 290 acres, or less than 1.4 percent of the LRPA.

4.0 WILDERNESS STUDY AREAS

The East Sand Dunes Wilderness Study Area and the Red Lake Wilderness Study Area are adjacent to the south end of the LRPA. Most of the LRPA in T. 23 N., Rs. 97 and 98 W. is within a Class II Visual Resource Management (VRM) area. The remainder of the LRPA falls under a VRM III category.

5.0 RED DESERT WATERSHED MANAGEMENT AREA

The LRPA is located within the Red Desert Watershed Management Area, which encompasses 341,060 acres. The BLM stated management objective for this area is:

“The management objective for the Red Desert Watershed Management Area is to manage for all resource values in the Red Desert area with emphasis on protection of **visual resources**, **watershed values**, and **wildlife resources** and to provide large areas of unobstructed views for enjoyment of scenic qualities. This will be accomplished through facility design and placement and using topography to shield activities, using neutral colors so facilities blend with the landscape, identification of backcountry byways, and providing viewing points for the public.”

The BLM encourages ongoing collaboration with resource management specialists to analyze actions on a case-by-case basis to identify mitigation needs to meet Resource Management Plan (RMP) objectives, provide for resource protection, and provide for logical development. The Companies will use these strategies to accomplish the management objective.

5.1 MANAGEMENT ACTIONS

The BLM has developed management actions specifically for the Red Desert Watershed Management Area¹. The Red Desert Watershed Management Area will be managed to ensure development and activities conform to the concept of open space. The area will be managed consistent with the Class II and Class III VRM

¹USDI BLM, Rock Springs District Office: October 1997. Record of Decision and Green River Resource Management Plan, pp. 39-40.

classifications. BLM will conduct site specific visual resource reviews (inventories) prior to allowing activities that may affect these values.

The Companies propose to address the BLM *Visual Resource* objectives through such measures as using low-profile tanks, using natural topography to hide tank locations, painting tanks and facilities to blend with the surrounding landscape, and rapid interim reclamation as soon as drilling is completed.

The Companies propose to address the BLM *Watershed Value* objectives through typical soil, runoff, spill, and enhanced revegetation management practices as described in the WDEQ required Stormwater Pollution Prevention Plan. Soil effects will be mitigated by protection of stockpiled and replaced soils from erosion, and revegetation of replaced soils as rapidly as possible.

Improvements to the existing and construction of proposed new portions of access roads may involve intermittent stream crossings. Proposed crossings will be sited where the active channel is of minimal width bounded by low-angle slopes. Crossing structures, e.g. culverts or low-water crossings, will be sized to minimize restrictions to natural flow velocities, upstream sedimentation, and downstream scour.

Disturbance of highly erodible soils will be avoided where possible, and erosion control measures will be applied along the length of the access roads. Storm water will be diverted from the well pad stockpiles using ditches, berms, water bars, or sediment fences as needed to trap runoff and sediments on or near the location. These measures will prevent movement of disturbed and stockpiled soil into natural drainages to eliminate potential effects on the stream flow or sediment load to nearby surface water or other downstream drainages.

Intermittent and ephemeral surface water and shallow unconfined groundwater could be affected by leakage or spills of process fluids or lesser quality groundwater used for drilling, etc. Earth berms or equivalent structures will be constructed around all oil containing equipment to provide secondary containment, with additional containment to be constructed between the well and nearby surface water drainages as needed and described in the EPA required Spill Prevention Control and Countermeasure (SPCC) Plan. In addition, system piping will be monitored for potential leaks.

To prevent potential degradation of shallow groundwater or nearby surface water, all boreholes and wells will be properly cemented and abandoned in accordance with WOGCC rules. All produced fluids from the wells will be collected and held in onsite tankage. Produced fluids will be separated with water being trucked to commercial disposal. Condensate will be sold and transported by truck. Gas will be injected into the existing gas transportation pipeline. To the extent possible, gas gathering pipelines will be installed in road right-of-ways. At this time, the Companies do not anticipate the need for additional gas compression.

The Companies propose to address the BLM *Wildlife Resource* objectives through typical wildlife management practices. Traffic to the wells will be reduced where possible through use of remote telemetry well monitoring systems. Restrictions for protection of raptors, big game crucial winter range, and big game calving/fawning areas will apply. Table 3 lists the wildlife seasonal restrictions for all surface disturbing activities. Where practical, the Companies will also implement innovative reclamation practices including reseeding to match pre-existing habitats as opposed to using one seed mixture for all disturbances.

Table 3: Wildlife Seasonal Restrictions in LRPA

Affected Areas	Restriction	Restricted Area
Big Game Crucial Winter Ranges	Nov. 15 - April 30	Antelope, elk, moose, and mule deer crucial winter ranges
Parturition Areas	May 1 - June 30	Designated parturition areas
Greater Sage-Grouse Leks	March 1 - May 15	Within one-quarter mile radius of lek
Sage-Grouse Nesting Areas	March 15 - July 15	Up to 2-mile radius of lek
Golden Eagle Nest	Feb. 1 – July 31	Within one-half mile radius
Swainson's Hawk Nest	Feb. 1 – July 31	Within one-half mile radius
Ferruginous Hawk Nest	Feb. 1 – July 31	Within one mile radius
Coopers Hawk Nest	Feb. 1 – July 31	Within one-half mile radius
Burrowing Owl Nest	Apr 10 – Sep 10	Within one-half mile radius
Merlin Nest	Feb. 1 – July 31	Within one-half mile radius
Other Raptors	Feb. 1 – July 31	Within one-half mile radius

6.0 ECONOMIC IMPACT

The wells within the LRPA range in reserve estimates from 238 MCF to 1,317 MCF for a per-well average of one BCF of natural gas. These reserve estimates show that the wells so far are not high reserve wells. Drilling of these wells will be very sensitive to natural gas prices in Wyoming.

Fifty-eight wells at one BCF per well, averaging \$5.00 per MCF, could yield \$36.25 million dollars to the United States of America, one-half of which is returned to the State of Wyoming. Wyoming would further benefit through severance and ad valorem taxes. Drilling rigs, rig and roustabout crews, and construction would all provide employment and sales taxes to the Sweetwater County economy.

7.0 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 impacts to visual resources.
- Potential socio-economic impacts to local communities.
- Potential impacts to surface, groundwater and watershed resources.
- 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.
- Potential cumulative effects of drilling and development activities when combined with other ongoing and proposed developments on lands adjacent to the Luman Rim Project area.
- Potential conflicts between mineral development activities and recreational opportunities.

7.1 INTERDISCIPLINARY TEAM

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

- | | |
|-----------------------------------|--|
| • Interdisciplinary Team Leader | • Wildlife Biologist |
| • Air Quality Specialist | • Fisheries Biologist |
| • Rangeland Management Specialist | • Botanist |
| • Archeologist | • Wild Horse Specialist |
| • Geologist | • Socioeconomic Specialist |
| • Realty Specialist | • Public Affairs Specialist |
| • Outdoor Recreation Planner | • Natural Resources Specialist |
| • Hydrologist | • Planning and Environmental Coordinator |
| • Petroleum Engineer | • Writer/Editor |

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 all scoping comments are submitted by June 19, 2008, allowing a 30-day comment period.

Please submit your comments to:

Jeromy Caldwell, Natural Resource Specialist
Bureau of Land Management
Rock Springs Field Office
280 Highway 191 North
Rock Springs, Wyoming 82901

Or Email: rock_springs_wymail@blm.gov
(Please add "Luman Rim Project EA" in the Subject line)

8.2 INITIAL MAILING LIST

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

Local Government

City of Rock Springs
Sweetwater County
Sweetwater County Conservation
District
Sweetwater County Extension
Sweetwater County Weed and Pest

Educational Institutions, Universities, and Museums

Library-University of Wyoming
Sweetwater County Library
University of Wyoming American
Studies Program
University of Wyoming Dept. of
Anthropology

University of Wyoming Natural
Diversity Database
University of Wyoming Renewable
Resources
Western Wyoming Community College
Wyoming Association of Professional
Archaeologists
Wyoming Association of Professional
Historians

Environmental or Conservation Groups

American Lands Alliance
Animal Protection Institute of America
Biodiversity Conservation Alliance
Center for Native Ecosystems
Defenders of Wildlife

Earthjustice Legal Defense Fund
 Environmental Defense Fund
 Land and Water Fund for the Rockies
 Mormon Trails Association
 National Pony Express Association
 (NPEA)
 National Wildlife Federation
 People for the USA
 People for the West
 People for Wyoming
 Predator Project
 Public Lands Foundation
 Rocky Mountain Elk Foundation
 Sierra Club
 Southwest Wyoming Mule Deer
 Foundation
 The Alliance for Historic Wyoming
 The Nature Conservancy
 Theodore Roosevelt Conservation
 Partnership
 The Wilderness Society
 Trout Unlimited
 Western Watersheds Project,
 Wyoming Office
 Western Wyoming Mule Deer
 Foundation
 Wildlife Management Institute
 Wyoming Advocates for Animals
 Wyoming Conservation Voters
 Wyoming Outdoor Council
 Wyoming People for the USA
 Wyoming Wilderness Association
 Wyoming Wildlife Federation

Federal Agencies

Federal Aviation Administration
 Federal Energy Regulatory
 Commission
 Office of Environmental Policy and
 Compliance
 U.S. Army Corps of Engineers
 U.S. Department of Agriculture
 U.S. Department of Energy
 U.S. EPA, Region 8
 USDA Natural Resources
 Conservation Service

USDI Bureau of Reclamation
 USDI Minerals Management Service
 USDI National Park Service-Long
 Distance Trail Office
 USDI Office of Surface Mining
 USDI Office of the Regional Solicitor

Federal Elected Officials

U.S. Representative Barbara Cubin
 U.S. Senator Mike Enzi
 U.S. Senator John Barrasso

Trade Groups

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

Media

Casper Star-Tribune
 Rock Springs Daily Rocket-Miner
 Green River Star

Other

Advisory Council on Historic
 Preservation
 National Trust for Historic Preservation
 Natural Resources Defense Council
 Western Governors' Association
 Western Wyoming Resource
 Conservation & Development
 Wyoming Association of Municipalities

Public Land Users or User Groups

Oregon-California Trail Association
 Rock Springs Grazing Association
 Wyoming Farm Bureau Federation
 Wyoming Public Lands Council
 Wyoming Sportsman's Association
 Wyoming State Grazing Board

Wyoming Stock Growers Association
Wyoming Wool Growers Association

State Agencies/Boards

Department of Agriculture
Department of Environmental Quality
Department of Game and Fish
Department of Revenue
Department of Transportation
Geological Survey
Oil and Gas Conservation Commission
Planning Office
State Engineer's Office
State Forestry Division
State Historic Preservation Office
State Lands and Investments
Wyoming Business Council
Wyoming Livestock Board
Wyoming Outfitters and Guides
Association
Wyoming State Library
Wyoming State Museum

State Elected Officials

Governor Dave Freudenthal
Representative Stan Blake
Representative Bernadine Craft
Representative Kathy Davison
Representative Allen Jaggi
Representative Marty Martin
Representative Bill Thompson
Senator Stan Cooper
Senator John Hastert
Senator Rae Lyn Job

Tribes

Eastern Shoshone Tribe
Northern Arapaho Tribe
Northern Ute Tribe
Shoshone-Bannock Tribe