SCOPING STATEMENT HANNA DRAW COALBED METHANE EXPLORATION PROJECT ENVIRONMENTAL ASSESSMENT

Barrett Resources Corporation

Bureau of Land Management Rawlins Field Office

Description of Project

Barrett Resources Corporation (Barrett) of Denver, Colorado, has notified the Bureau of Land Management (BLM), Rawlins Field Office, that the company proposes to explore and potentially develop a coalbed methane (CBM) project on gas/oil leases located within the administrative boundary of the BLM's Rawlins Field Office. The exploration project would encompass four areas located in Townships 23 and 24 North, Range 81 West, Carbon County, Wyoming (Figure 1). The total project area encompasses approximately 3,200 acres, of which 1,280 acres are federal surface and mineral estate. Barrett will also apply for a right-of-way (ROW) to construct, operate, and maintain a 20-mile pipeline to connect the field with an existing interstate pipeline if the field proves productive (Figure 2). The ROW would generally follow the pipeline route described in the MetFuel environmental impact statement (EIS) (BLM 1993), but would extend a few miles further south than MetFuel's proposed pipeline.

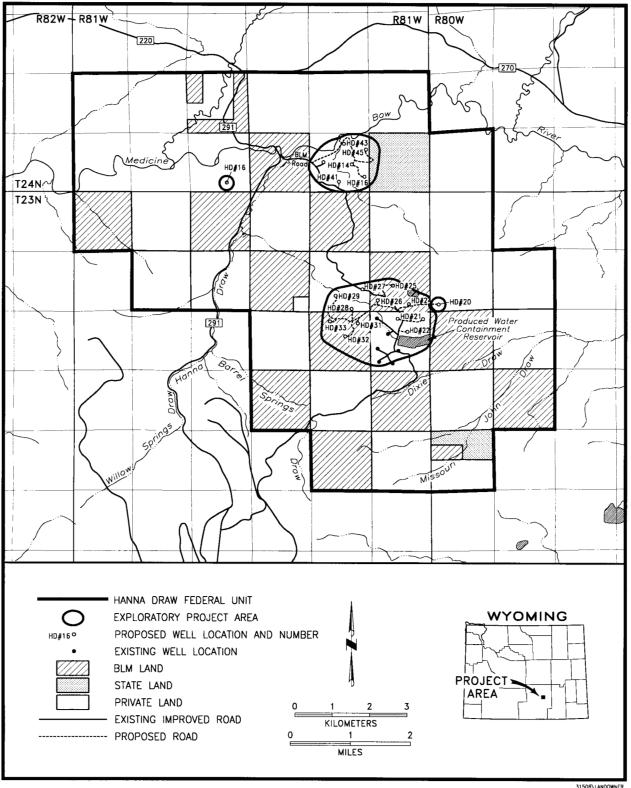
Ancillary facilities would include access roads, gas gathering lines, water collection lines, a pod (gas metering and venting facility), a compressor station, the 20-mile long interconnect pipeline, and a produced-water reservoir (Figure 1). The exploration project would include drilling, completing, and producing approximately 18 wells for evaluation. The federal action for this project would include the permitting of six wells, associated exploration facilities, and, if the field proves economically viable, production facilities on federal surface.

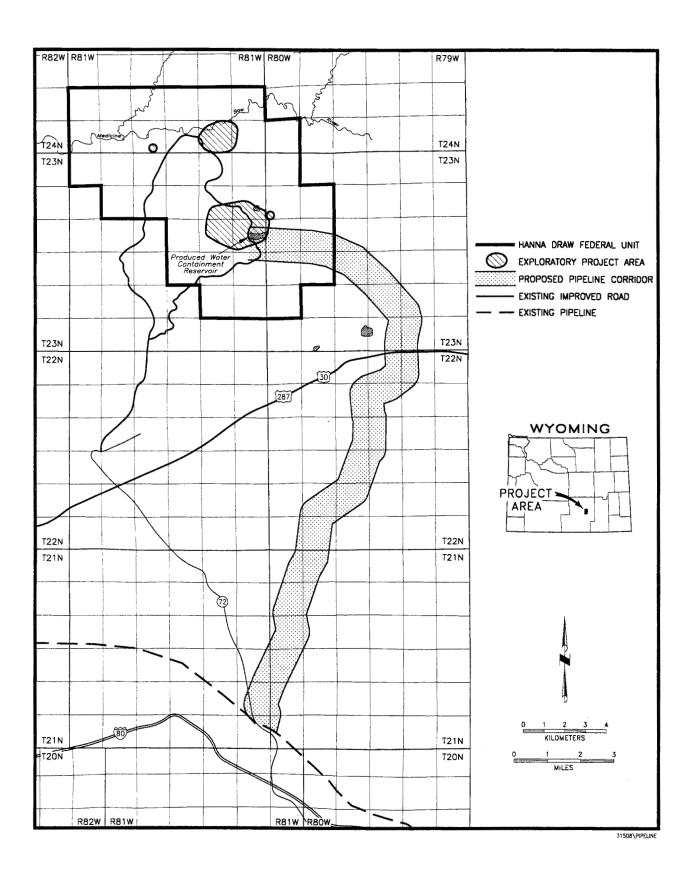
Well spacing density would generally be equivalent to eight wells per section. Initial drilling operations are proposed to begin in the third quarter of 2001.

The primary objectives of the exploration project would be to:

- determine the economically productive coal seams,
- identify economical drilling and completion techniques,
- determine if coal dewatering can be achieved,
- assess produced water quantity and quality, and
- identify the preferred depths/pressure windows for economic gas production.

It is anticipated that the exploratory project would be sufficient to evaluate the economic feasibility of producing CBM from the coal seams in the area and if it is deemed successful, additional development plans beyond the scope of the Hanna Draw CBM Exploration Project EA would require further environmental analysis.





Approximately 8 days would be required to drill, log, and case each well utilizing a conventional rotary drilling rig and associated rig equipment. Two additional days would be required to run a bond log, perforate, and set a pump with a completion rig. The estimated size of a drill site location is 180 ft x 240 ft, with some limited site disturbance required to place the drill rig on level ground. A 65-ft wide x 145-ft long x 10-ft deep reserve pit also would be constructed adjacent to each drill site location to hold drilling fluids and cuttings. The estimated maximum surface disturbance required at each drill site location would be 1.2 acres. Drilling depths would generally be about 4,000 ft.

Each well would require a water discharge line, a gas line, and a power source. A network of waterlines exists on private lands in the project area. Short new lines (up to 6-inch diameter high density polyethylene) would be required to collect produced water on the two federal sections; these would connect to the existing network. Water lines would converge in a water containment reservoir (Figure 1). Gas lines (made of up to 3-inch diameter high density polyethelene) from exploratory wells would be tied into a small pod for gas metering and subsequent venting. Power would be supplied by gas-driven engines, propane generators, or gas-powered generators fueled by produced gas.

Each well would be continuously production tested for an estimated 6 to 12 months to fully evaluate the commercial feasibility of any further development. Venting would be conducted in accordance with Wyoming Oil and Gas Conservation Commission regulations. Once the permitted venting limit is reached, wells would either be put into production or shut-in for later production. Routine daily maintenance, including daily pump changes, would be required during the evaluation period. If the wells prove to be nonproductive or uneconomical, the wells would be abandoned and all disturbed areas would be reclaimed to BLM or private landowner specifications.

The proposed project area is currently accessed by existing developed and undeveloped roads. A road network would be developed that would include new and upgraded roads. Two existing improved roads act as the primary routes into the area. Roads into individual well sites would be constructed in accordance with BLM standards.

No uncontained surface discharge is proposed at this time. Water produced during initial completion operations would be contained in reserve pits at each well location. All subsequent produced water would be contained in the reservoir, for which Barrett would obtain the required discharge permits. Produced water quality would be monitored in accordance with state and federal regulations.

If the exploratory field is economically productive, a small compressor (e.g., 400 horsepower) would be installed. Gas volumes would dictate the amount of compression required. Similarly, the 20-mile long pipeline would be constructed only if Barrett deems it viable to transport gas from the field.

Relationship to Existing Plans and Documents

Resource Management Plan. The Great Divide Resource Management Plan (RMP) (BLM 1990) directs management of BLM-administered lands within the analysis area. The objective for management of oil and gas resources, as stated in the RMP, is to provide for leasing, exploration, and development of oil and gas while protecting other resource values. The development of CBM within the Hanna Draw CBM Exploration Project area would be in conformance with the RMP. The EA that would be prepared on the Barrett proposal would incorporate the appropriate decisions, terms, and conditions of use described in the RMP.

MetFuel Coalbed Methane Environmental Impact Statement. The Hanna Draw CBM Exploration Project area is completely within the MetFuel Hanna Basin Coalbed Methane Project Area, for which an EIS was prepared by the BLM Rawlins Field Office (BLM 1993). The *National Environmental Policy Act* (NEPA) analysis for Barrett's proposed exploration project would be tiered to the MetFuel EIS and would include existing information and analysis where appropriate. BLM would update information and conduct additional analyses where needed.

<u>Use Authorizations</u>. Use authorizations (i.e., ROWs, permits) for roads, pipelines, and well site facilities would be addressed through the BLM's Application for Permit to Drill (APD) and Sundry Notice permitting process as long as the facilities remain on-lease and are owned and operated by the unit operator. Most activity would occur within the boundaries of the Hanna Draw exploratory project area. Any facility located off-lease would require individual ROW permits.

<u>Lease Stipulations</u>. Some leases within the proposed area include special stipulations, in addition to the standard lease terms, on occupancy. These stipulations are designed to protect surface resources such as soils, water, and wildlife by restricting periods of activity and areas of disturbance. Application of these lease stipulations would be handled on a case-by-case basis for each APD submitted to the BLM.

National Environmental Policy Act (NEPA)

On reviewing the Barrett proposal, the BLM has determined that an EA would be required. The impact analysis presented in the EA would allow for one of two decisions to be made by the BLM Rawlins Field Office Manager. The first is whether to sign a Decision Record with a Finding of No Significant Impact (FONSI) which would allow the exploration project to proceed. The second decision is to identify whether the project, as proposed, would result in significant impacts and would require preparation of an EIS.

This scoping statement has been prepared to enable government 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 participation to:

- identify reasonable development alternatives to be considered in the environmental document:
- identify environmental/socioeconomic issues of concern related to the proposed project;
- determine the depth of analysis for issues addressed in the environmental document.

Identified Resource Management Issues, Concerns, and Opportunities

As appropriate, information and analysis for the EA would be tiered and obtained from the MetFuel EIS (BLM 1993). In addition to the issues addressed in that EIS, BLM has identified the need to update information on the following:

- potential impacts to wildlife habitats within the analysis area, including sage grouse and raptors;
- impacts to surface and ground water resources;
- potential impacts to cultural and historical values within the analysis area;
- potential impacts to listed, or proposed for listing, threatened and endangered plant and animal species (including potential effects on downstream listed fish species); and
- cumulative effects of drilling and development activities when combined with other ongoing and proposed developments on lands within the BLM Rawlins Field Office area.

The list is not meant to be all-inclusive, but rather serves as a starting point for public input and as a means of identifying the resource disciplines needed to conduct the analysis.

Interdisciplinary Team

Based on the current understanding of issues, concerns, and opportunities and established objectives from other plans, an interdisciplinary team (IDT) made up of the following specialists and skills has been identified:

- Air Quality Specialist;
- Archaeologist;
- Coal Specialist;
- Environmental Scientist (surface protection);
- Geologist;
- Hydrologist;
- Interdisciplinary Team Leader;
- NEPA Specialist;
- Petroleum Engineer;
- Public Affairs Specialist;
- Range Management Specialist;
- Realty Specialist;
- Recreation Planner;
- Soil Scientist;
- Wildlife Biologist;
- Paleontologist; and
- Noise Specialist.

Schedule for Public Input

Government agencies, the public, and other interested parties are encouraged to participate throughout the environmental analysis. Comments on this scoping statement should be submitted by April 27, 2001 to:

U.S. Bureau of Land Management Rawlins Field Office Attn: Brenda Vosika Neuman P.O. Box 2407 Rawlins, WY 82301

Email: <rawlins_wymail@blm.gov>

(Please refer to the Hanna Draw CBM Exploration Project

in your email comment.)

An open house will be held on April 17, 2001, from 5:00 to 8:00 p.m. at the Hanna City Hall. Personnel from Barrett and BLM will be on hand to explain the proposed project and accept scoping comments from the public. There will also be an opportunity to submit comments on the proposal.

Public Participation

The following individuals and organizations will receive this scoping statement:

FEDERAL OFFICES

Bridger-Teton National Fcrest,
Pineda le Ranger District
Federal Energy Regulatory
Commission
Federal Highway Administration
Library of Congress
Natural Resource Conservation Service
Office of Environmental Policy and
Compliance
Soil Conservation Service
U.S. Army of Corps of Engineers
U.S. Bureau of Indian Affairs

U.S. Bureau of Land Management
Washington, D.C., Office
Wyoming State Office
Library, Denver
U.S. Bureau of Reclamation
U.S. Department of Energy
U.S. En vironmental Protection Agency
U.S. Department of Interior, National
Park Service,
Air Resources Division
NEPA/Section 106 Specialist

U.S. Department of Interior, Natural Resources Library U.S. Fish and Wildlife Service U.S. Forest Service U.S. Geological Survey U.S. Government Printing Office U.S. Representative Barbara Cubin U.S. Senator Mike Enzi U.S. Senator Craig Thomas

STATE AGENCIES

Dept. of Employment, Research & Planning Division
Governor Jim Geringer
State Land Officer
State Representatives
State Senators
Wyoming Department of
Environmental Quality

Wyoming Dept. of Commerce
Div. of Economic & Commercial
Development
Wyoming Game and Fish Department
Wyoming High way Commission
Wyoming Office of Federal Land
Policy

Wyoming Oil and Gas Conservation
Commission
Wyoming Public Service Commission
Wyoming Recreation Commission
Wyoming State Engineer's Office
Wyoming State Geological Survey
Wyoming State Historical Preservation
Office

COUNTY GOVERNMENT

Carbon County Commissioners Carbon County Planning Commission Carbon County Public Library Carbon County

Carbon County Road and Bridge Carbon County Chamber of Commerce

MUNICIPALITIES

City of Bairoil Mayor - Hanna Mayor - Medicine Bow Mayor - Saratoga Mayor - Sinclair Medicine Bow Town Council Rawlin's Chamber of Commerce Rawlins City Manager Rawlins Planning Commissioner

NATIVE AMERICAN TRIBES

Francis Brown Eastern Shoshone Tribal Council Comanche Tribal Council Crow Tribal Administration Clifford Duncan

Northern Arapahœ Tribal Council

Northern Chevenne Cultural Committee Northern Cheyenne Tribal Council Ogalala Sioux Tribal Council Rosebud Sioux Tribal Council Shoshone Tribal Cultural Center Shoshon e and Northern Arapahoe

Uinta Ute Cultural Rights and Protections Office Uinta-Ouray Tribal Council Ute Mountain Tribe Ute Tribal Council Haman Wise, Sr.

Laramie News Service

Rawlins Daily Times

Shoshone-Bannnock Tribes

LOCAL MEDIA

Casper Star-Tribune Denver Post KCWY TV KFBC Radio **KRAL** - Rawlins

KTWO - Casper KTWO TV - Casper KUWR - University of Wyoming

Rocky Mountain News Laramie Boomerang

Saratoga Sun

OTHER AGENCIES, INDUSTRY REPRESENTATIVES, INDIVIDUALS, GRAZING PERMITTEES, LEASE AND RIGHTS-OF-WAY HOLDERS, LANDOWNERS, AND ORGANIZATIONS

American Museum of Natural History Anadarko Petroleum Corporation

Anders on Oil Co. Arch of Wyoming Scott Archer

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Terry L. and Janet L. Binger Bio Environmental Associates Biodiversity Associates, Friends of the Bow

Bjork, Lindley, Danielson, & Baker,

P.C.

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Cabot Oil and Gas Production Co.

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Patrick Eastman

Elk Mountain Ranch, LLC Elk Mountain Trading Co.

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Environmental Defense Fund

David L. Evans

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Department of Geology Byron Fitzgerald Flying J Oil and Gas Forrest Construction Inc.

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OEPC Steve Olsen Jim Orpet

Pacific Power & Light

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Gerald and Nancy Palm Palo Production Co. Roy D. Parr Barbara Parsons

Sandra Earlene Patterson People for Wyoming People for the West Lauriel Peters Henry G. and Teresa Perez Petrogulf Corporation

Petroleum Association of Wyoming

PFUSA

Margaret and Roger Pilgrim

Robert Pixler

Platte River Power Authority Platte Valley Construction Pat R. and Faye Porter Poulson, Odell & Peterson

Powder River Basin Resource Council

Predator Project PTI Communications Public Lands Advocacy Purves Environmental

Q Creek Land and Livestock, LLC

RAG Shoshone Coal Corp.

Randall Ramsey

Noah C. and Julia Ravia Joseph C. Reiker River Gas Corp. Curtis Rochelle

Rocky Mountain Casing Crews Inc. Rocky Mountain Elk Foundation

Joseph S. Rose Rosebud Coal Sales Co. Rodger A. and Mary E. Roush

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Salisbury Livestock Co.
Santa Fe Snyder Corporation
Saratoga-Encampment-Rawlins
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Schmid Oilfield Services, Inc.

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Tim Tlustos
Harry L. Todd, Jr.
Mike Todd
Raymond L. Todd
Trigon-Sheehan, LLC.
Tri State Generation & Transmission

Tri-State Generation & Transmission Association

Trout Unlimited

Uintah Engineering & Land Surveying

URS, Woodward Clyde
US Energy/Crested
US West Communications
University of Wyoming, Department of
Range Land Ecology

Gary Vivion Robert Vivion, Jr. Joseph S. and Charlott L. Vold

Mary F. Waldron Angel R. Wegner Donald M. Welch WESTECH

Western Ecosystems Western Wyoming College, Archaeological Services

Western Wyoming Mule Deer

Foundation
Dick Wildermann
Wilderness Society

Wildlife Management Institute

Wildlife Society
Williams Field Services

Wolf Continental Divide Trail Society Wyoming Advocates for Animals

Wyoming Association of Municipalities

Wyoming Association of Professional Archaeologists

Wyoming Association of Professional Historians

Wyoming Far m Bure au Federation Wyoming Mining Association Wyoming Natural Diversity Database

Wyoming Outdoor Council Wyoming Public Lands Council Wyoming Sportsman's Association

Wyoming State Journal

Wyoming Wilderness Association
Wyoming Wildlife Federation
Wyoming Woolgrowers Association
Votes Petrology Corp.

Yates Petroleum Corp. Gordon Yellowman

Jim Zapert Art Zeiger

Richard Charles Zielinski

Literature Cited

U.S. Bureau of Land Management. 1993. Final MetFuel Hanna Basin coalbed methane project environmental impact statement. Prepared for the U.S. Department of the Interior, Bureau of Land Management, Great Divide Resource Area, Rawlins District Office, Rawlins, Wyoming, by Mariah Associates, Inc., Laramie, Wyoming. FES-93-1.

. 1990. Great Divide Resource Area record of decision and approved resource management plan. Prepared by U.S. Department of the Interior, Bureau of Land Management, Great Divide Resource Area, Rawlins District Office, Rawlins, Wyoming. BLM-WY-PT-91-010-4410. 74 pp.