

CHAPTER 1

PURPOSE AND NEED

1.0 INTRODUCTION

1.1 PROJECT DESCRIPTION AND LOCATION

Merit Energy Company (Merit) of Dallas, Texas notified the Bureau of Land Management (BLM), Rawlins Field Office, that the company proposes to explore and potentially develop coalbed methane (CBM) wells in the Brown Cow Pod of the Atlantic Rim Project Area (ARPA) of southcentral Wyoming (Figure 1-1). The Merit proposal is a part of interim drilling activity authorized by the BLM, Rawlins Field Office while an Environmental Impact Statement (EIS) is being prepared for the entire Atlantic Rim CBM project area.

The interim development project consists of twelve coalbed methane wells located in the Brown Cow Pod of the Atlantic Rim CBM project area. Initial drilling operations are proposed to begin in December 2003. The total life of the project (LOP) is estimated at 10 to 20 years. The proposed POD is located in an existing oil and gas field, with infrastructure (e.g. access roads, flow lines, produced water lines, water injection wells, and gas compression) available for support of new development.

The Brown Cow Pod is located within the administrative boundary of the BLM's Rawlins Field Office in Township 14 North, Range 91 West, Carbon County, Wyoming (Figure 1-1). Access to the Brown Cow Project Area (BCPA) is provided by the two-lane paved Wyoming State Highway 789 (SH 789) from Interstate 80 (I-80) at Creston Junction south towards Baggs, Wyoming, or north from Baggs, Wyoming. Access to the Brown Cow pod is by SH 789 north from Baggs for approximately 7.5 miles to the intersection with BLM Road 3309. The distance from SH 789 to the proposed pod is approximately 4 miles. The relationship of the Brown Cow Pod to other pods within the Atlantic Rim EIS project area is shown on Figure 1-2.

The Brown Cow Pod encompasses approximately 1,600 acres, all of which are federal surface and minerals.

1.2 PURPOSE OF AND NEED FOR ACTION

1.2.1 Purpose and Need For the Proposed Development

Exploration and development of federal oil and gas leases by private industry is an integral part of the BLM's oil and gas leasing program under authority of the Mineral Leasing Act of 1920 as amended, the Mining and Minerals Policy Act of 1970, the Federal Land Policy and Management Act of 1976, the National Materials and Minerals Policy, Research and Development Act of 1980, and the Federal Onshore Oil and Gas Leasing Reform Act of 1987.

The purpose of the proposed CBM development is to exercise the lease holders' rights within the project area to drill for, extract, remove, and market gas products. National mineral leasing policies and the regulations by which they are enforced recognize the statutory right of lease holders to develop federal mineral resources to meet continuing national needs and economic demands so long as undue and unnecessary environmental degradation is not incurred.



Figure 1-1. Location of the Atlantic Rim – Brown Cow Pod in Southcentral Wyoming.

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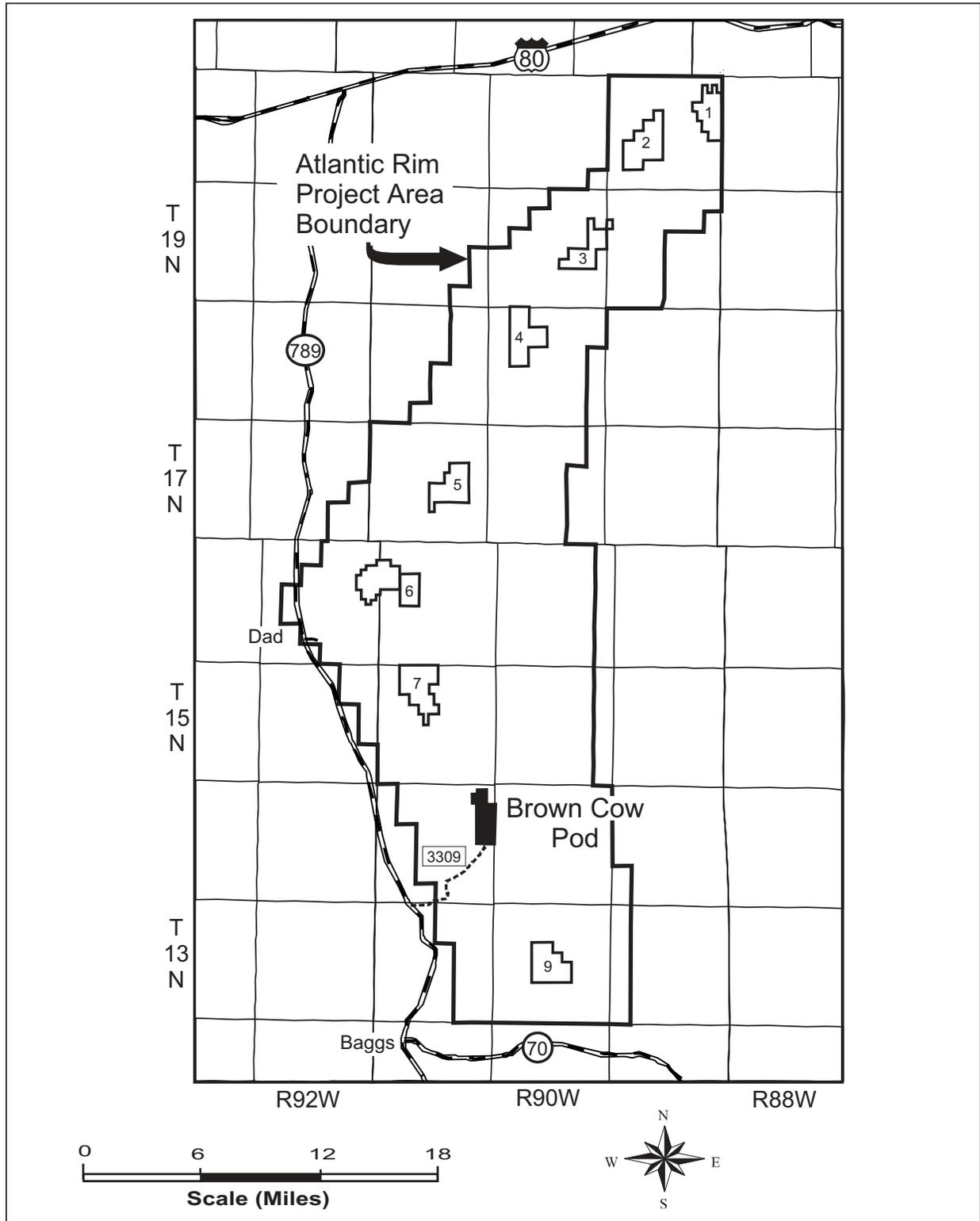


Figure 1-2. Brown Cow Pod in Relation to Other Pods within the Atlantic Rim EIS Project area.

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Also included is the right of the lease holders within the project area to build and maintain necessary improvements, subject to renewal or extension of the lease or leases in accordance with the appropriate authority. The proposed project would allow Merit to determine through exploration and production of coalbed methane if larger scale development is feasible.

1.2.2 Purpose of the Environmental Analysis Process

The purpose of this environmental assessment (EA) is to provide the decision-makers with information needed to make a decision that is fully informed and based on factors relevant to the proposal. It also documents analyses conducted on the proposal and alternatives in order to identify environmental impacts and mitigation measures necessary to address issues. The EA also provides a vehicle for public review and comment on the Merit proposal, the environmental analysis, and conclusions about the relevant issues.

This EA has been prepared to evaluate and disclose the potential environmental impacts associated with the proposed coalbed methane project. The proposed exploration project would occur on Bureau of Land Management (BLM) lands managed by the Rawlins Field Office as shown on Figure 1-2.

Factors considered during the environmental analysis process regarding the exploratory CBM project include the following:

- € A determination of whether the proposal and alternatives are in conformance with BLM and other agencies policies, regulations, and approved resource management plan direction.
- € A determination of whether the proposal and alternatives are in conformance with policies and regulations of other agencies likely associated with the project.
- € The location of environmentally suitable well pad locations, access roads, pipelines, and production facilities that best meet other resource activities and minimize surface resource impacts yet honor the lease rights within the project area.
- € A determination of impacts resulting from the proposed action and alternatives on the human environment, if conducted in accordance with applicable regulations and lease stipulations, and the development of mitigation measures necessary to avoid or minimize these impacts.

1.3 RELATIONSHIP TO POLICIES, PLANS, AND PROGRAMS

This EA is prepared in accordance with the National Environmental Policy Act (NEPA) and is in compliance with all applicable regulations and laws passed subsequent to the act. This EA assesses the environmental impacts of the Proposed Action and No Action Alternatives and serves to guide the decision-making process.

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1.3.1 Conformance with Great Divide Resource Area RMP

The BLM's Great Divide Resource Management Plan (RMP) and Record of Decision (ROD)(USDI-BLM 1987, 1988a, 1990) directs the management of BLM-administered lands within the project 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 ROD found that all public lands in the resource area are suitable for oil and gas leasing and development, subject to certain stipulations. The BLM considers existing oil and gas decisions to be appropriate for CBM and allows for the exploration and testing to determine the viability of CBM development.

1.3.2 Conformance With Interim Drilling Policy

The Brown Cow Pod project is one of nine pods that are proposed for exploration and development within the Atlantic Rim Coalbed Methane project area. Drilling and development is authorized per terms provided in the Interim Drilling Policy - Development Authorized Concurrent with EIS Preparation for the Atlantic Rim Coalbed Methane Project (See [Appendix A](#)).

1.3.3 Relationship to Other Plans and Documents

The proposed project is in conformance with the State of Wyoming Land Use Plan (Wyoming State Land Use Commission 1979) and the Carbon County Land Use Plan (Pederson Planning Consultants 1997, 1998) and would comply with all relevant federal, state, and local laws and regulations (see [Appendix B](#)).

The development of this project would not affect the achievement of the Wyoming Standards for Healthy Rangelands (August 1977).

1.3.4 ISSUES AND CONCERNS

Environmental and social issues of local importance associated with the Merit exploratory CBM project are identified as follows:

- € Potential impacts to wildlife habitats within the project area and adjacent lands, primarily sage grouse and mule deer crucial winter range.
- € The project area has recorded historical/cultural resource values. There is concern that site disturbing activities associated with exploratory drilling operations may impact historic and cultural values currently unrecorded.
- € Reclamation of disturbed areas associated with construction activities and off-road travel is a management concern.
- € Potential impacts to surface water quality is a management concern.
- € There are concerns regarding potential impacts to air, soil, wildlife, and vegetation within the project area.

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- € Potential impacts to groundwater is a management concern.
- € There are concerns regarding potential impacts to air quality (mostly from generators and processing).
- € Cumulative impacts to all resources is a management concern.