

1.0 PURPOSE AND NEED

1.1 INTRODUCTION

1.1.1 Description and Location

Anadarko Petroleum Corporation (APC) and Warren E & P, Inc. have submitted notification to the Bureau of Land Management (BLM) Rawlins Field Office (RFO) that they would like to explore and produce coalbed natural gas (CBNG) reserves in the 3,926.77 acre Jolly Roger Project Area (JRPA). This proposal arises from interim exploration to determine the presence and extent of CBNG within the Atlantic Rim Project Area (ARPA) for which an environmental impact statement (EIS) is being concurrently prepared by the RFO. The JRPA is located in Carbon County and is approximately 18 miles southwest of Rawlins, Wyoming (**Figure 1-1**). JRPA land ownership is a checkerboard of federal and private sections. All of the federal sections are administered by the RFO.

This project would consist of constructing, drilling, completing, testing, and operating 16 new coalbed natural gas wells, eight existing exploratory wells, two proposed deep injection wells, and one existing deep injection well to dispose of produced water from the extraction of natural gas. Ancillary facilities connected to the project include access roads, utilities, flow lines, market pipeline, and production facility. Ten of the 24 wells will be located on surface ownership land owned by the BLM and administered by the RFO.

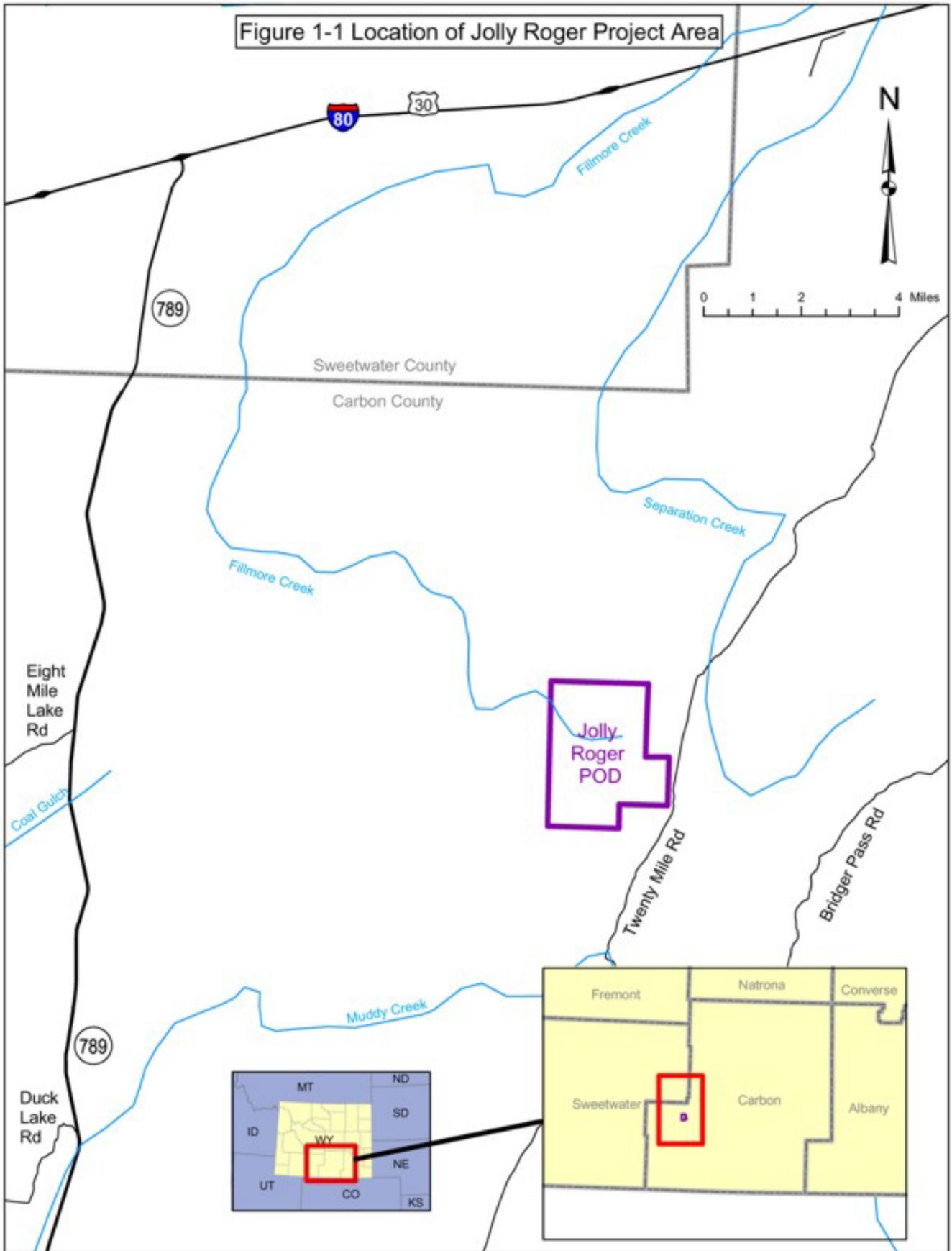
1.2 PURPOSE AND NEED FOR ACTION

1.2.1 Purpose and Need for the Proposed Project

The purpose of the Proposed Action is to identify geologic formations in the JRPA that contain quantities of natural gas suitable for commercial extraction. This project would allow the proponent's to determine through exploration and extraction whether further development in the area is feasible. Exploration would identify the most economical drilling techniques, determine if it is feasible to de-water the coal seams to extract natural gas, and determine the produced water quantity and quality from the extraction process.

The Proposed Action would exercise the proponent's existing mineral rights within the JRPA to drill for, extract, remove, and market gas products. National mineral leasing policies recognize the statutory right of leaseholders to develop federal mineral resources to meet continuing national needs and economic demands so long as environmental and natural resource values are protected from degradation. BLM's authority to manage this program is stipulated by 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.

Exploration and potential development of the JRPA represents an ongoing effort to locate new natural gas reserves and meet the growing energy demands in the United States. Natural gas represents an abundant domestic source of energy and reduces our dependence on foreign energy



sources. In addition, utilizing natural gas reduces air emissions as compared with other sources of energy, such as coal.

1.2.2 Environmental Analysis Process

The BLM is required to prepare this environmental assessment (EA) to analyze and determine whether any significant impacts may occur in connection with the Proposed Action as stipulated in the National Environmental Policy Act (NEPA). This EA documents the analyses conducted on the proposal and alternatives in order to identify environmental effects and mitigation measures. In addition, this document is utilized for public review and comment on the Proposed Action, the environmental analysis, and mitigation measures.

Factors considered during the environmental analysis for this Proposed Action include the following:

- A determination of whether the proposal and alternatives conform to BLM policies, regulations, and the direction approved in the Great Divide Resource Management Plan (RMP).
- A determination of whether the proposal and alternatives conform to policies and regulations of other agencies that are likely to be associated with the project.
- Determination of well pad locations, access roads, pipelines, and ancillary facilities that meet resource management objectives and minimize impacts to surface resources.
- A determination of impacts on the human environment that may result from the Proposed Action, and development of mitigation measures necessary to avoid or minimize potential impacts.

1.3 RELATIONSHIP TO POLICIES, PLANS, AND PROGRAMS

This EA is prepared in accordance with NEPA and complies with all applicable regulations and laws passed subsequent to the Act. In addition, the EA is prepared utilizing the stipulations and format outlined in the BLM NEPA Handbook (H-1790-1).

1.3.1 Conformance with Great Divide Resource Management Plan

The Great Divide RMP and Record of Decision (ROD) (BLM 1987, 1988a, 1990) direct management of the RFO administered lands within the JRPA. As stated in the RMP, oil and gas development on BLM administered lands consists of leasing, exploration, and development of these resources while ensuring the protection of other resource values. As stipulated in the RMP, all BLM oil and gas leases are subject to site specific conditions of approval (COAs) attached to applications for permits to drill (APDs).

1.3.2 Conformance with Interim Drilling Guidelines

The Proposed Action has been developed under the guidelines provided in the Interim Drilling Policy – “Development Authorized Concurrent with EIS Preparation for the Atlantic Rim Coalbed Natural Gas Project”.

1.3.3 Relationship to Other Plans and Documents

The proposed project conforms 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 regulations. In addition, development of this project would not affect attainment of the Wyoming Standards for Healthy Rangelands, produced in August 1977 then updated in May 2003 (BLM 2003).

1.3.4 Issues and Concerns

The following environmental, social, and management issues associated with the JRPA have been identified:

Water Resources

1. The quality of surface water in the JRPA could be affected.
2. Groundwater resources could be affected in the JRPA.

Wildlife Resources

1. Greater sage grouse leks, nesting sites, and crucial winter range may be affected by surface disturbance, vehicle traffic, and human presence.
2. Mountain Plover habitat may be affected by surface disturbance and human activities.
3. The Baggs crucial elk winter range is located east of the JRPA and it should not be affected by the Proposed Action.
4. Nesting raptors could be affected within the JRPA.

Rangeland and Livestock Grazing

1. Protection of livestock watering sources is a concern in the JRPA.
2. Protecting quality rangeland is a management concern in the JRPA.

Soil Resources

1. JRPA soils could be affected by the Proposed Action.

Cultural Resources

1. Impacts to cultural resources are a concern in the JRPA.
2. Impacts to historic trails are a concern in the JRPA.

Other Issues

1. Cumulative impacts to resources in the ARPA is an issue.
2. Impacts to air quality are an issue in the ARPA.

Mitigation

1. Use of proper best management practices during construction is required.
2. Reclamation of all disturbed areas is a management concern.
3. Surface disturbance is not recommended on slopes in excess of 25 percent.
4. All disturbed areas will be reseeded with the BLM recommended seed mixture.
5. Noxious weed infestation will be monitored on disturbed sites.