

CHAPTER 1 - PURPOSE AND NEED

1.0 INTRODUCTION

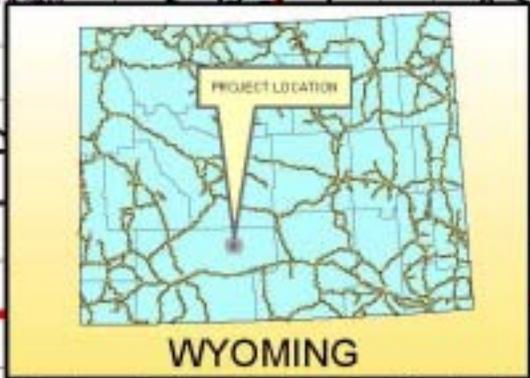
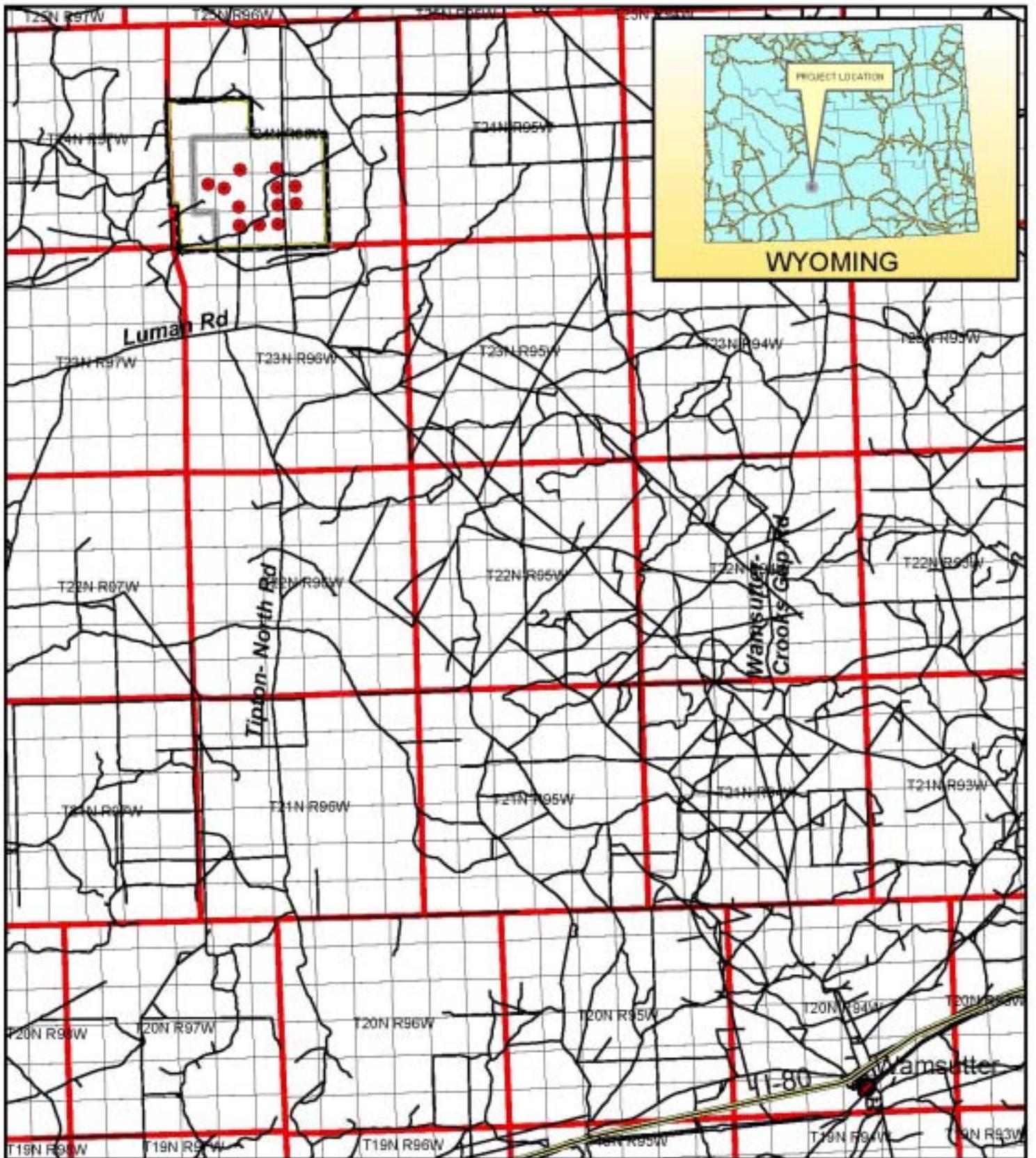
GMT Energy Corp. (GMT) as unit operator (Operator) and its agent operator Cabot Oil & Gas Corporation (Cabot), both of Denver, Colorado notified the Bureau of Land Management (BLM), Rawlins Field Office, that the company proposes to explore and develop natural gas resources within the Wind Dancer (Federal Exploratory) Unit (WDU) located in the Great Divide Basin of south central Wyoming (**Figure 1-1**). Reference in this document to GMT will include Cabot as well. The Bureau of Land Management is preparing this Environmental Analysis (EA) for the proposed natural gas project which is known as the Wind Dancer Natural Gas Development Project (WONGDP).

1.1 PROJECT DESCRIPTION AND LOCATION

This project consists of the construction of up to twelve additional well locations located in the WONGDP. One or more wellbores may be drilled from each well location (such as to different target depths). Five exploratory wells have been drilled and completed within the WONGDP, and one replacement well, which is a “twin well” on an existing wellpad, is in the initial construction phase. (See Well Location List in Chapter 2, Table 2.1). Initial drilling operations for the twelve new well locations are proposed to begin in July of 2004. Drilling at the twelve well locations is anticipated to take 6 months to 1 year, with the total life of the project (LOP) estimated at 10 to 30 years. The proposed WONGDP Project Area has some limited existing infrastructure (e.g. access roads and natural gas gathering lines) available for support of the proposed activity.

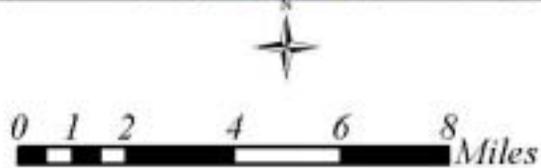
The WONGDP is located in Township 24 North, Range 96 West, Sweetwater County, Wyoming, and is located approximately 30 miles north of Wamsutter and approximately 45 miles northwest of Rawlins. Access to the WONGDP is provided by several Sweetwater County Roads, including the Tipton Road County #4-67 north from Interstate 80 (I-80) west of Wamsutter Wyoming. The Project occurs within the administrative boundary of the BLM’s Rawlins Field Office

The WONGDP Project Area encompasses approximately 6,400 acres. Ownership of all of the surface and minerals is by the federal government.



Legend

- Township/Range
- Sections
- WD EA Area
- Wind Dancer Unit Bdry
- Proposed Wells
- Cities
- Highways
- Roads 100k



**FIGURE 1.1:
PROJECT LOCATION**

Date: 9/04	File Number: 0106030 Map Sheet: 0106030 Map Scale: 1:50,000
Created by: ahl	Project No: 10-1

Data Source:
Wyoming Natural Resources Data Clearinghouse
Wyoming Geographic Information Advisory Council
G2P

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 WDNGDP is to exercise the lease holders' rights within the project area to drill for, extract, remove, and market gas products. Federal 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.

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 the Operator to determine, through exploration and production of natural gas, if larger scale development is feasible.

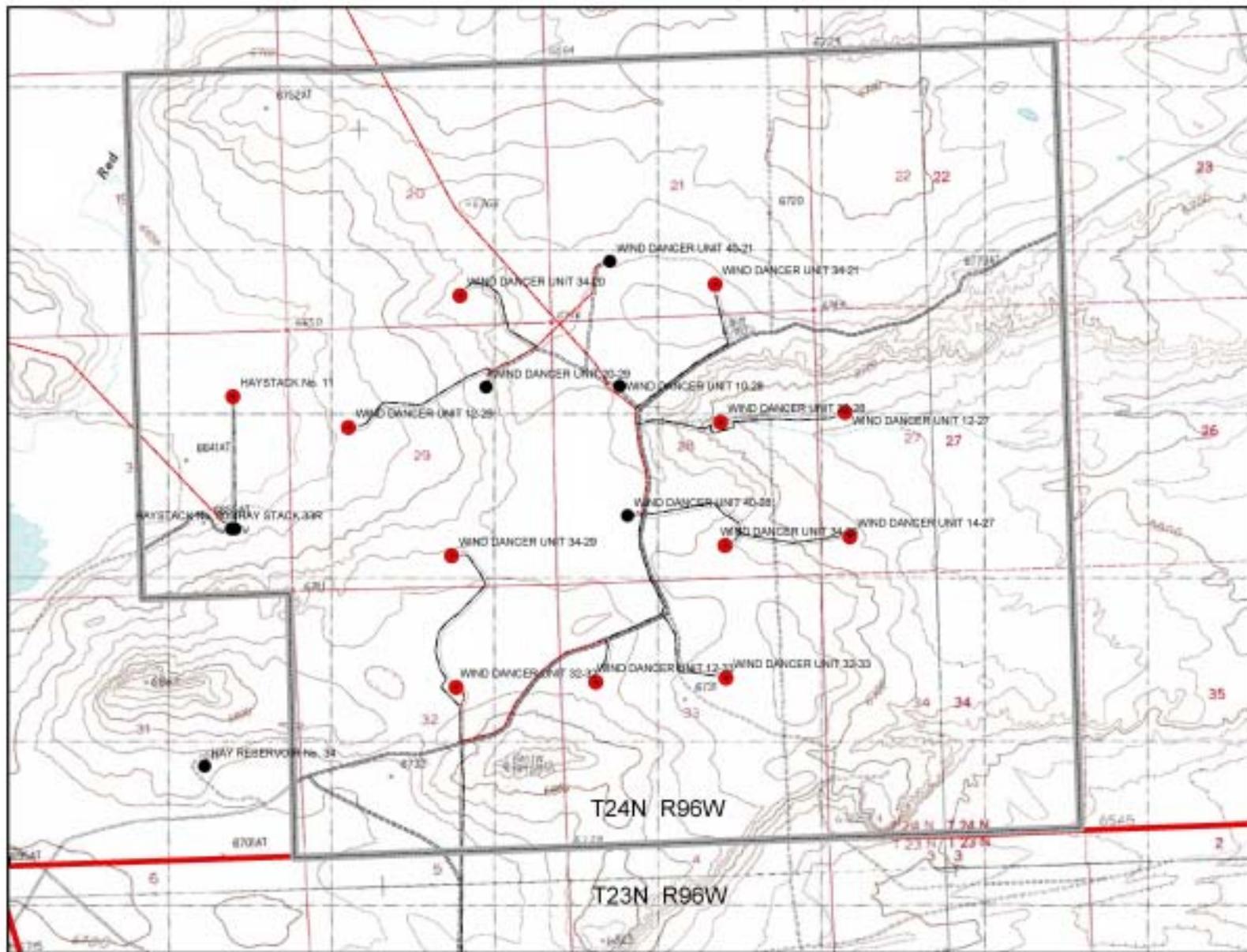
1.2.2 Purpose of the Environmental Analysis Process

The purpose of this 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 Operator's 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 natural gas project. The proposed project would occur on BLM lands managed by the Rawlins Field Office as shown on **Figure 1-2**.

Factors considered during the environmental analysis process regarding the WDNGDP include the following:

- ∞ A determination of whether the proposal and alternative are in conformance with the policies, regulations, and approved resource management plan for the BLM and other agencies.



Legend

- WD EA Area
- Proposed Wells
- Existing Wells
- Proposed Pipelines
- Existing Pipelines
- Proposed Roads
- Existing Roads
- Township/Range



**FIGURE 1.2:
PROPOSED ACTION**

Date: 8/4/04	File Location: C:\Projects\Wind\Borealis\FIGURE 2 Proposed Action.mxd
Created by: wnj	Project No: 181-1
Data Sources: Wyoming Natural Resources Data Clearinghouse Wyoming Geographic Information Advisory Council BLM	

- € The location of environmentally-suitable well locations, access roads, pipelines, and production facilities that are compatible with other resource activities and that minimize surface resource impacts yet honor the lease rights within the Project Area.
- € The 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.

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 (pg. 30) 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.

1.3.2 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 Sweetwater County Land Use Plan and would comply with all relevant federal, state, and local laws and regulations as indicated in **Appendix A**.

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

1.3.3 Issues and Concerns

Environmental and social issues of local importance associated with the Operator's WDNGDP are identified as follows:

- € Potential impacts to wildlife habitats within the analysis area, primarily nesting raptors and sage grouse.
- € Potential impacts to cultural and historical resources within the analysis area.

- € Reclamation of disturbed areas and control of non-native plants.
- € Potential impacts to surface water quality.
- € Potential impacts to soil and vegetation within the project area.
- € Potential impacts to groundwater.
- € Cumulative effects of natural gas development activities when combined with other ongoing and proposed development activities.
- € Potential conflicts between mineral development activities and recreational activities.
- € Potential impacts to air quality resulting from drilling and production activities.