

SCOPING STATEMENT
BITTER CREEK SHALLOW GAS DEVELOPMENT PROJECT
Infinity Oil & Gas of Wyoming, Inc., Yates Petroleum Corporation,
and Merrion Oil & Gas Corporation
Bureau of Land Management
Rock Springs Field Office
Description of Project

Infinity Oil & Gas of Wyoming, Inc. (IOGW), Yates Petroleum Corporation (YPC), and Merrion Oil & Gas Corporation (MOGC) (hereinafter referred to as “the Companies”) have notified the Bureau of Land Management (BLM), Rock Springs Field Office that the Companies propose to explore and potentially develop a shallow gas project located within the administrative boundary of the BLM Rock Springs Field Office. The proposed Bitter Creek Shallow Gas Project (Bitter Creek Project) area is generally located in Townships 18 and 19 North, Ranges 99 and 100 West, 6th Principal Meridian, Sweetwater County, Wyoming (see attached map).

The project area encompasses approximately 16,640 acres, of which approximately 10,680 acres are federal surface and minerals, approximately 1,280 acres are federal surface and State of Wyoming minerals, and approximately 4,680 acres are private surface and minerals. Anadarko Petroleum Corporation and its affiliated companies own the 4,680 acres of private surface and mineral estate with the rights to explore and develop shallow gas reserves thereon held by IOGW. Access to the area would be via Interstate 80, Sweetwater County Road #4-19 and existing roads/trails in the area. The Bitter Creek Project area overlies an area which has already experienced some exploratory drilling by the Companies. Drilling operations within the Bitter Creek Project Area began on federal surface/mineral estate in 1963 with the drilling of a single well in Section 14 of Township 18 North, Range 100 West, which continues to produce today. A second producing well was drilled in Section 2 of Township 18 North, Range 100 West in 1988. These two producing wells are currently owned and operated by MOGC. Activity within the project area was sporadic until early 2001, when IOGW began a shallow gas exploration program on fee surface and mineral estate in Section 1 of Township 18 North, Range 100 West.

Since 2001, IOGW has drilled 30 wells (26 fee and 4 federal) in the project area. Of these 30 wells, 14 are currently producing varying quantities of natural gas, 13 are either shut-in or waiting on completion, and 3 were drilled as water disposal (injection) wells. The Companies propose drilling a maximum of 61 additional wells on federal surface estate within the Bitter Creek Project area. These wells would be drilled on a 160-acre spacing pattern and would utilize as much of the existing infrastructure (i.e., access roads and pipelines) as possible. Drilling is expected to last for approximately two to four years, with a projected life-of-project (LOP) of 15 to 20 years.

Proposed Drilling Operations

Approximately 7 days would be required to drill, log, and run casing for each well with an additional 7 days required to run a bond log, perforate the well casing, and set production equipment. The approximate size of each individual well pad would be 200 feet by 300 feet. A reserve pit would be constructed at each drill site location to hold drilling fluids and cuttings. The reserve pit would be approximately 75 feet wide by 110 feet long by 10 feet deep. Drilling depths would vary within the project area between approximately 2,000 feet and 4,000 feet. Produced water for use in drilling operations would be obtained from producing IOGW gas wells located within the overall project area.

Each well would be designed with a 3-inch water discharge line and a 4-inch gas line. Disposal of produced water would be accomplished via existing and new injection wells or through disposal at a commercial water disposal facility as appropriate. No surface disposal of produced water is proposed. A separator and storage tank may need to be placed at some or all well locations along with metering equipment.

Following drilling and completion, flowlines and gathering facilities would be installed. Production equipment would be powered by either natural gas or electricity where readily available. Gas lines would be tied into compressors to be located within the project area. High gas volumes would dictate the need for additional compression or compressors. Any additional natural gas produced within the Bitter Creek Project Area would be transported by both new and existing pipelines and new and existing gathering lines. The Companies would parallel existing roads, pipelines, and gathering lines whenever feasible.

If any of the wells are either non-productive or non-economical, they would be plugged and abandoned, with all disturbed areas being recontoured, reseeded, and otherwise reclaimed to appropriate federal, state, or private landowner specifications.

Relationship to Existing Plans and Documents

Resource Management Plan - The document which directs management of federal lands within the Rock Springs Field Office (RSFO) is the Green River Resource Management Plan (GRRMP) and Record of Decision approved in 1997. The objective for the management of oil and gas resources, as stated in the GRRMP, is to provide for leasing, exploration, and development of oil and gas while protecting other resource values. In addition, the GRRMP states public lands within the checkerboard area are open to mineral leasing and development (to promote mineral recovery) with appropriate mitigation on a case-by-case basis.

The development of natural gas within the Bitter Creek Project area is in conformance with the GRRMP. The environmental analysis that will be prepared for the proposed Bitter Creek Project proposal submitted by the Companies will incorporate decisions, terms, and conditions of use as described in the GRRMP.

Use Authorizations - Use authorizations (e.g., rights-of-way, permits, etc.) for roads, powerlines, pipelines, and well site facilities would be processed through 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 lessee or designated operator. Any facilities located off-lease would require individual right-of-way permits.

Lease Stipulations - Some federal oil and gas leases within the proposed area may include special stipulations on occupancy. These stipulations are in addition to the standard lease terms and 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 will be handled on a case-by-case basis for each APD submitted to the BLM.

National Environmental Policy Act

The proposed project will be analyzed in accordance with the requirements of the National Environmental Policy Act (NEPA). To comply with NEPA and the Council on Environmental Quality regulations, which implement NEPA, the BLM is required to prepare an environmental analysis. The environmental document will serve several purposes. It will provide both the public and governmental agencies with information about the potential environmental consequences of the project and alternatives; identify all practicable means to avoid or minimize environmental harm from the project and alternatives; and

provide the responsible official with information upon which to make an informed decision regarding the project.

One element of the NEPA process is scoping. Scoping activities are initiated early in the process to:

- identify reasonable alternatives to be evaluated in the environmental analysis;
- identify environmental issues of concern related to the proposed project; and
- determine the depth of analysis for issues addressed in the environmental document.

This scoping statement has been prepared to enable governmental 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 public participation.

Identified Resource Management Issues, Concerns, and Opportunities

The following issues and concerns have been identified by an interdisciplinary team of BLM 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 to existing county, state, and BLM roads.
- Potential socio-economic impacts to local communities.
- Potential impacts from emissions resulting from additional drilling and production activities.
- Potential impact to surface and ground water resources.
- Potential impacts related to reclamation of disturbed areas and control of noxious weed invasions.
- Potential impacts to cultural and historical values within the analysis area.
- Potential impacts to wildlife habitats within the analysis area, including big game, sage grouse, and raptors.
- Potential impacts to listed, or proposed for listing, threatened, endangered, and 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 Bitter Creek Project area.
- Potential conflicts between oil and gas exploration, development, and solid mineral (coal) development activities and opportunities.

Interdisciplinary Team

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

Air Quality Specialist

Soil Scientist
Range Management Specialist
Archeologist
Geologist
Realty Specialist
Recreation Planner
Hydrologist
Petroleum Engineer
Wildlife Biologist
Environmental Scientist (surface protection)
Interdisciplinary Team Leader
Public Affairs Specialist

Timing Needs or Requirements

Public input is important in establishing the level and scope of the analysis. The public is encouraged to participate throughout the environmental analysis process to help in identifying the level of analysis needed, alternatives to the proposed action, other issues or concerns that should be analyzed, mitigative opportunities, and any other comments or ideas to help ensure the completeness of the analysis process.

Comments are due by **November 17, 2003**. Please submit your comments to:

Address: Darlene Horsey, Project Lead
BLM - Rock Springs Field Office
280 Highway 191 North
Rock Springs, Wyoming 82901

Email: rock_springs_wymail@blm.gov (Please add "Bitter Creek Project" in the Subject line)

Initial Mailing List

The scoping notice initial mailing distribution includes the following agencies, individuals, industries, organizations, and media:

Government Offices

Bureau of Land Management, Wyoming State Office (910, 912, 920, 930)
Bureau of Land Management, Rawlins Field Office
Office of the Governor
U.S. Department of the Army, Corps of Engineers
U.S. Fish and Wildlife Service
Wyoming State Clearinghouse
Wyoming Department of Environmental Quality
Wyoming Oil and Gas Conservation Commission
Wyoming Game and Fish Department (Cheyenne, Green River)

Elected and Other Officials

Mayors of Rock Springs, Green River, Superior
Postmaster, Farson
State Senators: Rae Lynn Job, Tex Boggs

State Representatives: Marty Martin, Fred Parady
Sweetwater County Commissioners
Sweetwater County Planner
Sweetwater County Libraries, Green River, Rock Springs
U.S. Congresswoman Barbara Cubin, Bonnie Cannon, Representative
U.S. Senator Mike Enzi, Lyn Shanaghy, Representative
U.S. Senator Craig Thomas, Pati Smith, Representative

Public Land Users and User Groups

Rock Springs Grazing Association
People for the West
Petroleum Association of Wyoming
Independent Petroleum Association of Mountain States
Native American Tribes: Eastern Shoshone, Northern Ute, Northern Arapaho, Shoshone-Bannock
Sierra Club, Northern Plains Representative
Southwest Wyoming Industrial Association
Wilderness Society
Rocky Mountain Elk Foundation
National Wildlife Federation
Wyoming Wildlife Federation
Wyoming Association of Professional Archaeologists
Wyoming Outdoor Council
Wyoming Public Lands Council
Wyoming Chapter of the Sierra Club
Environmental Defense Fund
Biodiversity Conservation Alliance

Newspapers

Pinedale Roundup
Sublette Examiner
Kemmerer Gazette
Rock Springs Daily Rocket-Miner
Casper Star-Tribune
Green River Star
Wyoming State Journal
Uinta County Herald

Radio Stations

KQSW/KRKK. Rock Springs
KMKX - Rock Springs
KUGR - Green River
KYCS - Rock Springs
KMER – Kemmerer
KRAL - Rawlins
KUWR - University of Wyoming

Television Stations

KTWO-TV - Casper

KCWY-TV - Casper

KFNB-TV - Casper

KGWC-TV - Casper