

Scoping Notice and Formal Comment Period

Environmental Effects Analysis

Ballard Petroleum Holdings LLC Wildhorse Federal #14-18

US Forest Service
Douglas Ranger District
Medicine Bow-Routt National Forests
and
Thunder Basin National Grassland
Campbell County, Wyoming

Proposed Action

The US Forest Service (Forest Service) proposes to authorize Ballard Petroleum Holdings LLC (Ballard) to conduct surface operations associated with accessing, drilling, testing and completing one conventional oil well, Wildhorse Federal #14-18, located on National Forest System (NFS) lands in Campbell County, Wyoming, in the Spring Creek Unit of Thunder Basin National Grassland. The legal description of the proposed action is SW/4 SW/4, Section 18, T. 54 N., R. 69 W. (see attached map).

Disturbance and operation on NFS lands would consist of the following:

1. Construction of one well drilling pad approximately 260 feet X 360 feet. If oil is discovered, the final footprint of the well site would be approximately ½ acre – the rest of the drilling pad would be reclaimed to approximate a pre-disturbance condition. If no oil is discovered, the entire drilling pad would be reclaimed to approximate a pre-disturbance condition.
2. As the proposed well pad would be located immediately adjacent to an existing all-weather road (crowned and ditched, with surface hardened with scoria), no new access road would be required.

Access to the proposed well location would be from the Heald Road (a Campbell County road) to National Forest System Road (NFSR) #1000 (York Road, shown as #900 on attached map). About 3 miles south along NFSR #1000, access would then proceed northeast about ½ mile on NFSR #1015C, an existing all-weather road.

Under the terms of its Federal oil and gas lease where the well is proposed, Ballard has a legal right to explore, develop, and produce oil and/or natural gas from the area defined in the lease. For operations on a lease on NFS lands, the Forest Service has the authority and responsibility to regulate all surface-disturbing activities conducted pursuant to the lease. The Bureau of Land Management (BLM) has the authority and responsibility to regulate drilling, down-hole operations, production activities, and certain surface activities directly associated with drilling, down-hole operations and production of oil and/or natural gas.

Through the environmental analysis process, the Forest Service and BLM Responsible Officials will determine where and under what terms and conditions Ballard may develop their oil and gas lease while protecting the natural resources and providing for public safety. Surface developments are required to be consistent with the direction contained in the 2001 Land and Resource Management Plan for Thunder Basin National Grassland (Grassland Plan), the April 2003 Record of Decision and Resource Management Plan Amendments for the Powder River Basin Oil and Gas Project (WY-070-02-065), and other applicable laws and regulations. The purpose of the environmental analysis is to evaluate the site-specific means by which Ballard may develop this oil well on NFS lands.

Purpose and Need

The Douglas District Ranger has identified a *need* to authorize Ballard to use NFS lands subject to a Federal oil and gas lease for operations associated with drilling and producing oil from one conventional well.

The *purpose* of this action is to facilitate production of energy resources and allow Ballard to exercise lease rights and perform surface use operations, including facilities, associated with drilling one conventional well, testing it for production capability, and completing it for production if it is so capable, or plugging and abandoning the well and reclaiming the location if the well is non-productive. Additionally, this project would help meet the public's need for oil and gas to avoid the loss of Federal mineral resources. Potential oil from Ballard's lease would return royalty revenues to the Federal Treasury.

There are numerous oil and gas leases present in the Spring Creek Geographic Area of Thunder Basin National Grassland. The desired condition is to comply with required laws, regulations and the Grassland Plan for oil and gas leases.

The objective of this project is to honor all valid existing legal mineral rights and to ensure that reclamation provisions of operating plans are completed to standard. The project objective is supported by the following:

1. This project would serve to meet the goal in the Grassland Plan to improve the capability of the nation's Forests and Grasslands to provide a desired sustainable level of uses, values, products, and services.
2. This project would help implement the Federal government's policy to foster and encourage mineral development as expressed in the Mining and Minerals Policy Act of 1970.
3. This project would fulfill the goals of the 1920 Mineral Leasing Act as amended which promotes the development of oil and gas resources.
4. This project would be consistent with Executive Order Number 13212 – Actions to Expedite Energy-Related Projects.

The measurement for this project, *i.e.*, the decision that the authorized officers will make regarding this proposal, is to determine if this proposal allows for the timely development of the mineral lease as stated in the objectives while minimizing impacts to other resources and uses.

Lease Requirements

The proposed well would be drilled on Federal Oil & Gas Lease Serial No. WYW141187. There are no special stipulations for the protection of surface resources attached to this lease. Therefore, only the standards and guidelines in the Grassland Plan would apply.

Area Description

The area of the proposed project is approximately 35 miles northeast of Gillette, Wyoming, within the administrative boundary of the Medicine Bow-Routt National Forests and Thunder Basin National Grassland, Douglas Ranger District. It is in the Spring Creek Geographic Area (Grassland Plan, p. 2-26) and within the Wild Horse Creek drainage (see attached map).

The access to the lease location is north of Gillette, Wyoming, via State Highway 59 for approximately 30 miles to the Weston/Soda Well turnoff. Turn east onto Heald Road and travel approximately 7 miles to NFSR #1000 (York Road). Turn south on NFSR #1000, travel approximately 3 miles. Turn left (northeast) and travel approximately ½ mile. The proposed project site is located about 2 ¾ miles northwest of the York Ranch (see attached map).

The terrain in the proposed project area is flat to gently rolling. Vegetation present in the area includes sagebrush, grasses and forbs. Sagebrush and grassland community wildlife species inhabit the area, including: prairie dogs, mule deer, pronghorn antelope, sage grouse, ferruginous hawk, Swainson's hawk, golden eagle and other raptors.

Grassland Plan Management Area Prescription

The Management Prescription for the project area is 5.12 – General Forests and Rangelands: Range Vegetation Emphasis (Grassland Plan, p. 3-24). The desired condition places an emphasis on:

These areas are dominated by open meadows, grasslands, shrublands, and areas of woody vegetation. Diversity is achieved by maintaining or enhancing hardwood and coniferous trees, shrub inclusions and other beneficial plant communities and openings. Tree densities vary within stands to create landscape-scale diversity. Fire is used to promote open, park-like timber stands. Late-successional vegetation may be found in the area.

Management emphasis is on a balance of resource uses and opportunities, such as livestock grazing, wildlife habitat, dispersed recreation, minerals management, and timber harvest. Some areas produce substantial forage for livestock and wildlife. Though some areas are forested, they usually do not produce commercial wood fiber because of poor site potential.

Recreation facilities may be present. Range and other management activities are coordinated with recreation so they do not conflict with the managed use season. Signs of motorized travel, hunting, hiking, timber harvest, mining and livestock grazing may be evident. Recreation use is moderate throughout the summer and increases during hunting seasons.

Well Site

A Douglas Ranger District interdisciplinary team performed an onsite inspection of the proposed location on November 7, 2007. The location is consistent with lease terms and the Grassland Plan including special lease stipulations.

A level drilling pad for the proposed well (approx. 260 feet x 360 feet disturbed area) would be constructed. The wellhead would be located on this pad. Tanks for production storage would also be located at the well site.

The amount of ground disturbance is anticipated to be consistent with estimates provided in the Grassland Plan. Facilities will meet color and tone visual requirements. **Total disturbance associated with the proposed project on NFS lands is expected to be approximately 2 acres for the well site. No access road would be required.**

If production is obtained, portions of the location not needed for production facilities will be reclaimed with native vegetation reestablished. There will be no pits utilized for production. At the end of production or if the well is plugged and abandoned without going into production, the location and access roads will be restored to a condition approximating that prior to disturbance and operation. The site and all disturbed areas will be reclaimed and reseeded in accordance with Forest Service requirements.

Special Investigations

A Class III Cultural Resource Inventory, Biological Assessment/Biological Evaluation (for both botany and wildlife), and Paleontological Survey will be completed. Resource specialists will review these preliminary documents and prepare final specialist reports as part of the environmental effects analysis process. Under applicable laws and direction, the Forest Service could require that some operations associated with developing this proposed well be delayed or relocated in order to mitigate any adverse impacts on natural resources.

Relevant Laws

The Mineral Leasing Act of 1920, as amended, and the Mineral Leasing Act for Acquired Lands of 1947, as amended, grants the Department of Interior the responsibility and authority for management of certain Federal leaseable minerals, including oil and gas, on BLM, National Forest, and other Federal lands. Under the Department of Interior, the BLM carries out these responsibilities. For NFS lands, the 1987 Federal Oil and

Gas Leasing Reform Act (an amendment to the 1920 Mineral Leasing Act) granted the Secretary of Agriculture the authority to regulate all surface-disturbing activities conducted pursuant to any lease issued under the Act (oil and gas leases). Under the Secretary of Agriculture, the Forest Service carries out these responsibilities.

The Grassland Plan provides standards and guidelines for oil and gas development on Thunder Basin National Grassland. The leases will be developed in accordance with those standards and guidelines where they do not conflict with existing lease rights.

Decisions to be Made

The Responsible Officials for the Forest Service and BLM will determine the terms and conditions under which Ballard may occupy the surface and develop its oil and gas lease while protecting natural resources and providing for public access and safety.

The Responsible Official for the Forest Service will provide final approval of the Surface Use Plan of Operations including Conditions of Approval for the proposed conventional oil well on NFS land.

The Responsible Official for the BLM will provide final approval of the Drilling Plan and the Application for Permit to Drill for the proposed conventional oil well on NFS land. The Application for Permit to Drill includes the Surface Use Plan of Operations and the Drilling Plan.

Comments Requested

At this time, the Forest Service seeks information, comments and other assistance from Federal, State, and local agencies, and other individuals or organizations that have an interest in or could be affected by the proposed action. While public comments are welcome at any time, comments received during the official comment period will be most useful for the identification of issues and development and analysis of alternatives to the proposal. Comments should be as specific as possible.

No public participation other than this request for comments is planned. All persons who provide comment in response to this request will continue to receive information about this project and will be included in any additional public participation effort that may occur. Those who do not respond will not receive additional information. To be able to appeal, any person, non-Federal agency or entity has to provide comment or otherwise expressed interest in a particular proposed action by the end of the comment period. The official comment period is 30 days after the publication of the legal notice in the *Casper Star Tribune* newspaper.

The name and mailing address of the commenter must be provided with his/her comments for appellant standing and so that future documents pertaining to this environmental analysis and the decision can be provided to them. Comments received in response to this solicitation, including names and addresses of those who comment, will be considered part of the public record on this proposed action and will be available for public inspection. Comments submitted anonymously will be accepted and considered, however, those persons submitting anonymous comments will not have standing to appeal the subsequent decision under 36 CFR Part 215.

Send written comments to the Responsible Official: Misty A. Hays, Acting District Ranger, Medicine Bow-Routt National Forests and Thunder Basin National Grassland, Douglas Ranger District, 2250 East Richards Street, Douglas, WY 82633, Attention: Marilee Houtler. Faxed comments will also be accepted at: 307-358-7107.

E-mail comments may be sent to: comments-rocky-mountain-medicine-bow-routt-douglas-thunder-basin@fs.fed.us. Our system will accept .rtf and .doc file formats. If comments are electronically mailed, the sender should receive an automated electronic acknowledgement from the agency as confirmation of receipt. If the sender does not receive such confirmation, it is the sender's responsibility to ensure timely receipt by

other means. Comments may be hand delivered to the Douglas Ranger District office between 7:30 a.m. and 4:30 p.m., Monday through Friday, except holidays.

Pursuant to 7 CFR 1.27 (d), any person may request the agency to withhold a submission from the public record by showing how the Freedom of Information Act (FOIA) permits such confidentiality. Persons requesting such confidentiality should be aware that, under the FOIA, confidentiality may be granted in only very limited circumstances, such as to protect trade secrets. The Forest Service will inform the requester of the agency's decision regarding the request for confidentiality, and where the request is denied, the agency will return the submission and notify the requester that the comments may be resubmitted with name and address within 10 days.

Contact Person Information

Vernon E. Koehler, Oil & Gas Project Manager
Douglas Ranger District
2250 East Richards Street
Douglas, WY 82633-8922
Telephone: (307) 358-4690

This public scoping notice and the project map are available on the World Wide Web at:
<http://www.fs.fed.us/r2/mbr/projects/mineral/index.shtml>

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