

Scoping Notice and Formal Comment Period

Environmental Effects Analysis

Trend Exploration I, LLC

Flat Creek Federal #43-6B

Trend Federal #24-5

Trend Federal #31-8

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

Proposed Actions

The Forest Service proposes to authorize Trend Exploration I, LLC (Trend) to conduct surface operations associated with accessing, drilling, testing and completing three conventional oil wells: Flat Creek Federal #43-6B, Trend Federal #24-5 and Trend Federal #31-8. These wells would be located on National Forest System (NFS) land in Campbell County, Wyoming, on the Spring Creek Unit of Thunder Basin National Grassland (TBNG).

The legal descriptions of the proposed actions are (see attached map):

Flat Creek Federal #43-6B: NE/4SE/4 of Section 6, T.54N., R.69W.

Trend Federal #24-5: SE/4SW/4 of Section 5, T.54N., R.70W.

Trend Federal #31-8: NW/4NE/4 of Section 8, T.54N., R.70W.

Disturbance and operation on NFS land for Flat Creek Federal #43-6B would consist of the following:

1. Construction of one well drilling pad approximately 250 feet X 350 feet (2.0 acres):
 - a. If oil is discovered, the final disturbed area utilized for production facilities would be about 0.25 acre. The rest of the drilling pad would be reclaimed to approximate a pre-disturbance condition.
 - b. If no oil is discovered, the drilling pad and new access road would be reclaimed to approximate a pre-disturbance condition.
2. Upgrading 0.3 mile of National Forest System Road (NFSR) 1015 to:
 - a. Crowned and ditched with culverts.
 - b. Cattleguard and new fences & gate at the county road.
3. Construction of approximately 75 feet of new crowned and ditched access road. The new access road would be within the footprint of the area disturbed during the well drilling pad construction. No additional disturbance for the new access road would be required.

Disturbance and operation on NFS land for Trend Federal #24-5 would consist of the following:

1. Construction of one well drilling pad approximately 250 feet X 350 feet (2.0 acres):
 - a. If oil is discovered, the final disturbed area utilized for production facilities would be about 0.9 acre. The rest of the drilling pad would be reclaimed to approximate a pre-disturbance condition.
 - b. If no oil is discovered, the drilling pad and new access road would be reclaimed to approximate a pre-disturbance condition.
2. Upgrading approximately 1.5 miles of NFSR 1036A to crowned and ditched with culverts.

3. Construction of approximately 150 feet of new crowned and ditched access road.

Disturbance and operation on NFS land for Trend Federal #31-8 would consist of the following:

1. Construction of one well drilling pad approximately 250 feet X 350 feet (2.0 acres):
 - a. If oil is discovered, the final disturbed area utilized for production facilities would be about 0.9 acre. The rest of the drilling pad would be reclaimed to approximate a pre-disturbance condition.
 - b. If no oil is discovered, the drilling pad and new access road would be reclaimed to a pre-disturbance condition.
2. Construction of approximately 0.5 mile of new crowned and ditched access road.

Access to the proposed well location for Flat Creek Federal #43-6B would be from the Heald Road (a Campbell County road) to NFSR 1015 (see attached map).

Access to the proposed well locations for Trend Federal #24-5 and Trend Federal #31-8 would be from the Heald Road (a Campbell County road) to the Rocky Point Road (a Campbell County Road) to NFSR 1036 to NFSR 1036A (see attached map).

For the proposed location of Flat Creek Federal #43-6B, electrical lines and pipelines would be buried within the rights-of-way of roads used to access the well. These utilities would be located from the proposed well site to an existing production storage facility on private land north of the Heald Road, near the NFSR 1015-Heald Road intersection.

For the proposed locations of Trend Federal #24-5 and Trend Federal #31-8, Trend has not proposed to electrify the pump motors. Trend has proposed to store all produced materials at the individual well locations. However, electrification of the proposed locations and co-locating production storage facilities will be considered for these projects. If these project design criteria are incorporated, all utilities would be buried and placed adjacent to and within the rights-of-way of the access roads.

Under the terms of its federal oil and gas leases where the wells are proposed, Trend has a legal right to explore, develop, and produce oil and/or natural gas from the areas defined in the leases. For operations of a lease on NFS land, 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 directly associated surface activities.

Through the environmental analysis process, the Douglas District Ranger and Buffalo BLM Field Manager will determine where and under what terms and conditions Trend may develop their oil and gas leases 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 the Thunder Basin National Grassland (Grassland Plan), the 1994 Record of Decision for Oil and Gas Leasing on the Thunder Basin National Grassland, 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 analyses is to evaluate the site-specific means by which Trend may develop these oil and gas wells on National Forest System land.

Purpose and Need

Existing Conditions: Most of the NFS land in the Spring Creek Geographic Area of TBNG is subject to Federal oil and gas leases.

The Douglas District Ranger has identified a *need* to authorize Trend to use NFS land subject to Federal oil and gas leases. The proposed land use would facilitate production of energy resources

and allow Trend to exercise their lease rights. Such use would include: surface operations, including facilities, associated with drilling three conventional wells, testing them for production capability, and completing them for production if they are so capable, or plugging and abandoning the wells and reclaiming the disturbed areas if the wells are non-productive. Additionally, the proposed projects would help meet the general public's need for oil and gas as well as avoid the loss of Federal mineral resources. Potential oil from Trend's leases would return royalty revenues to the Federal Treasury.

The *desired condition* is to comply with required laws, regulations and the Grassland Plan for those leases.

The *objective or purpose* for these projects is to honor all valid existing legal mineral rights and ensure reclamation provisions of operating plans are completed to standard. This objective is supported by the following:

1. These projects 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. These projects will 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. These projects would also fulfill the goals of the 1920 Mineral Leasing Act as amended which promotes the development of oil and gas resources.
4. These projects will be consistent with Executive Order Number 13212 – Actions to Expedite Energy-Related Projects.

The *measurement* for these projects, *i.e.*, the decisions that the authorized officer will make regarding these proposals, is to determine if these proposals allow for the timely development of the mineral leases as stated above while minimizing impacts to other resources and uses.

Lease Requirements

Flat Creek Federal #43-6B would be drilled on Federal oil and gas lease #WYW164855. Trend Federal #24-5 would be drilled on Federal oil and gas lease #WYW164863. Trend Federal #31-8 would be drilled on Federal oil and gas lease # WYW139424.

These leases include special stipulations for protection of surface resources which will be analyzed and reviewed as part of environmental analysis process. The Forest Service will ensure the lease stipulations will be complied with and they are in accordance with the Grassland Plan. In some cases the requirements of Grassland Plan standards and guidelines may exceed the requirements of these lease stipulations.

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). Flat Creek Federal #43-6B would be located within the Flat Creek drainage (see attached map). Trend Federal #24-5 would be located within an unnamed tributary of the Little Powder River (see attached map). Trend Federal #31-8 would be located within the Camp Creek drainage (see attached map).

Access to the proposed location for Flat Creek Federal #43-6B is north of Gillette. Follow Wyoming State Highway 59 for approximately 30 miles to the Weston/Soda Well turn off. Turn

east onto the Heald Road and travel approximately 7 miles. The proposed project site is located 0.25 mile south of the Heald Road (see attached map).

Access to the proposed location for Trend Federal #24-5 is north of Gillette. Follow Wyoming State Highway 59 for approximately 30 miles to the Weston/Soda Well turn off. Turn east onto the Heald Road and travel approximately 2 miles. Turn north on the Rocky Point Road and travel approximately 3 miles. Turn northeast onto NFSR #1036. Follow NFSR #1036 for about 0.25 mile. Turn east onto NFSR #1036A. Follow NFSR #1036A for about 1.5 miles. The proposed project site is located about 200 feet south of NFSR #1036 A (see attached map).

Access to the proposed location for Trend Federal #31-8 is north of Gillette. Follow Wyoming State Highway 59 for approximately 30 miles to the Weston/Soda Well turn off. Turn east onto the Heald Road and travel approximately 2 miles. Turn north on the Rocky Point Road and travel approximately 3 miles. Turn northeast onto NFSR #1036. Follow NFSR #1036 for about 0.25 mile. Turn east onto NFSR #1036A. Follow NFSR #1036A for about 1.5 miles. The proposed project site is located about 0.5 mile southeast of NFSR #1036 A (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 include prairie dogs, mule deer, antelope, sage grouse, ferruginous hawk, Swainson's hawk, golden eagle and other raptors.

Management Prescription

The management prescription for all three project areas is 5.12 – General Forests and Rangelands which emphasize Range Vegetation (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 Sites

A Douglas Ranger District inter-disciplinary team performed onsite inspections of the proposed locations on September 12, 2007. The locations are consistent with Federal oil and gas lease terms and the Grassland Plan including special lease stipulations.

Flat Creek Federal #43-6B: A level drill pad for the proposed well (approx. 250 feet x 350 feet disturbed area) would be constructed. The wellhead would be located on this pad. No tanks or ancillary facilities would be located at the well site. Produced materials would flow via underground pipelines to the production storage facility located on private land about 0.5 mile to the northeast.

The amount of ground disturbance is anticipated to be consistent with estimates provided in the Thunder Basin Oil and Gas Leasing Final Environmental Impact Statement (April 1994). Facilities would meet color and tone visual requirements. Total disturbance associated with the proposed access road and well site area on NFS land would be about 2 acres.

Trend Federal #24-5: A level drill pad for the proposed well (approx. 250 feet x 350 feet disturbed area) would be constructed. The wellhead would be located on this pad. Production storage tanks and separation facilities would be located at the well site.

The amount of ground disturbance is anticipated to be consistent with estimates provided in the Thunder Basin Oil and Gas Leasing Final Environmental Impact Statement (April 1994). Facilities would meet color and tone visual requirements. Total disturbance associated with the proposed access road and well site area on NFS land would be about 2.25 acres.

Trend Federal #31-8: A level drill pad for the proposed well (approx. 250 feet x 350 feet disturbed area) would be constructed. The wellhead would be located on this pad. Production storage tanks and separation facilities would be located at the well site.

The amount of ground disturbance is anticipated to be consistent with estimates provided in the Thunder Basin Oil and Gas Leasing Final Environmental Impact Statement (April 1994). Facilities would meet color and tone visual requirements. Total disturbance associated with the proposed access road and well site area on NFS land would be about 3.5 acres.

If any or all of the proposed wells are put into production, portions of each location not needed for production facilities would be reclaimed. There would be no pits utilized for production. At the end of production or if the wells are plugged and abandoned without going into production, the locations and access roads would be restored to a condition approximating pre-disturbance. The sites and all disturbed areas would be reclaimed and reseeded in accordance with Forest Service requirements.

Special Investigations

A Class III cultural resource inventory, biological assessments/evaluations for wildlife and botanical resources, and paleontological survey will be completed for all proposed projects. 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 some drilling operations be delayed or well locations be relocated within the boundaries of the lease to further 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 land, the 1987 Federal Oil and Gas Leasing Reform Act (an amendment to the 1920 Mineral Leasing Act) grants 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, and the April 22, 1994 Record of Decision for Oil and Gas Leasing on Thunder Basin National Grassland provide standards and guidelines for oil and gas development on Thunder Basin National Grassland. The leases were issued under the Record of Decision for

Oil and Gas Leasing on the Thunder Basin National Grassland (April 22, 1994). The leases would be developed in accordance with the Standards and Guidelines in the Grassland Plan where those standard and guidelines 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 Trend may occupy the surface and develop its oil and gas leases 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 Plans of Operations (SUPO) including Conditions of Approval for each proposed oil/natural gas well on NFS land.

The responsible official for the BLM will provide final approval of the APD as well as the Drilling Plan for each proposed oil/natural gas well on NFS land. The APD includes the SUPO and the Drilling Plan.

Within the decision space for the Forest Service responsible official described above, Trend Federal #24-5 and Trend Federal #31-8 will be analyzed together and documented per the requirements set forth in the National Environmental Policy Act of 1969 (NEPA) under one decision document. Flat Creek Federal #43-6B will be analyzed and documented per NEPA under a separate decision document.

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 these environmental analyses and the decisions 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 decisions as stated in 36 CFR Part 215.

Send written comments to the Forest Service responsible official: Misty A. Hays, Acting District Ranger, Douglas Ranger District, attn: Marilee Houtler, 2250 East Richards Street, Douglas, WY 82633-8922,. Faxed comments will also be accepted at: 307-358-7107.

Comments may also be electronically mailed 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 e-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 8:00 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

Vern Koehler, Oil & Gas Project Manager, Douglas Ranger District, 2250 East Richards Street, Douglas WY 82633-8922. Telephone 307-358-4690. This Scoping Notice and project maps are available on the World Wide Web at: <http://www.fs.fed.us/r2/mbr/projects/mineral/index.shtml>.

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