UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
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AUG 18 2006

Ref: 8EPR-N

Carter Reed, Oil and Gas Team Leader
Fishlake National Forest
115 East 900 North
Richfield, Utah 84701

RE: Scoping comments on the Oil and Gas Leasing Draft Environmental Impact Statement, Fishlake National Forest, Utah

Dear Mr. Reed:

In accordance with our responsibility and authority under the National Environmental Policy Act (NEPA) and Section 309 of the Clean Air Act regarding the Draft Environmental Impact Statement (Draft EIS) for oil and gas leasing on the Fishlake Forest, we offer the enclosed comments for your consideration as you proceed with the Draft EIS.

For specific questions regarding the issues, please contact our staff who coordinated our comments and provided technical input for this letter. Staff can be contacted for specific information regarding environmental issues as follows:

Wes Wilson, NEPA, (303) 312-6562, or
Joe Delwiche, Air Quality, (303) 312-6448.

If you and your staff would like to meet with us to discuss our comments, please contact me at (303) 312-6562 to arrange a meeting. Thank you for considering our comments and concerns.

Sincerely,

Larry Svoboda
Director, NEPA Program
Office of Ecosystems Protection
and Remediation

Enclosure

Scoping Comments by the Region 8 Office of the Environmental Protection Agency Draft Environmental Impact Statement Fishlake National Forest Oil and Gas Leasing

Summary of the Proposed Action

The Fishlake National Forest proposes to offer certain public lands for competitive oil and gas leasing to respond to requests for oil and gas leasing and to comply with the Federal Onshore Oil and Gas Leasing Reform Act (FOOGLRA). The Environmental Impact Statement will analyze potential impacts that may occur as a result of leasing federal lands for the exploration, development and production of oil and gas. Although the notice indicates that the proposed action does not approve any leases nor does it approve any surface disturbing activities, the land offered for leased may be leased and then oil and gas activities may commence consistent with the lease stipulations.

Range of Alternatives

NEPA requires analysis of a range of reasonable alternatives to a proposed action, including the consideration of No Action as one alternative. At least one alternative should emphasize conservation of natural resources, particularly those deemed significant, rare, and/or of high public value such as the important watershed values for community water supply.

The Draft EIS should compare the proposed action of leasing lands of known interests and resources to other action alternatives that meet the purpose of compliance with the FOOGLRA. While the No Action Alternative also needs to be analyzed, this alternative does not meet the purpose and need, but provides the benchmark for comparison with the proposed action and other alternatives. "The range of alternatives considered in an EIS is important because the decision maker can only choose from alternatives or combinations of specific parts of an alternative that have been analyzed." (See "Reasonably Foreseeable Development Scenarios and Cumulative Effects Analysis for Oil and Gas Activities on Federal Lands, Rocky Mountain Federal Leadership Forum, August 30, 2002, page 38.) In addition, the CEQ regulations, which require analysis of reasonable alternatives, clearly contemplate that an EIS evaluate reasonable alternatives that meet the purpose and need of the proposed action. The alternatives analysis "should present the environmental impacts *of the proposed action and the alternatives* in comparable form, thus sharply defining the issues and providing a clear basis for choice among options by the decisionmaker and the public." 40 C.F.R. 1502.14 (emphasis provided). Only by providing a broad range of alternatives to consider in the Draft EIS

process can the decision maker have latitude in managing the development of the resource and their resulting environmental impacts.

Lease stipulations for riparian and wetland areas

The draft EIS should consider a variety of means to protect riparian areas, especially those areas with perennial streams which also serve as community water supply and the pristine water quality associated with the remaining stream habitats for the Bonneville cutthroat trout (*Oncorhynchus clarki utah*). The Bonneville cutthroat trout populations are present in some isolated headwater drainages which are vulnerable to extreme fire events. The relative change in fire risk from currents conditions versus the RFD of oil and gas development could be identified and analyzed in the Draft EIS.

Stringent lease stipulations to protect wetlands should also be considered. Note that the Record of Decision for Western Uinta Basin Oil and Gas Leasing issued by the Uinta and Ashley National Forests in 1997 appropriately required "No Surface Occupancy" (NSO) as the lease stipulation for riparian lands and wetland areas over 40 acres. To accommodate this and other NSO lease stipulations for these and other areas, and still meet the purpose of the proposed action, it would be appropriate to assess the suitability to recover oil and gas from such NSO locations with the use of directional drilling techniques.

Water quality impacts

The Draft EIS will need to analyze potential impacts to surface water (wetlands, riparian areas, and perennial, intermittent, and ephemeral streams), groundwater (including groundwater hydrologically-connected to surface water), and existing and potential drinking water. Impacts include water quality, quantity, and any adverse change to current water quality. EPA recommends particular emphasis on the potential for methane migration, accidental spills and discharges that may be unsuitable for wildlife and aquatic species.

The EIS should assess how the project will conform to the State of Utah's numeric and narrative water quality standards, Utah's anti-degradation regulations, (especially in streams supporting Bonneville Cutthroat), and the requirements to implement best management practices for non-point sources of pollution. The effect the project could have on these stream conditions needs to be assessed in the upcoming EIS process. Given the narrow canyons and the risk of flash floods affecting pipelines or well sites, an alternative that provides NSO lease stipulations within steep-walled canyons should be presented. This will require extensive consideration of the ability of the company to use directional drilling to reach the same oil or natural gas resources.

The EIS needs to evaluate storm water management. To protect water quality from storm water runoff, including contaminated runoff from exploration and construction activities, specific practices should be implemented. These practices include the following:

- Preserve existing vegetation during clearing and grading;
- Divert upland runoff around exposed soils;
- Use sediment barriers to trap soil in runoff where sheet flows occur;
- Protect slopes and channels from gullying;
- Install sediment traps and settling basins to reduce the velocity of channeled runoff;
- Store chemicals for exploration activities in covered containers in a specific location;
- Identify areas and procedures for fueling, and provide a protected truck washout;
- Preserve vegetation near all waterways;
- Ensure materials and education for cleaning up spills and leaks;
- Inspect the effectiveness of best management practices.

The EIS should identify whether hydraulic fracturing will be used to develop the resource and, should that be the case, evaluate its potential environmental impacts. The fluids to be used in hydraulic fracturing should be assessed and the means to prevent spills of toxic components of the fracturing fluids described.

It is anticipated that the recovery of the oil and gas resources in this location will result in significant amounts of produced water. Such produced waters may be high in salinity, selenium, or other trace contaminants. If management of these produced waters should use evaporation or discharge to beneficial use pursuant to 40 CFR Part 435, this water management practice could result in risks to water supply or migrating waterfowl. If the management of the produced water were to occur by underground injection and disposal, this would negate the need for evaporation ponds or discharge for beneficial uses, and thereby eliminate risks to water quality or migrating waterfowl. Therefore, we suggest the Forest examine a lease stipulation that would require disposal of produced waters by deep well injection.

Air Quality Impacts

The proposed oil and gas leasing could eventually result in emitting atmospheric pollutants including fine particulates, NOx and volatile organic compounds. The EIS should incorporate an assessment of current air quality conditions. It should use suitable data sets from ambient air monitoring programs with a description of the quality and completeness of the data in terms of location and the period when it was collected.

The assessment should cover reasonably foreseeable development, including wells, compressors, and other surface facilities. It should address all categories of emissions that will occur during the construction and operating phases of the development. It should include the cumulative impact of energy-related activities and other reasonably foreseeable energy development and other activities that may affect air quality in the area.

Based upon the results of the assessment, the EIS should disclose the reasonably foreseeable impacts of air pollutants. It should disclose impacts to applicable National Ambient Air Quality Standards (NAAQS) and Prevention of Significant Deterioration (PSD) increments, as well as on air quality-related values in Class I areas and on visibility.

The assessment should involve dispersion modeling. The dispersion modeling should be based on an estimate of the emissions that are most likely to occur from construction (including drilling and production). The modeling should take into account the anticipated capacities and approximate locations of equipment such as compressor engines, treatment facilities, and storage vessels. The modeling should take into account potential for wintertime air inversions. The results of the dispersion modeling should be compared to the NAAQS to determine if any exceedances might occur. Also, the modeling should compare estimated impacts to the PSD Class I and Class II increments, levels of concern for deposition, and visibility thresholds.

Impacts to visibility and the potential for regional haze from the range of alternatives need to be estimated. Mitigation measures for visual impacts need to be identified, such as best available diesel engine technology and fugitive dust control measures for roadways.

Specific pollutants of concern include NOx, SOx, and fine particulate contributions to regional haze. The potential for a near-field National Ambient Air Quality Standards (NAAQS) exceedance from PM-10 also is a concern because of road dust emissions.

Technologies may need to be considered which can reduce venting and flaring. Such technologies include flareless flowback and flash tank separators. Other technologies to consider include vapor recovery units on dehydrators and instrument air pumps instead of gas-driven pumps. It would be appropriate to consider applying some of these or other management practices as a condition of the lease stipulations.

Avoiding the spread on Noxious Weeds

Noxious weeds on the Fishlake National Forest have increased from about 1500 acres in 1998 to almost 9000 in 2005. (See "Comprehensive Evaluation Report Summary: Highlights of Key Conditions and Trends, Dixie and Fishlake National Forests", June 26, page 22.) This represents a five-fold increase in just seven years. Oil and gas development will likely increase this trend as weeds are introduced along from equipment traveling along newly constructed access roads. We suggest that a condition of the lease could be to monitor and control the spread of weeds by the operator rather than transfer this burden onto the overtaxed resources available to the Forest.

Cumulative Impacts and Connected Actions

The EIS should analyze impacts according to airsheds and watersheds, rather than political boundaries.

The EIS should examine the cumulative impact of development, particularly in the already-developed private lands in between the units of the Fishlake National Forest. It is the geologic setting rather than the political and administrative boundaries which should have determined the area used to assess RFD. (See "Policy for Reasonably Foreseeable Development (RFD) Scenario for Oil and Gas", BLM Instruction Memorandum, No. 2004-089.)