

Phoonswadi-Brewer, Sean

From: NPL_AR
Subject: PAW Scoping Comments 2nd Version
Attachments: PAW NPL Scoping Comments.doc

"Cheryl Sorenson"
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>

05/13/2011 07:52
AM

Please respond to
<cheryl@pawyo.org
>

To
<NPL_EIS_WY@blm.gov>
cc
Subject
PAW Scoping Comments 2nd Version

Please replace our previous comments with this revised set without the "Draft".

Thank you!

Cheryl Sorenson

Vice President

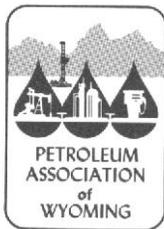
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(See attached file: PAW NPL Scoping Comments.doc)



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May 12, 2011

Kellie Roadifer
Bureau of Land Management
Pinedale Field Office
P.O. Box 768
Pinedale, WY 82941

Via email: NPL_EIS_WY@blm.gov

Dear Ms. Roadifer:

The Petroleum Association of Wyoming (PAW) would like to thank the Bureau of Land Management (BLM) for the opportunity to submit scoping comments regarding the Normally Pressured Lance (NPL) Natural Gas Development Project. PAW is Wyoming's largest and oldest oil and gas trade association, the members of which account for over ninety percent of the natural gas and over eighty percent of the crude oil produced in the State of Wyoming. PAW supports the NPL Project proposed by EnCana Oil & Gas (USA) Inc.

With rising world demand, reliable, domestic sources of clean burning fuel are as necessary now as ever. Public lands managed by the BLM must be utilized for multiple uses, including energy development. As gas produced from traditional supply sources decline, the untapped natural gas potential on BLM lands, as well as other federal lands in the Intermountain West, must take a more prominent role in meeting the nation's energy needs. Moreover, clean-burning natural gas is becoming more important in efforts to reduce carbon emissions and impacts to climate change because electricity generated from natural gas emits much less carbon than electricity generated from other sources. The NPL Project exemplifies the responsible development of the federal public lands to increase domestic energy sources.

Natural gas production on the public lands also provides important revenue to the state, local, and regional economies. Development of one natural gas well can yield hundreds of thousands of dollars that are paid to governments and reinvested in the local community. Production of natural gas provides revenue to county, state, and federal governments through royalties and taxes. Furthermore, development of the natural gas resource will require increased employment and result in substantial economic investments in the local economies. This project can continue to provide stable employment to SW Wyoming. The Encana Community Investment Program can also provide assistance. These economic benefits are considerable and must not be discounted. While the national economy has recently slowed, areas home to natural gas development such as Wyoming have continued to enjoy robust economic growth. Natural gas production from the NPL Project will contribute to this growth by generating significant revenue for the national, state, and local economies.

In the NPL Project EIS, BLM must consider the Operators' objectives of developing and maximizing recovery of hydrocarbon resources underlying federal, state, and private-fee mineral leases within the NPL Project Area when identifying the purpose and need of the Project. Furthermore, BLM should only analyze alternatives that

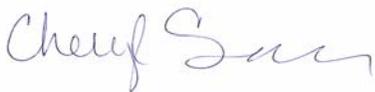
meet the Operators' purpose and need for the NPL Project. BLM may not analyze alternatives that are inconsistent with the objective of developing hydrocarbon resources within the NPL Project Area.

When developing alternatives in the NPL Project EIS, BLM must only analyze reasonable alternatives. Alternatives that would render development within the NPL Project Area uneconomic or infeasible are not reasonable. BLM should not analyze alternatives with overly stringent restrictions or conditions of approval that would render development uneconomic. BLM should also recognize that the application of certain technologies may not be feasible throughout the NPL Project Area. Furthermore, BLM may only analyze alternatives that are consistent with existing lease rights. An oil and gas lease is a contract between the federal government and the lessee, and BLM must recognize that once it issues a lease, it cannot preclude development or impose additional lease stipulations. Finally, BLM may not analyze the alternative of not approving development as a "no action" alternative. Under a "no action" alternative, BLM must analyze continuation of the status quo. Therefore, BLM should analyze the development that could proceed under the current management of the NPL Project Area if BLM did not approve the Operators' NPL Project proposal.

In the analysis of potential impacts in the NPL Project EIS, BLM must include an analysis of the economic effects of the project. In particular, BLM must evaluate the beneficial impacts of the revenues the federal government, State of Wyoming, and Sweetwater County will receive from royalties and taxes on production. BLM should also assess the impacts from the NPL Project on the local and regional economy from the creation of additional jobs, additional sales of materials, and increased tax revenue from sales taxes. Currently there are over 1,100+ people employed by Encana operations across Wyoming. Similarly, BLM must also analyze adverse economic effect of overly restrictive management alternatives. BLM should explain how overly restrictive management of the NPL Project may lead to decreased development, which negatively impacts the local and regional economy through decreased royalty revenue, decreased tax revenue, and the creation of fewer jobs.

Finally, the BLM must continue to authorize oil and gas development within the NPL Project Area, subject to requisite NEPA analysis. NEPA does not prohibit BLM from authorizing individual wells during its preparation of the NPL Project EIS. Continued natural gas development in the NPL Project Area will allow development to proceed more smoothly if BLM approves the project because rigs and labor will already be available in the NPL Project Area. Timely approval of the NPL EIS will offer a smooth transition from Jonah for the Operator. This project will build upon the existing Jonah infrastructure and technologies.

Furthermore, continued natural gas development in the NPL Project Area will help ensure a stable local economy through consistent employment and steady royalty and tax revenues.



Cheryl Sorenson
Vice President
Petroleum Association of Wyoming