



United States
Department of
Agriculture

Forest
Service

Grand Mesa,
Uncompahgre and
Gunnison
National Forests

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File Code: 2820-2/1950

Date: December 30, 2002

Dear Interested Party,

The Grand Mesa-Uncompahgre-Gunnison National Forests (GMUG) and the Bureau of Land Management-Uncompahgre Field Office (BLM) are inviting public comments on a natural gas exploration drilling project proposal submitted by Gunnison Energy Corporation (GEC). The proposal involves drilling eight wells to explore for natural gas on existing federal oil and gas leases in the North Fork Valley and on the south side of the Grand Mesa. This is a separate project from the sundry notice submitted to recomplete the existing Leon Lake Unit No. 2 well, and the recent oil and gas lease protests involving BLM lands in the area.

GEC submitted Application to Drill (APDs) eight natural gas exploration wells on National Forest system and BLM public lands north of the towns of Cedaredge, Paonia, and Somerset in Delta and Gunnison Counties, Colorado. The proposal is for exploration activities only. No pipelines, long term production facilities, compressor stations on National Forest system or BLM public lands are being proposed. Additional environmental analysis would be required for GEC to be approved for any future production at these exploratory wells. The locations of the eight proposed wells are shown on the attached map, and are described as follows:

- The Leon Lake No. 4 and 5 are on the GMUG National Forest northeast of Cedaredge (in section 13, T 12 S, R 94 W),
- The Powerline Fed 12-91 #1-17, Hubbard Creek Fed 12-91 #2-23, Bull Park Fed 12-91 #1-31, and Oakbrush Fed 12-91 #1-26 are on the GMUG National Forest northeast of Paonia (in sections 17, 23, 26 and 31, T 12S, R 91W)
- The Hawksnest Fed 13-90 #1-2 and Thompson Creek Fed 12-90 #1-35 are on BLM lands northeast of Somerset (in sections 2, T 13 S, R 90W and section 35, T 12 S, R 90 W).

All of the proposed drill sites are on existing federal oil and gas leases, except the Thompson Creek Fed 12-90 #1-35, where the proposal is to directionally drill from BLM-managed lands onto a federal lease.

The proposal includes the drilling, completion, testing, and monitoring at the eight well sites; use of existing roads, and construction of new access roads, as well as water use and handling related to the exploration drilling. The exploratory drilling program is intended to gather information about the extent and distribution of natural gas resources on the federal oil and gas leases, and to perform tests on each well to assess the economic viability of future production. The proposed drilling would target potential gas producing zones in the sandstones and coals of the Mesa Verde Formation. It is anticipated that each well pad will disturb about 0.77 acres. Each well



site would be accessed using a combination of existing roads and new roads. Construction of about 2.5 miles of new spur road is anticipated during the project.

GMUG and BLM-Uncompahgre and Durango Field Offices have the responsibility to evaluate the Surface Use Plans of Operation (SUPOs), as well as the engineering portion for the proposed wells. The agencies will perform an environmental analysis under the National Environmental Policy Act to disclose the impacts of the proposed activities. The decisions to be made by GMUG and BLM include approving the SUPOs and assigning Conditions of Approval for use the surface, based on the outcome of the environmental analysis. The BLM-Durango Field Office has the responsibility for final approval of the APDs, including the "downhole" or technical engineering portion, and the completion activities. The BLM-Durango Field Office must have the approval and terms of surface use before final APD approval can be given.

The NEPA process includes public involvement through scoping at the onset of the project, and review of the environmental document. Because we are now at the scoping stage of the process, you are invited to send in your comments and concerns regarding this project.

You may submit written comments to **Project Manager, GEC Exploration Drilling Project, Paonia Ranger District, P.O. Box 1030, Paonia, CO 81428. All comments must be received by January 31, 2003.** Additional information may be obtained by contacting Liane Mattson, Paonia Ranger District at (970) 527-4131; Lynn Lewis, BLM Uncompahgre Field Office at (970) 240-5305, or Helen Mary Johnson, San Juan Public Lands Center, at (970) 385-1359.

The GMUG and BLM are planning to hold public meetings for this project. The date and locations of these meetings will be publicly announced.

Sincerely,



ROBERT L. STORCH
Forest Supervisor

Enclosure

cc:Allan Belt, BLM-Uncompahgre Field Office
Duane Spencer, BLM-San Juan Public Lands Center