

DEPARTMENT OF ENERGY

Finding of No Significant Impact From the Construction and Operation of Subterranean Crude Oil Production Facility – Naval Petroleum Reserve No. 3 (DOE/EA-1350)

AGENCY: Naval Petroleum and Oil Shale Reserves
U.S. Department of Energy (DOE)

ACTION: Finding of No Significant Impact (FONSI) for the Construction and
Operation of a Subterranean Crude Oil Production Facility

SUMMARY: The Secretary of Energy is required by law to develop and produce Naval Petroleum Reserve No. 3 (NPR-3) at its maximum efficient rate (MER), consistent with sound engineering practices. In order to fully develop NPR-3, the Department of Energy (DOE) is proposing the construction and operation of a subterranean facility with radiating horizontal wells, and the related reclamation and restoration of the site.

DOE prepared an environmental assessment (DOE/EA-1350) that analyzes the Proposed Action. Based on the analyses in the EA, the DOE finds that the Proposed Action is not a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act of 1969 (NEPA). The preparation of an environmental impact statement is not required, and the DOE is issuing this Finding of No Significant Impact (FONSI).

PUBLIC AVAILABILITY: Copies of DOE/EA-1350 and this FONSI will be distributed to persons and agencies known to be interested in or affected by the Proposed Action and will be made available for public inspection at the Natrona County Public Library, Kelly Walsh High School, Natrona County High School and the U.S. Department of Energy Reading Room. Anyone wishing to receive copies of either document, or further information on the proposal, should contact:

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SUPPLEMENTAL INFORMATION: NPR-3 (Teapot Dome), a 9,481-acre (3,837 ha) stripper oil field located in Natrona County, Wyoming, was set aside for the United States Navy by Executive Order in 1915. Except for a period of lease production by the Department of Interior in the 1920s (the infamous Teapot Dome scandal), NPR-3 remained largely undeveloped until after the 1973-74 Arab oil embargo when Congress passed the Naval Petroleum Reserves Production Act of 1976 (Public Law 94-258, codified in chapter 641 of title 10, United States Code). Public Law 94-258 requires that NPR-3 and two other petroleum reserves be fully developed and produced at their maximum efficient rate (MER), consistent with sound engineering practices, for a period of six years, subject to extension in three-year increments. The current production period extends until April 2003.

The Proposed Action includes the drilling of a 10' diameter shaft to a depth of 1000'. At the final depth an 80' diameter room would be constructed and would include approximately 40 horizontal wells, up to 10,000' long in a 360° radius encircling the 80' room. Reclamation and restoration activities would include dismantling surface facilities, batteries, roads, test satellites, electrical distribution systems and associated power poles, when they are no longer needed for production. Soil contaminated by hydrocarbons would be biologically treated. Roads, facilities, batteries, and well sites would be ripped up, recontoured, disked and seeded with native vegetation as outlined in the Sitewide Environmental Assessment No. 1236. In addition, as horizontal wells are drilled from the proposed new production facility, an estimated 325 vertical wells along their path would be abandoned and plugged.

DOE/EA-1350 summarizes the potentially affected environment at NPR-3 as of 2001, discusses all potentially adverse environmental impacts, and proposed specific mitigation measures that offset each identified adverse impact. Resource types discussed in detail include land resources, air quality and acoustics, water resources, geology and soils, biologic resources cultural resources, socioeconomics, and waste management.

The Proposed Action would result in only a small area of new land disturbance and is not expected to result in major changes in the types of quantities of air emissions and

wastewater discharges already generated by existing operations at NPR-3. Minor adverse environmental impacts identified in DOE/EA-1350 can be readily mitigated.

Alternatives to the Proposed Action that were reviewed include (1) No Action, and Drilling either (2) Horizontal or (3) Vertical Wells from the surface.

DETERMINATIONS: Based on the findings of the EA, DOE has determined that the proposal does not constitute a major Federal action significantly affecting the quality of the human environment within the meaning of NEPA. Therefore, an environmental impact statement is not required, and DOE is issuing this FONSI.

Issued in Casper, WY, July 11, 2001.

A handwritten signature in black ink, appearing to read 'Clarke D. Turner', is written over a horizontal line.

Clarke D. Turner
Director

Naval Petroleum and Oil Shale Reserves in
Colorado, Utah and Wyoming