

DEPARTMENT OF ENERGY

Continued Development - Naval Petroleum Reserve No. 3

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

ACTION: Finding of No Significant Impact (FONSI) for the Continued Development of Naval Petroleum Reserve No. 3 (DOE/EA-1008)

SUMMARY: The Secretary of Energy is required by law to "explore, prospect, conserve, develop, use, and operate" the Naval Petroleum and Oil Shale Reserves. The Naval Petroleum Reserves Production Act of 1976 (Public Law 94-258), requires that the Naval Petroleum Reserves be produced at their maximum efficient rate (MER), consistent with sound engineering practices, for a period of six years. The President has authorized five 3-year extensions to the six year period since 1982. The United States Department of Energy (DOE) has managed NPR-3 for oil recovery at the "Maximum Efficient Rate" (MER) since 1976.

To fulfill this mission, DOE is proposing continued development activities which would include the drilling of approximately 250 oil production and injection (gas, water, and steam) wells, the construction of between 25 and 30 miles of associated gas, water, and steam pipelines, the installation of several production and support facilities, and the construction of between 15 and 20 miles of access roads. This work would be performed over the next five years and will mainly utilize practices standard to the industry. These drilling and construction estimates include any necessary activities related to the operation of the Rocky Mountain Oilfield Testing Center (RMOTC). The development of the RMOTC at NPR-3 is included as part of continued development activities. The purpose of RMOTC will be to provide facilities and necessary support to government and private industry for testing and evaluating new oilfield and environmental technologies, and to transfer these results to the petroleum industry through seminars and publications.

Continued development activities either have no potential to result in adverse environmental impacts or would only result in adverse impacts that could be readily mitigated. Continued development is not expected to result in substantial changes in the types and quantities of air emissions and wastewater discharges already generated by existing operations at NPR-3. Continued development, especially where it involves expansion of EOR activities, will result in small areas of new land disturbance at several locations on NPR-3, especially in the already intensively developed central area. The small amounts of disturbed surface area will be reclaimed to its original natural state when production operations terminate.

DOE prepared an environmental assessment (DOE/EA-1008) that analyzes the proposed projects involved with continued development of NPR-3. 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 the EA and 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: Section 7422 of Title 10, United States Code, charges the Secretary of Energy with the authority and responsibility to "explore, prospect, conserve, develop, use, and operate the naval petroleum reserves." This section further provides that the "...naval petroleum reserves shall be used and operated for their protection, conservation, maintenance and testing," and production when authorized.

NPR-3, or Teapot Dome, is a 9,481-acre (3,837 ha) oilfield located in Natrona County, Wyoming, approximately 35 miles (56 km) north of the City of Casper. Production at the Naval Petroleum Reserve No. 3 in Natrona County, Wyoming, began in the 1920s during a time of substantial exploration and production, when leases were issued by the Interior Department under the Mineral Leasing Act. Production was discontinued after 1927 and renewed between 1959 and 1976 in a limited program to prevent the loss of U.S. Government oil to privately-owned wells on adjacent land. In 1976, Congress passed the Naval Petroleum Reserves Production Act (Public Law 94-258), which requires that the Naval Petroleum Reserves be produced at their maximum efficient rate (MER), consistent with sound engineering practices, for a period of six years. The law also provides that at the conclusion of the initial 6-year production period, the President (with the approval of Congress) could extend production in increments of up to three years each, if continued production was found to be in the national interest. The President has authorized five 3-year extensions since 1982, extending production continuously through April 5, 1997.

The Proposed Action is the continued development of NPR-3 for the next five years. Continued development includes all activities typically required to profitably manage a mature stripper oilfield, such as NPR-3, at the MER. Continued development comprises four general categories of activity: continued development drilling utilizing conventional oil recovery

technologies; continued and expanded use of Enhanced Oil Recovery (EOR) techniques that are necessary for continued oil production from reservoirs after primary or secondary recovery; continuation of general operations and support activities; and full implementation of the Rocky Mountain Oilfield Testing Center.

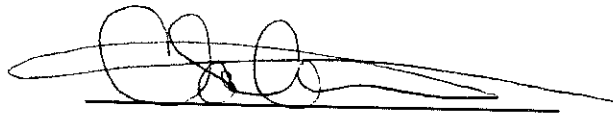
Continued development activities either have no potential to result in adverse environmental impacts or would only result in adverse impacts that could be readily mitigated. The Sitewide EA summarizes the potentially affected environment at NPR-3 as of 1994, discusses all potentially adverse environmental impacts, and proposes 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, biological resources, cultural resources, socioeconomics, and waste management.

Continued development of NPR-3, as outlined in the Proposed Action, would not substantially alter the character of existing operations and would be consistent with NPR-3's historic role as an oilfield. Continued development is not expected to result in major changes in the types and quantities of air emissions and wastewater discharges already generated by existing operations at NPR-3. Continued development, especially where it involves expansion of EOR activities, would result in small areas of new land disturbance at several locations on NPR-3, especially in the already intensively developed central area.

Alternatives to the Proposed Action that were reviewed include: other chemical and thermal EOR technology alternatives to maintain oil and gas production, divestiture of NPR-3 by the Federal government, a no-action alternative of continuing operation of NPR-3, but without further development, and the immediate decommissioning of the project.

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, SEP 7, 1995



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