

*******DRAFT*******

MONITORING PLAN AND REPORT
SocioEconomic Task Group
Pinedale Anticline Working Group

March 2006

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THE DATA CONTAINED HEREIN IS AVAILABLE ONLINE AT WWW.SUBLETTE-SE.ORG

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EXECUTIVE SUMMARY OF HISTORY, FINDINGS, AND RECOMMENDATIONS

The Pinedale Anticline Working Group (PAWG) Socioeconomic Task Group (SETG) was created by the Bureau of Land Management (BLM) in summer 2004 following Federal Advisory Committee Act procedures. The task group's first meeting was held in September 2004.

In 2004 and early 2005, since no socioeconomic impact monitoring had been conducted in the interim since the 2000 BLM Record of Decision despite significant Pinedale Anticline Project Area development, the SETG determined to gather as much data as possible as a form of rapid review monitoring. Conducted by the volunteer members of the task group, the data gathering effort was extensive, but by no means exhaustive.

Findings of the monitoring effort were presented to the PAWG in an April 2005 report¹ along with a variety of monitoring and mitigation recommendations.

Identified as the number one priority in that report was the need for a full-time analytical professional position to perform demographic data collection, interpretation analysis and dissemination for public social agencies with the affected communities.

► HIRING OF A SOCIOECONOMIC ANALYST

Although that recommendation was not adopted by BLM, the SETG was able to secure funding for the position through a State of Wyoming Governor's office FNRPA grant request and through a Sublette County Commissioners Office grant request. Upon receiving notice of approval of the task group's grant requests, the task group went to work to advertise, interview and hire a professional to fill the needed position.

The task group then created the SocioEconomic Analyst Advisory Committee (SAAC) to supervise the accomplishment of the tasks identified in a job description and assigned to this position. The SAAC is a unique organization comprised of representatives of the four principal impacted political subdivisions affected by the PAPA gas development (The towns of Pinedale, Big Piney, and Marbleton, as well as Sublette County) and three members of the SETG. This committee is governed by a resolution approved by each of the participating political subdivisions. A copy of the resolution is attached for reference.

► DATA COLLECTION

Jeffrey Jacquet was hired for the analyst position by the SAAC and began work on September 19th 2005. Detailed historical data regarding PAPA drilling activity, population, crime statistics, and housing availability has since been collected and brought up to date. Analysis has been performed on these data and the developed reports have been or are in the process of being disseminated to the local municipalities. In addition, a gas industry housing survey was created by the SETG and the analyst distributed and collected surveys from over 500 gas industry employees in order to gauge housing demands and future relocation plans of the gas industry workforce. The results of this survey are outlined in the Demographics Chapter of this report.

The analyst hired under this grant has created an internet website (www.sublette-se.org) where access to these reports, as well as other community impact information data, is available free of charge to anyone. Excerpts from these reports are included in this report, but please visit the website for the complete reports.

¹ Available online at: www.sublette-se.org/setg2005.pdf

If needed, hard copies can be made available by calling Jeffrey Jacquet at 307-367-3631. Hard copies will also be made available at all Sublette County Libraries.

Data collection and analysis in the general areas of local economies, education, emergency response services, social services, traffic issues and quality of life issues are ongoing. Finally, forecasting tools need to be developed in all of the reporting areas so that those public agencies operating in communities affected by the PAPA gas development may have the most current information available to them for making the many decisions necessary resulting from gas development impact. Collection, analysis and dissemination of data is taking place as delineated in the April 2005 report mentioned previously. As each section is completed and reported, the reports are made available on the SAAC website.

► **INDUSTRY FORECASTS**

Another major recommendation made by the SETG in the 2005 Final Report was that “The operators collaborate in gathering forecast data regarding 10 Year drilling plans”. A letter was drafted by the SETG to BLM that asked BLM to require operators provide drilling forecast data for a ten-year period that is updated on an annual basis. PAWG subsequently endorsed the letter of request and sent the letter the BLM. The Bob Bennett, the Wyoming State Director of the BLM, replied with a letter to the SETG that indicated the BLM will indeed ask operators for drilling forecast data on an annual basis. (The letter is attached for reference).

The drilling forecasts from each operator are to be aggregated by BLM in order to protect each company’s proprietary information, and the aggregated county-wide forecast be forwarded to the SETG socioeconomic analyst for analysis and planning.

The SETG feels that these forecasts will become an integral part of monitoring and preparing mitigation for drilling activity in not only the PAPA, but the greater area. It is the hope that these forecasts will be beneficial to PAWG, all associated Task Groups, and the local municipalities in planning for future activity.

► **IMPACT ANALYSIS**

In the midst of forming the SAAC and hiring the analyst, the SETG continued to meet monthly to discuss and analyze new socioeconomic information regarding socioeconomic impacts from gas activity on the PAPA and explore ways to mitigate these impacts.

In the course of these meetings, the SETG identified three crucial areas of importance regarding socioeconomic issues most heavily impacted by gas development activity associated with PAPA: Housing, Crime and Drugs, and Community Sustainability/Connectiveness. Data collection and analysis continued on many additional topics, but it was felt these three areas were most heavily impacted by gas development and that impacts in these specific areas foster additional socioeconomic problems and impacts in other sectors of the community.

CRUCIAL AREAS OF IMPORTANCE:

The following is a summary of the three crucial areas of importance identified by the SETG. Detailed data and analysis is included in subsequent chapters of this report.

► HOUSING:

There is a lack of both temporary and permanent housing availability in the area and housing that is available is becoming increasingly unaffordable to new and long term Sublette County residents in terms of both rentals and sales.

While affordable housing is a state-wide problem and the cost and availability of housing would likely increase without gas-field activity, the housing strains placed on the Sublette County housing stock by the workforce related to gas-field activity is seen to exacerbate the problem.

A lack of affordable housing in the area makes it difficult for those working in the PAPA to move permanently to the area. A higher percentage of permanent residents among the workforce would likely (1) reduce incidents of crime and drugs by fostering a family atmosphere and by increasing ties to the community, (2) increase community stability, sustainability and connectiveness by adding more women and young people to the community to enhance sectors of the community not directly associated with the gas industry, increase community ties, volunteerism, and other community involvement, and (3) free up and reduce the cost of temporary housing in motels and house rentals for tourists, residents, and rotational workers.

► CRIME AND DRUGS:

Reported crimes and arrests have been increasing at an exponential rate since around 2000 and have been shown to be highly statistically correlated with gas field activity in Sublette County. Crimes and arrests have been increasing at a rate inconstant with the increased permanent resident population.

While law enforcement and judicial officials indicate that drug use (especially methamphetamine use) is a problem throughout the county, evidence points to drug use among gas industry employees as a significant and growing problem. Local law enforcement and judicial officials have indicated that the vast majority of crimes such as larceny and assault are related to drug use. In addition, there is a large amount of anecdotal evidence that gas industry drug policies are not effectively enforced in many instances.

► COMMUNITY SUSTAINABILITY AND CONNECTIVENESS:

Due to high proportion of temporary/rotational residents associated with the gas industry residing in Sublette County, community stability, sustainability, and connectiveness is seen to suffer as these temporary residents place strains on community services and culture but have little to no community ties or affiliation.

While the community has seen economic benefits related to the influx of temporary gas industry workers, many economic and cultural sectors of the community are seen as suffering as these workers increase the population of Sublette County but do not provide community involvement or volunteerism, or enhance sectors of the community not related to the gas industry.

It is also important to community sustainability that Sublette County High School graduates be able to remain in the community if they wish to do so. High costs of housing and a lack of diverse career opportunities are seen as obstacles to retaining local youth to the area.

MAJOR RECOMMENDATIONS:

In order to mitigate the impacts of PAPA gas activity to the crucial areas of importance as identified above, the SETG is issuing the following recommendations:

► YEAR-ROUND DRILLING:

It is recommended that the BLM consider concentrated year-round access for drilling and completion operations in the PAPA in order to increase permanent residency of the gas industry workforce and offset the following socioeconomic issues that have been identified by SETG due to oil & gas development:

- lack of workforce housing
- crime and drug use
- increased domestic violence
- industry and non-industry workforce shortages
- community sustainability/connectedness

In return for granting of year-round access, the BLM should require socioeconomic offsite mitigation including the following:

- Industry purchase of land for housing in support of reduction of “man camps” and promotion of sustainable community-appropriate housing
- Industry financing of community infrastructure related to industry growth
- Industry would pay fair market value for loss of other uses including grazing, hunting, and recreational activities on the PAPA
- BLM should also recognize the non-market value losses that might occur as a result of intensive development when computing offsite mitigation costs.

► ZERO-TOLERANCE DRUG POLICY

It is recommended that the BLM mandate a zero tolerance drug policy as a condition of approval on the APD process. All operators and contractors must establish and maintain a substance abuse program that includes required pre-employment and continued random drug testing.

► EMPLOYER-BASED CRIME STATISTICS

It is recommended that the Sublette County’s Sheriff’s office begin tracking the place of employment for anyone arrested in Sublette County. Arrest data would then be compiled by both type of offense and the place of employment, while identifying information about the person arrested would not be compiled. The objective of this data collection is to foster competitiveness among operators and contractors working in the gas industry by identifying which companies have the most exemplary crime-free workforce. Operators have also indicated that it is currently difficult to concretely identify if any of their contractors use a problematic workforce.

► VOLUNTEER COORDINATOR

It is recommended that a full time position be created to coordinate and enhance volunteerism and community connectiveness in Sublette County. A volunteer coordinator would make more opportunities available to become active in the community and thus foster stronger community relations. In addition, it is recommended that the BLM require operators and major contractors to offer incentives and programs for community volunteerism by their employees.

Chapter 1 | Introduction & Overview

During the mid and late 1990's, natural gas exploration in North America and especially Wyoming was in transition from conventional sources, which had dominated the industry for decades, to unconventional sources that would come to dominate the exploration and production as the twenty first century emerged. The northeast quadrant of the state saw the development of coal bed methane. Southwest Wyoming and especially Sublette County saw the potential of economic gas supplies arising from the tight sand Lance formations. By 1994, technology evolved to make those tight sands productive in the Jonah field, 38 miles south of Pinedale. Knowledge of similar geology located in the Pinedale Anticline just south of Pinedale led operators to propose gas development on that substantial geographical area that is comprised of mostly federal lands.

As a precursor to developing this field, the Bureau of Land Management began (BLM) an EIS in the late 1990's. The Draft EIS from this effort was made public in 1999 and the Record of Decision was delivered in July 2000.

Oil and gas development is, by nature, inherently speculative. During the PAPA (Pinedale Anticline Project Area) EIS process, the highly speculative nature of the project was recognized. From that recognition a key component of the Record of Decision became the AEM, (Adaptive Environmental Management) process, which was designed to provide BLM managers with a vehicle to monitor real time impacts during the evolution of the project with the intent of adopting relevant mitigation measures.

To understand the significance of the AEM process it is informative to ask and answer a number of questions.

Why was AEM included in this Record of Decision?

The answer is best explained in the words of Appendix C of the ROD.

“PAPA Draft EIS contains a detailed description of the speculative nature of exploration and development in the PAPA. Indeed, based upon the limited exploration that has taken place to date, it is impossible to predict how future development will proceed...Some believe that development potential in the PAPA is enormous...Others believe that development potential is much more modest...All agree that there is a great deal of uncertainty about future development. Because of this uncertainty, a number of assumptions were necessary to predict the impacts associated with future development. Those assumptions may or may not be true.”
(PAPA ROD p. C-1)

It is the intent of this Task Group to demonstrate the full significance of this statement by pointing out a number of assumptions which have turned out to be very flawed.

In addition, the EIS recognized that the 1999 snap-shot look at projected impacts was not sufficient. *“The uncertainties....suggest that the one-time determination of impacts that is included in the EIS may not be appropriate for this project. However, a carefully prepared and thoroughly evaluated AEM plan and process may be suitable for dealing with these uncertainties.”* (ibid.)

Finally, NEPA law supports the AEM process. CEQ regulations require appropriate application of continual monitoring and assessment...*“which will insure that presently unquantified environmental amenities and values may be given appropriate considerations.”* (42 USC 4332 (B))

Paralleling this attention to changing conditions, NEPA's implementing regulations also direct that, *“Agencies shall prepare supplements to environmental impact statements ifthere are significant*

new circumstances relevant to environmental concerns and bearing on the proposed action or its impacts.” (40 CFR1502.9)

What are the goals and objectives of the AEM process, and how are they relevant to the Socio-Economic Task Group ?

For any AEM Task Group, a primary and initial goal is to develop monitoring plans for recommendation and implementation so that BLM can utilize relevant and timely information in the development of appropriate mitigation of impacts. The Record of Decision required AEM “resource monitoring plans” for “specified resources” and established six categories. Interestingly, the category of “Socio-Economics” was not included in the six.

There are at least three reasons for adding Socio-economics to the list of resources designated for rigorous monitoring: Firstly, in the Record of Decision it is specifically noted that BLM maintains a Geographical Information System for the PAPA “*including all activities (natural gas, residential, agricultural, etc.) on Federal and non-Federal lands...*” It is apparent from this statement that “activities” in the region would be suitable for monitoring through a GIS system, and that many of these activities are not appropriately included in the subject matter of the other Task Group categories.

Secondly, NEPA is clear in requiring federal agencies to analyze the effects of an undertaking on the human environment, and this is defined by regulation to include economic and social conditions (40 CFR1508.8). Regulation also specifies that indirect effects “*may include growth inducing effects and other effects related to induced changes in the pattern of land use, population density or growth rate*” (ibid.) And regulation requires that, “*When ... economic or social and natural or physical environmental effects are interrelated, then the environmental impact statement will discuss all of these effects on the human environment*” (40 CFR1508.14). Plainly the socio-economic realm is recognized as an important component of the human environment and lies under the wing of NEPA.

Thirdly, given the extent to which PAPA development has very quickly evolved towards the “enormous” potential of the field, it is intuitive that socio-economic impacts have occurred and should be accounted for in a monitoring program.

Appointment of a Socio-economic Task Group was recommended by PAWG and approved by BLM in 2004.

What were the key baseline assumptions in the EIS, and how have they played out ?

Environmental consequences projected in 1999 by the PAPA EIS were based on assumptions reasonable at that time, but now clearly erroneous. At the root of the PAPA environmental impact analysis, a constant gas price of \$1.70 per MCF was assumed (PAPA DEIS p. 4-16). Currently, however, market prices are well in excess of \$7 per MCF, quadruple the original assumption.

Impact projections based on this erroneous assumption accordingly also went sour. For example, this assumption led to the projection that under the Standard Stipulations (least restrictive) Alternative, an average of eight rigs would operate in the project area year round (PAPA DEIS pp.2-35 and 4-21). In fact, in 2004 an average of 25.6 rigs were working year round (308 rig months last year in PAPA divided by 12 months).

Then, based on the eight rig assumption, the EIS estimated a peak associated workforce in the project area of 320 persons and concluded that development would not increase housing demand above that available at the time, although some motel occupancy by workers was expected particularly in the winter (PAPA DEIS pp. 4-19, 4-21 and 5-7). In fact, informal inquiries of hoteliers found that over half of the County's ca. 500 motel rooms were occupied by persons related to gas field development during the period May 15 - Nov 1, 2004.

In addition to the underestimated demand for hotel accommodations, the EIS concluded that housing would not prove to be scarce. Moreover, the EIS indicated that the operators did not intend to provide a worker camp, and that PAPA development would differ radically from previous ‘boom and bust’ scenarios that were based on man camps (DEIS pp. 2-6 and 4-15). In fact, however, due to housing demand created by the accelerated PAPA development, in 2004 Sublette County approved two applications for private land re-zoning to conditionally permit installation of 'man-camps' with a cumulative capacity of 1300 workers.

In sum, the significant new economic circumstance of high gas prices has resulted in a gasfield development pace far in excess of that analyzed by the EIS.

Opal Spot Price

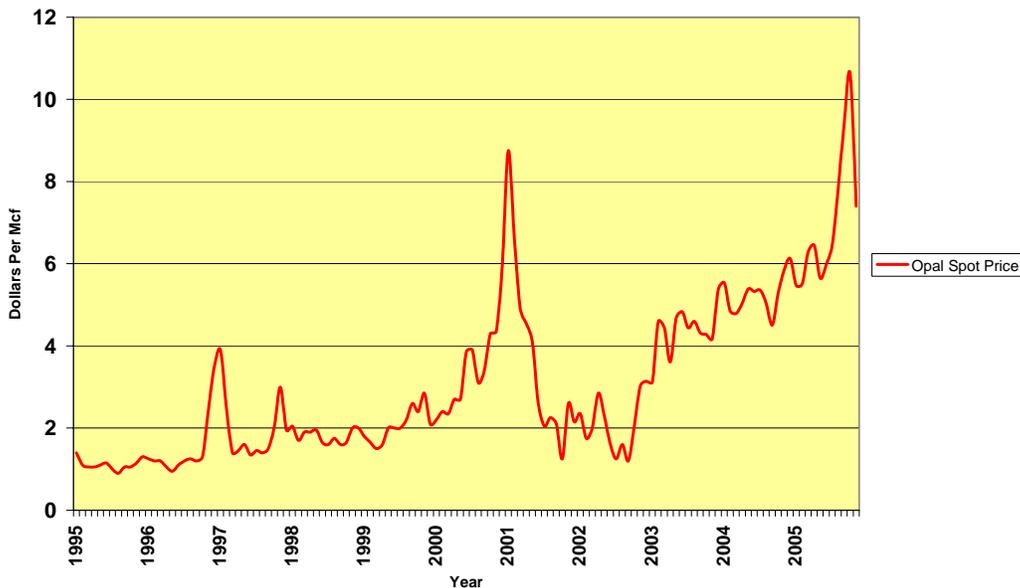


Figure 1: Opal Hub Natural Gas Spot Price, Opal WY 1995- Present. Sources: NW Pipeline, Opal WY for data between 01/95-9/02; Enerfax.com for data thereafter.

What is the significance of the pace of development ?

Intuitively, *pace* of development is at the very root of socio-economic impacts. The impact of a workforce of 100 people sustained over a period of decades is totally different than the impact of a workforce of 1000 persons for a period of several years.

Recall that the PAPA Record of Decision stated that, “*The EIS proposed action and analysis inherently provides for control on the pace of development. Many factors enter into this including availability of rigs, availability of workers, market price of natural gas, budgetary constraints, etc. Therefore, the BLM will place no restrictions on the number of drilling rigs within the PAPA at any one time.*” (PAPA ROD p. 37)

This statement in the ROD refers back to the EIS which explicitly recognized the pivotal nature of the pace of development, and so formulated and analyzed a Resource Protection Alternative in which the BLM would have limited the number of drilling rigs operating in the project area at any one time to five (PAPA DEIS pp.2-35 and 4-21). BLM’s authority to regulate pace of development was also asserted in the impact statement, citing the 120 IBLA 47 decision (PAPA DEIS p. 2-43).

Yearly Drilling Activity By Field 1995-2005

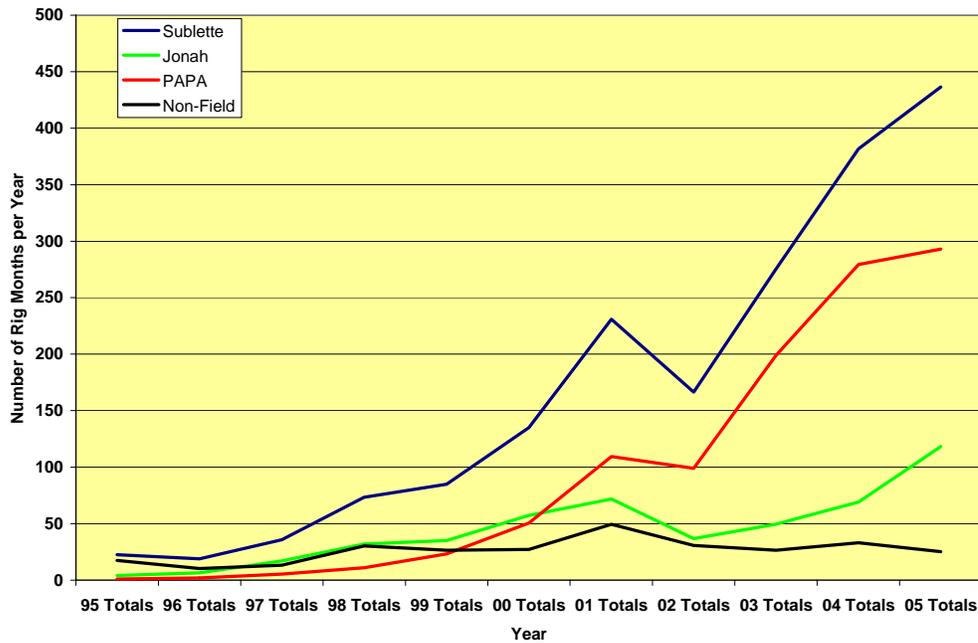


Figure 2: Yearly Rig Month Totals by Field 1995-2005. Source: Drilling Records, Inc.

What is the significance of the time lag since the ROD was issued?

The AEM process was required to begin within two months of the issuance of the ROD. Due to a legal challenge the process was stalled until 2004. The downside of this is, of course, the lack of definitive monitoring plans which would have been developed immediately upon issuance of the ROD, with the baseline data fresh relative to the analyzed impacts detailed in the EIS.

A positive aspect of the delay is that the Task Groups can look back at 4 years of development, development that occurred in a much more rapid and significant fashion than had been assumed in the EIS. That look back itself constitutes a form of monitoring, albeit after the fact, and is informative in providing guidance regarding the relevance of the variety of activities and impacts. In other words, it is easier to prioritize future monitoring plans based upon knowledge of the recent history of the field and, more importantly, of recent local socio-economic phenomena.

What is the focus of the Task Group to meet its objectives?

At its initial meeting, the Socio-economic Task Group agreed that information in the 1999 EIS was outdated, that the document's projections had been far surpassed, and that Significant unanticipated changes had occurred in the socio-economic arena. The group therefore determined to gather information to bring basic data current as a form of rapid review monitoring. Eleven topics of concern were identified for further investigation: housing, emergency services, social services, infrastructure, personal safety, health care, crime and drug issues, education, demographics, economic diversification and quality of life. Subsequently several of these topics were combined, resulting in nine subjects which are addressed by as many separate sections of this report.

The group recognized early on that there was little information specific to employment and employees in the PAPA (the number of workers, their current housing arrangements, etc.). Moreover, we had even less knowledge concerning the future, i.e. we were entirely lacking a description of the proposed action. To address these crucial data gaps, the group devised a survey plan to gather information about the number and type of PAPA employees working or living in the area and their plans. Details of the survey are presented in the demographics section of this report. Otherwise, the following report sections focus on the findings of our recent data gathering efforts, and then present recommended monitoring and mitigation plans.

Of note, the Task Group resolved that monitoring data should be gathered for both Sublette and Sweetwater Counties, as a goodly share of PAPA employment is tied to companies and housing in that County, particularly in Rock Springs. In some cases we were successful in this in our efforts to date, but the reader will note that Sweetwater County data is frequently missing from sections of this report. These omissions are not intentional, but rather are owing to time constraints.

Chapter 2 | Housing & Infrastructure

NOTES REGARDING THE PAPA EIS

The 1999 PAPA EIS, under section 4.4.2 Significance Criteria, the following is stated:

“For socioeconomic resources, a significant impact is defined as follows:

- *Increased demand for housing resulting from project activities which exceeds supply;*
- *Short- or long-term increases in demand for local government facilities or services which exceed existing capacity and are not offset by adequate revenues from continued exploration and development; or*
- *A 10 percent change in county government revenues or in county – wide employment”.*

In the same section of the document, the EIS concluded:

“... increased direct and indirect local employment is expected to be negligible. Continued exploration and development is not expected to increase housing demand above that presently available, although some workers may decide to occupy motels in Pinedale, particularly in the winter when rates and occupancy are low. With the exception of ambulance service, increases in demand for local government facilities or services are not expected to exceed capacity. Adequate revenues should be generated by the project to cover any additional costs incurred by local governments.”

Given the data and analysis presented below in this report, the PAWG board can clearly see that the above statement is erroneous at best. We clearly show that impacts as defined by the EIS for Socio-economics have been significant. Projections into the future show yet greater impacts in these regards.

FINDINGS OF CURRENT MONITORING EFFORT

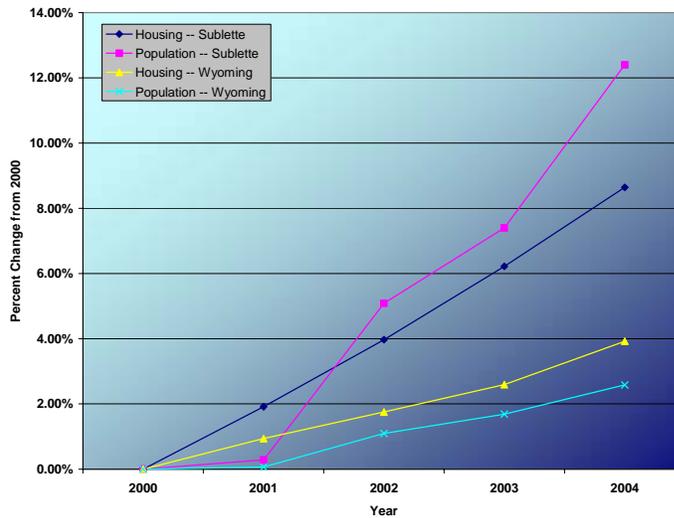
The task as defined is to determine what is currently being monitored, suggest what areas need to be monitored, and how that monitoring should be done so as to measure possible future project impacts. The following discussion references and presents housing and infrastructure-related data which are currently being monitored in some form by State and local agencies and entities. Trends shown by these data are also illustrated.

► HOUSING STOCK VS. POPULATION

Wyoming’s estimated housing stock has increased at a greater rate than has its population since 2000, in part due to the increase in second (or vacation) homes. According to the U.S. Census Bureau, between 2000 and 2004, Wyoming housing increased an estimated 4%, while population increased about 3.5%.

Meanwhile, the opposite has happened in Sublette County where increases in the estimated housing stock have lagged behind the increases in population, despite having one of the largest percentages of second homes in the state in 2000, according to the U.S. Census Bureau (see chart below). Between 2000 to 2004, housing in Sublette County increased 8.6%, while the population is estimated to have increased by 12.4%. In addition, the U.S. Census Bureau estimates likely do not count those living in non-traditional housing and working in the gas field, which comprises a relatively large portion of housing in Sublette County as compared to Wyoming as a whole.

Change in Housing vs. Population Sublette County & Wyoming 2000-2004



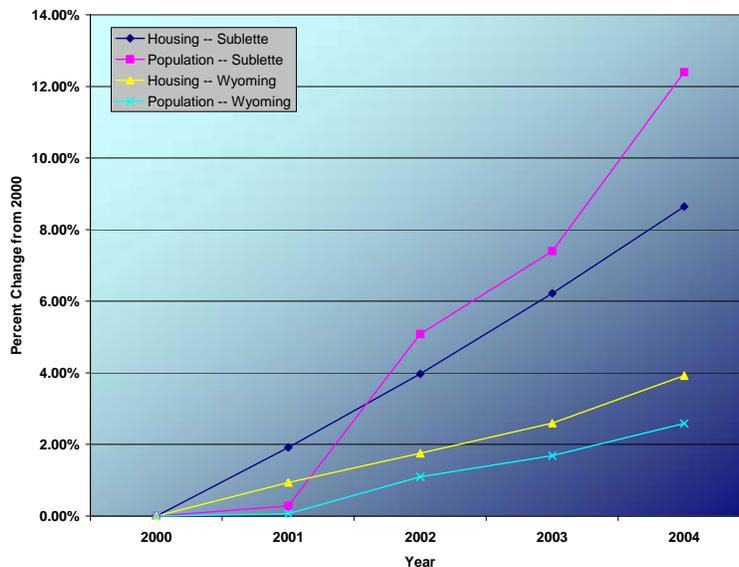
► Rental Market

State semi-annual survey data on housing rental rates in Sublette County were examined (<http://www.wyomingcda.com/PDFfiles/Profile-Vol-II-06-02.pdf>). Similar to other trends seen in this report, noticeable upward jumps are discernable beginning about 2001. *Source for rental market information* : Data Source: Wyoming Department of Administration and Information, Economic Analysis Division – Wyoming Cost of Living Index; via the Wyoming Housing Database Partnership

Apartments:

The average monthly rental price of two-bedroom apartments has shown the biggest increases in Sublette County as compared to houses or mobile homes. In the second quarter of 2002, the average monthly rental price of a two-bedroom apartment in Sublette County was \$472.

Change in Housing vs. Population Sublette County & Wyoming 2000-2004

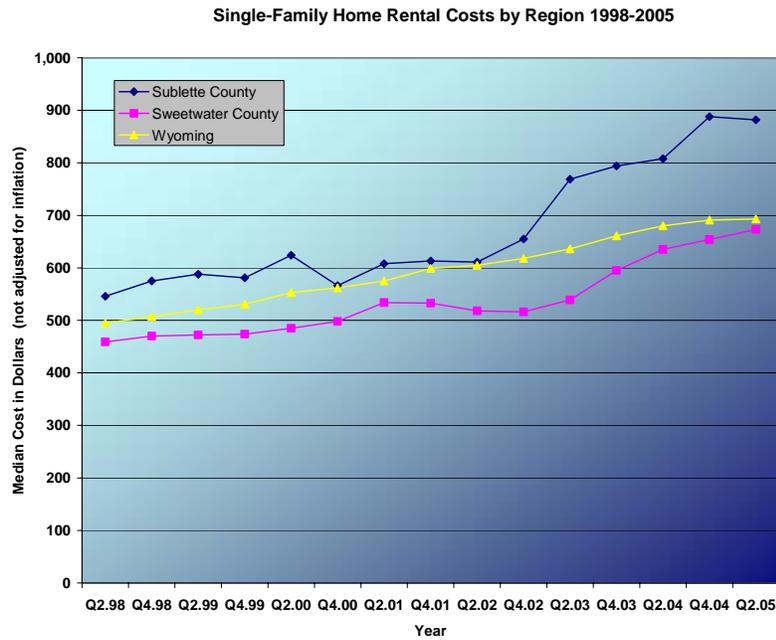


As of the second quarter of 2005 – three years later – the average monthly rent increased to \$699, an increase of about 48% (the statewide average increased about 15% during the same period). Since 1998, the rental cost of a two-bedroom apartment in Sublette County has increased a total of about 80%.

Apartments for rent in Sublette County are extremely scarce. Very few multi-family structures have been built in recent years as compared to single-family homes. In other energy boom towns, low-cost and short-term apartments have also served as a housing base for many rotational workers.

House Rentals:

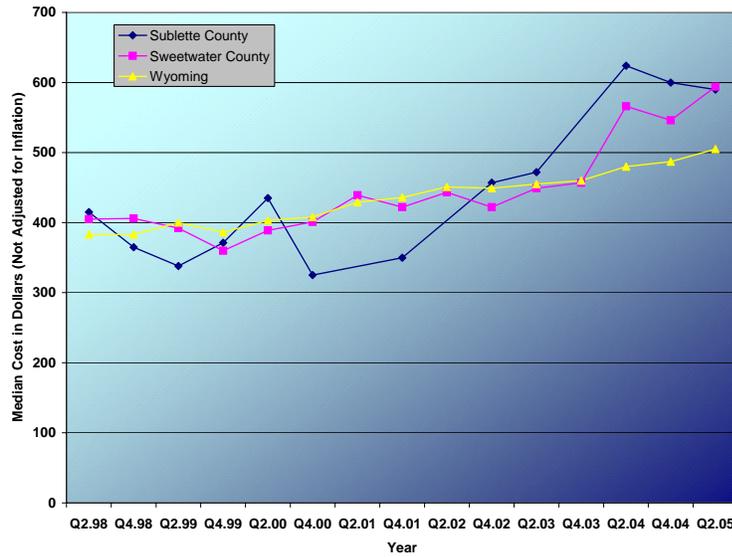
The average monthly rental price of single-family house has also increased substantially in Sublette County, with large increases after about 2002. The average price of renting a house in Sublette County was \$611 per month at the beginning of 2002 and increased to \$899 by the beginning of 2005, also an increase of about 48% in the three years. The Statewide increase totaled 14.5% during the same period. Since 1998, the price of renting a house in Sublette County increased a total of 61.5%.



Mobile Home Rentals:

The price of renting a mobile home and lot has also increased since 1998, with large increases since 2002. However, the price of renting a mobile home and lot largely remained at or below both the state and Sweetwater County averages levels prior to 2002. Since 2002, the rental prices in Sublette and Sweetwater Counties has increased at similar rate. Between 2002 and 2005, the average monthly price of renting a mobile home and lot increased from \$457 to \$590 an increase of nearly 30%. Since 1998, the mobile home and lot rental price increased by about 42%.

Median Mobile Home Rental Costs (Inc. Lot) by Region 1998-2004



Sublette County average rental rates for a 2-3 bedroom house were compared with Sweetwater County and the State. As reflected on the graph below, a marked upturn occurred in both Sublette and Sweetwater Counties beginning in 2001.

Rental prices and availability are sampled via a semi-annual State survey, but the local rental market is without comprehensive monitoring as there is no clearinghouse that would include all activity. Semi-annual rental vacancy surveys conducted by the State (ibid.) report that in Sublette County there were no residential vacancies and a waiting list of 28 in spring 2002, and that one vacant single-family house and a waiting list of 86 existed in spring 2004.

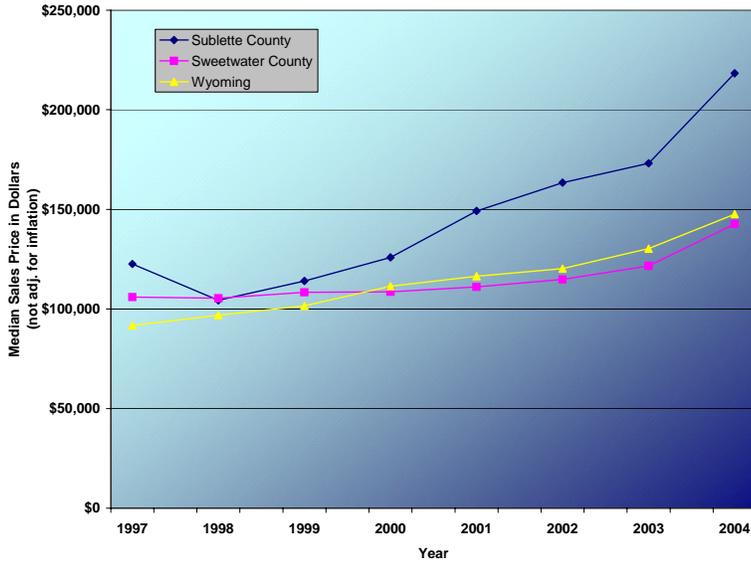
In addition to this rental availability information, the Task Group was able to get an overview of rentals handled by one of our members, inclusive of long term (1 year lease), short term (month to month lease), and weekly rentals (1-2 week stay). Currently few to no vacancies were found to exist. It was reported that long term units continue to be used mainly for the rental family unit. Use of the short term units is dominated by the service companies with a significant appearance for seasonal employees within the community and the gas field.

In sum, the rental market vacancy rate is essentially zero. Businesses are having to supply employees with housing. Specific examples of this are: White Pine Ski Area converting a building into apartments for employees. Sinclair Gas station building an addition for employee housing. Sublette County School District Number One buying housing for teachers and also creating plans for a planned unit development west of Town for teacher housing. Numerous instances of people converting garages into apartments and renting them out. Camping trailers parked on town streets with people staying in them. The timing of this report appears to be at the beginning of significant housing impacts.

► **HOUSING PURCHASE COST**

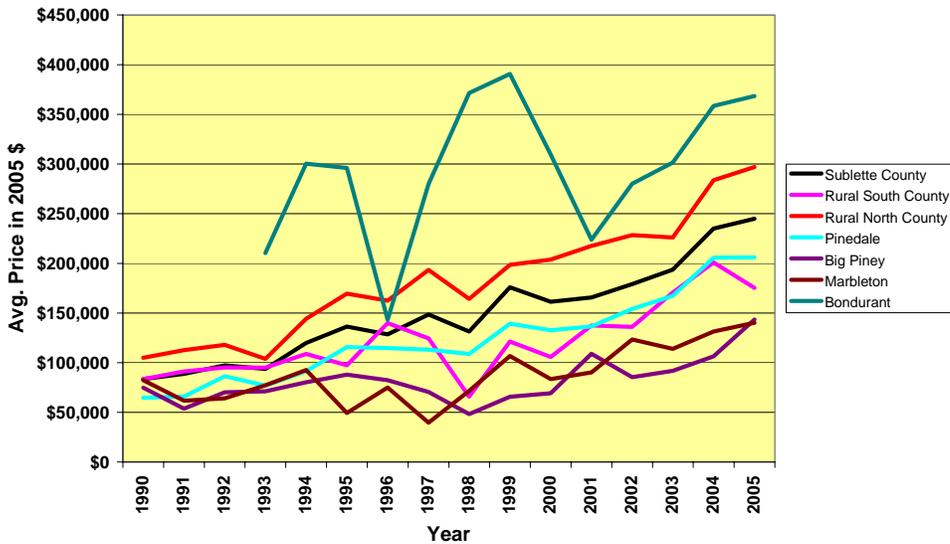
Average sales prices of existing detached single-family homes in Sublette County were examined and compared with Sweetwater County and the State, as reflected on the graph below. As with other trends noted in this report, a distinct upturn occurred in Sublette County in 2001 and again in 2004, generally correlating with the County rig month count.

Median Single-Family Home Sales Price by Region 1997-2004



Housing price data available to licensed realtors through the Multiple Listing (MLS) Market Statistic Report was also consulted. These statistics do not include FSBO (for sale by owners) sales, however those sales likely reflect similar values as the sellers and buyers operate under the same basic criteria (i.e. appraisal market based values; lender requirements, similar fees with the exception of Real Estate Commissions).

Single-Family Home Average Sales Price by Area of Sublette County 1990-2005. In 2005 Dollars.



Concerns with averaging residential lot sales prices are recognized. For example the ‘Building Sites Sales’ summarized below include simple seasonal lots within the Barger Subdivision selling between \$3,000 and \$7,000 per lot, as well as river frontage building sites that sold at \$350,000. Similar to any statistical report, we must tolerate the term “average sales price”, fully realizing the origin of that data and interpreting it accordingly.

**Statistics from the Teton Board of Realtors Market Statistic Report
Area: Boulder, Cora, Daniel, Pinedale**

2003		2004	
Residential	94 homes sold Average Sale Price of \$184,646	Residential	99 homes sold Average Sale Price of \$237,729
Multi-Unit	1 sold \$122,500	Multi-Unit	4 sold Average Sale Price of \$92,250
Building Sites	125 sold Average Sale Price of \$57,138	Building Sites	161 sold Average Sale Price of \$70,316
Commercial	5 Sold Average Sale Price of \$241,300	Commercial	14 sold Average Sale Price of \$145,554

Currently there are 61 homes on the market with an average list price of \$448,350.00 and 184 building sites with an average list price of \$293,902. Comparing the current average income level per household with the current average listing price is a little overwhelming. The basics of economics has displayed itself with a lack of supply and the demand climbing. To keep up with the current growth, not even accounting for increased growth, we see a definite lack of affordable housing.

Housing Cost by Community

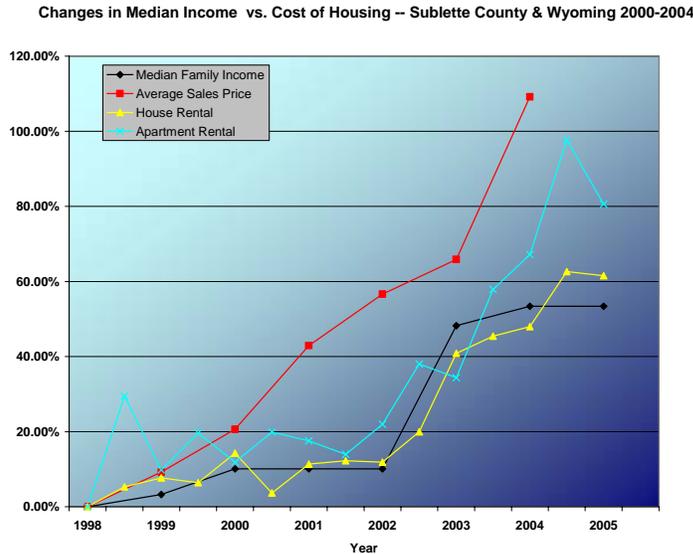
The most recent housing and residential lot sales prices reported to the Sublette County Assessors Office are presented below. As can be seen, housing purchase costs are not uniform across the County.

2005	# houses sold	avg house price	price of single family lots sold
Pinedale town	53	\$206,099	\$45,000 - \$110,000
Big Piney-Marbleton town	19	\$141,811	\$17,000 - \$24,500

► COST OF HOUSING COMPARED TO INCOME

The increased costs associated with renting a house or mobile home in Sublette County have largely been matched by the increases in median family income, while income has not increased relative to either apartment rentals or especially single family homes sales (see chart below). While the house and mobile home rental costs have risen 61% and 47a%, respectively, since 1998, the Apartment rentals have increase by more than 80% since 1998, while single family home sales have more than doubled in price, meanwhile median family income has increased by about 53% during the same period to about \$56,300 in 2005. (U.S. Department of Housing and Urban Development median family income estimates).

What becomes interesting is that the median family income for Sublette County has lagged behind the state average from 1990 to 2004, yet Sublette County residents have been consistently paying more for housing during the same period. Therefore, based on these averages, Sublette County residents have been consistently paying a substantially larger portion of their income to housing than has the average Wyoming resident.



► TEMPORARY HOUSING:

Due to the unique conditions of the gas-field industry, flexible, non-traditional types of housing play a substantial part in the housing supply of Sublette County. At minimum, there are currently an estimated 950 housing units in Sublette County for gas field workers that could be considered “non-traditional” including RV’s, Motels, and Man Camps. During peak periods of gas field activity, this number is in actuality likely higher. If these 950 non-traditional housing units are added to the 3859 “traditional” housing units estimated to be located in Sublette County in 2004 by the U.S. Census Bureau, these non-traditional housing units represent approximately 20% of the county-wide housing stock.

Per Diem Expenses

Labor has been in short supply given the workforce requirements necessary to keep up with the pace of development for the oil and gas leases in Sublette County. To illustrate this point, Halliburton flies workers in from Oklahoma to work in Sublette County at an annual per diem cost of about \$31,000 per worker. Once these workers are flown in, they are on a 20 day on and 10 day off schedule.

Steve Noffke, who is the Rock Springs District Manager for Halliburton, has indicated that even with the workers that are flown in, there is still a shortage of workers. So Halliburton may have to hire a subcontractor to supply them with more nonlocal labor to keep up with the demand for their services. Steve also said that from Halliburton’s standpoint, they would rather have their workers living in the area than import them from out of state. And given the total demand for labor associated with the rapid pace of oil and gas development in Sublette County, other firms working in the oil and gas industry is likely facing the same labor shortages reported by Halliburton.

There are some obvious issues that have surfaced as a result of a nonlocal workforce. For example, increased crime and drug use, increased domestic violence, lack of community connectedness, etc. are all an outgrowth of a rapidly booming area. In order to address these issues, there needs to be an ongoing

concerted effort to create an environment conducive to a steady workforce necessary to safely develop the public energy leases, raise workforce satisfaction, reduce turn-over, foster community roots and connectedness, reduce the exponentially rising crime rate, and to promote the construction of planned family housing at attainable prices.

Weekly rentals are occupied primarily by service companies and temporary employees mainly related to the gas field. Clearly there is a shortage in the area in markets for all types of rentals. The hotel/motel environment experiences steadily occupied rooms with generally low vacancy rates. Vacancies occur mostly during the winter months. The recently approved year round drilling seems to have had some significance thus far with a relatively low vacancy rate this winter. Confoundingly, increased winter tourism such as associated with the hockey rink and school sports have also influenced the vacancy situation. With more hotel/motel rooms available, the Pinedale School System now hosts regional sports events that they weren't able to in past years. With the current lack of room availability, there becomes a definite concern for the tourism market.

Motels:

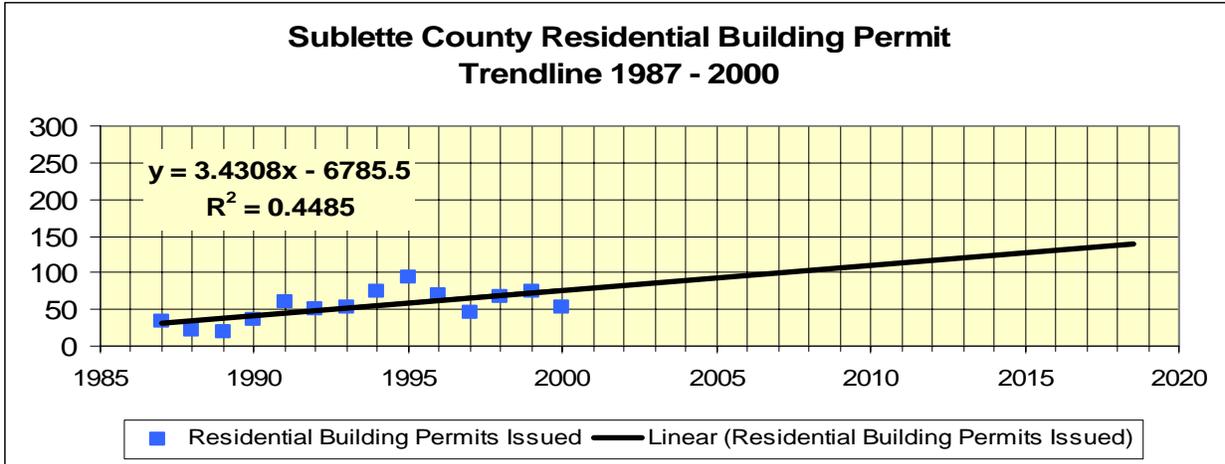
According to the Sublette County Chamber of Commerce², an estimated 526 motel-type rooms are available for rent in Sublette County. Of these, over 450 rooms are available for rent to gas-field workers. During the non-winter months, nearly 100% of these rooms are booked, often for weeks-at-a-time, by those employed in the gas fields. A number of motels have exclusive contracts with gas-field companies to house their employees for months or years at a time. During the summer months, the Sublette County Chamber of Commerce indicated they spend a large amount of their time redirecting Pinedale-bound tourists to other areas of the state where lodging is more available. In winter months, county-wide occupancy drops to about 50-75% occupancy, as gas field activity undergoes seasonal fluctuations. A number of Bureau of Land Management seasonal restrictions on gas field activities have been lifted in recent months, and winter-time occupancy rates could rise in response to greater winter-time field activity.

► HOUSING GROWTH

Pre-PAPA Housing Growth (1987 - 2000)

Historical statistics for Sublette County regarding the number of residential housing units authorized by building permits were examined for the years 1987-2000 (data at <http://eadiv.state.wy.us/housing/annlbdg.htm>). Collectively, these reflect the growth in housing during that period. A trend analysis was done of this data to illustrate the number of residential units that would be projected through the year 2020 as part of the County's 'natural' growth scenario. The trendline is based wholly on the linear regression of housing units permitted over those 15 years. The resulting graph is presented below.

² Personal Communication with Mindy Crabb, director of the Sublette County Chamber of Commerce, 307-367-2242. 01/13/2006.



Based on the pre-PAPA historic trendline, an estimated 2318 new residential building units (including both single and multi-family dwellings) would be authorized in Sublette County between 2000 and 2020. Of these 1215 would be issued in the next 10 years (2005 through 2015 inclusive). For comparative scale, U.S. Census Bureau estimates 3859 residential building units existed in the County in 2004.

Sublette County exhibited a 3.4% annual growth rate over the pre-PAPA period from 1987 – 2000. In other terms, roughly 38 percent more residences are added every 10 years according to this trend. This growth rate is relatively high. For reference, the US population annual growth rate is only 0.6. (http://www.prb.org/?Section=Data_by_Country&Template=/customsource/countryprofile/countryprofile.cfm)

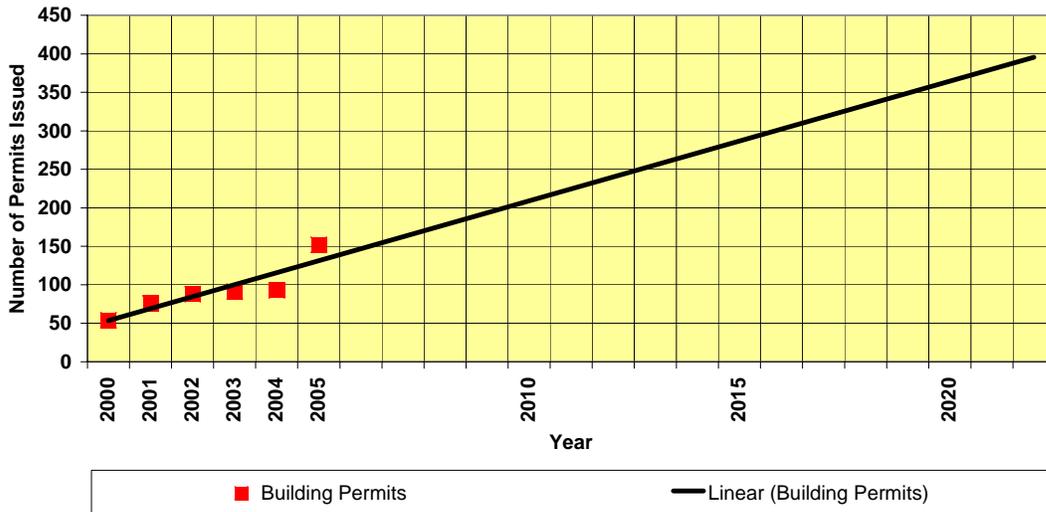
2020 year	projected permits issued	Total since 2000
2000	76	76
2001	80	156
2002	83	238
2003	86	325
2004	90	415
2005	93	508
2006	97	605
2007	100	705
2008	104	808
2009	107	915
2010	110	1,026
2011	114	1,140
2012	117	1,257
2013	121	1,378
2014	124	1,502
2015	128	1,629
2016	131	1,760
2017	134	1,895
2018	138	2,032
2019	141	2,174

Post-PAPA Housing Growth (2000 - 2004)

Housing permits issued from 2000 through 2005 were also subjected to a trendline analysis as depicted below. Clearly, the already substantial housing growth trend became steeper after 2000. This trendline projects that about 4029 residential building units would have been authorized between 2000 and 2020. Of these, 1942 would be issued in the next 10 years (2005 through 2015). Based on the divergence of the pre and post-PAPA historic trendlines, an estimated 727 new residential building units (including both single and multi-family dwellings) would be authorized in Sublette County in the next 10 years as a result of PAPA influences (1942 minus 1215). Owing to the small number of years establishing this trendline, projections at this point must be considered very tenuous, but still do deserve consideration. Monitoring / updating this data annually is recommended.

Housing permit issuance data could be found only on a County-wide basis. Because this data covered the longest time span, it was used for the below trendline analysis.

Sublette County Residential Building Permit Trendline 2000-2005



Housing construction data was also gathered as discussed below. (Housing permits do closely follow houses constructed, and a graph correlating these is available upon request.) In the course of obtaining the most recent permit and construction data, a complicating factor was encountered: manufactured homes, including both mobile homes and modular homes, are not uniformly issued construction permits (personal communication with Darlene Staley, Sublette County Zoning Office). For residential monitoring and projection purposes, this tracking gap is particularly problematic since permit applications for 49 manufactured and 11 mobile homes were received in the County in 2004 (ibid.).

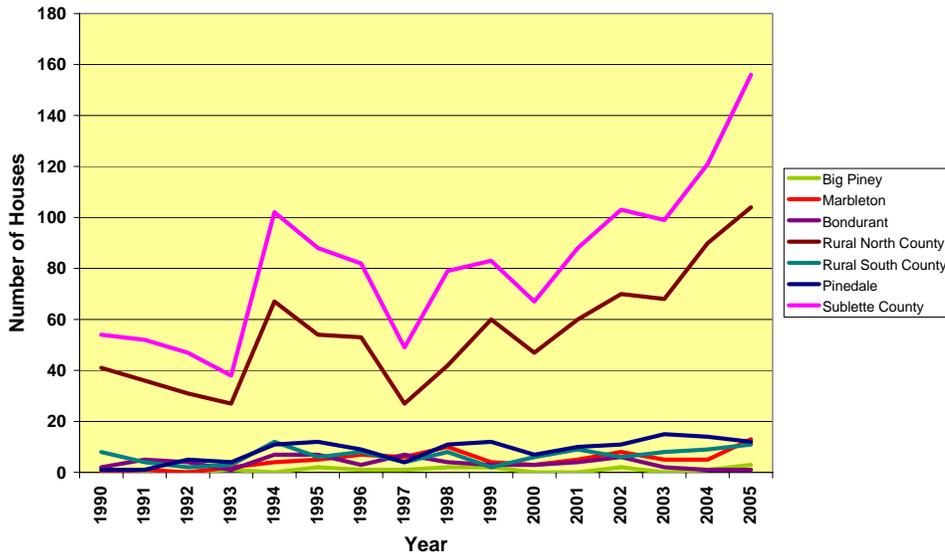
Housing Growth by Community

Housing construction data sorted by community was provided by Sublette County for the years 1995 – 2004 and is graphed below. Examination of this data indicates that growth in housing is highly variable geographically within Sublette County. The Cora-Pinedale-Boulder corridor is clearly receiving the most growth, with the great majority of this occurring in the ‘fringe’ area beyond the Pinedale Town limits.

Municipalities also keep building permit statistics. Building permits filed with the municipality of Pinedale from 1998 onward were examined by the Task Group to see if any impacts could be observed. These permits are required for construction of fences, garages, sheds, commercial buildings etc., in addition to residential units. While residential unit growth thus is not directly measured by these figures, trends in construction activity in the Town are reflected. Review of the data (please refer to the SETG spreadsheet) indicates that construction in Pinedale undertook sharp growth in 2001 and again in 2004 and 2005.

Overall, the most significant increases in building are in single-family housing, multi-family housing, motel/hotel units, and the large amount of land being developed around the Town of Pinedale. The percentage increases are extreme. The “fringe area” land development is particularly alarming, due to water quality issues arising from a large increase in septic systems.

New Houses Constructed by Area 1990-2005



► INFRASTRUCTURE

Along with the increase in housing has been the local need to expand public services to meet these housing demands. An example of this is the project undertaken by the Town of Pinedale to increase the sewer lagoon capacity to handle the growth. This alone is a \$2.3 million dollar project. For the newly constructed Amerihost Hotel, significant infrastructure development had to take place, including but not limited to; expanding the sewer line and water line, replacing a lift station and installing streets. With the increase in growth of the town, an increase in the operating expenses is observed not just in infrastructure but also in routine maintenance i.e. snow removal, street repair. The municipality is impacted with the upfront development costs of the infrastructure, and on an ongoing basis for operation and maintenance of said infrastructure.

Another example of an infrastructure impact is the street of South Tyler, which has deteriorated beyond repair due to the increase in heavy truck traffic. In March 2004, a traffic counter placed on South Tyler at the town limit, had daily traffic averaging 725 vehicles a day. The population of the town is 1400; clearly the main vehicle traffic was destined for the gas field. South Tyler at the time was the only access to that part of the gas field due to winter restrictions.

The Town currently has approximately \$11 million in infrastructure need incurring a shortfall of approximately \$5.5 million dollars. It is difficult to even fathom a municipality of 1400 people coming up with \$5.5 million in matching funds. To cover a portion of these costs, the town of Pinedale effectively “sold” one block’s worth of a town street to the County for over 3 million dollars. A municipality can handle a steady growth rate, however with a boom of this magnitude the demand for the services to keep pace comes all at once. The municipality receives a very small portion of revenue from the natural gas field development.

In 2003, the Town of Pinedale is projected to receive \$213,000 in direct mineral/severance tax revenue. (Please refer to the Town of Pinedale for a hard copy of the budget). The majority of the Town’s revenue comes from Sales Tax. This is not sufficient to offset the expenses incurred by the development, given the shortfall as stated previously. In 2002 the County budget was \$15,877,497, the 2003 budget was \$18,245,344 for a change of 14%, and the 2004 budget was \$22,291,362 for a change from 2003 of 22%. It is recognized that, owing to state statute, it is difficult for the County to “give” money to the

municipalities. Therefore impacts at the municipality level are extreme given the lack of revenue generated by the development for the municipality. In essence the municipality takes the brunt of the impact yet receives little of the revenue.

Further Monitoring Recommendations

A local monitoring strategy amenable to the County and municipalities needs to be devised that further investigates housing-related statistics (to avoid the pitfalls of modular homes being omitted from construction permits etc.). Based on results of that investigation, that the identified data categories be gathered for years past to the extent possible and incorporated into the automated SETG monitoring program, and that the monitoring data be updated annually at a minimum. County Planning & Zoning Office records, County Assessor records, municipal permits, septic tank permits and / or water well permits may prove to be a useful way of tracking.

That a general form be developed and distributed to all hotel/motel, cabins, and property managers, asking for their cooperation on monitoring vacancy and demand for all rental term housing. Since the majority of the rental market lies within the limits of incorporated Towns, the municipalities appear to be a logical interim collection point for this data, which would periodically be reported to the socio-economic Task Group. This process would assist the City Planning and Zoning Board in providing knowledge relating to future expansion for rental housing needs.

► MAJOR RECOMMENDATIONS FOR MITIGATION:

YEAR-ROUND DRILLING:

It is recommended that the BLM consider concentrated year-round access for drilling and completion operations in the PAPA in order to increase permanent residency of the gas industry workforce and offset the following socioeconomic issues that have been identified by SETG due to oil & gas development:

- lack of workforce housing
- crime and drug use
- increased domestic violence
- industry and non-industry workforce shortages
- community sustainability/connectedness

In return for granting of year-round access, the BLM should require socioeconomic offsite mitigation including the following:

- Industry purchase of land for housing in support of reduction of “man camps” and promotion of sustainable community-appropriate housing
- Industry financing of community infrastructure related to industry growth
- Industry would pay fair market value for loss of other uses including grazing, hunting, and recreational activities on the PAPA
- BLM should also recognize the non-market value losses that might occur as a result of intensive development when computing offsite mitigation costs.

► ADDITIONAL RECOMMENDATIONS FOR MITIGATION

It is recommended that BLM stipulate that operators and their major (more than 100 employees) contractors develop and offer financial relocation and ongoing housing assistance to their workers who wish to relocate permanently to the area. This could be done at little or no additional cost to the industry if they used the money currently being paid in per diem for nonlocal workers to finance the program. Therefore, the recommendation is for BLM to implement these lease stipulations by July 2006 with the

goal of developing and offering a pilot financial assistance program designed to address the high cost of housing by all operators and major contractors, *and*

It is recommended that BLM lease public lands within reach of Town (Big Piney, Marbleton and/or Pinedale) water and sewer facilities with the goal of providing lands that could be used for temporary man camps or seasonal campgrounds for workers who are only going to be in the area during project development and construction. These lands could then either be reclaimed and returned to their original state or kept in service for a period matching the demand. If it is determined that these lands are needed by the appropriate local entities, it is recommended that BLM make permitting, clearance and leasing of such parcels top priority for the BLM Time Sensitive Projects Office.

Chapter 3 | Crime & Drugs

BACKGROUND INFORMATION

To understand how criminal statistics should be gathered to be of the greatest help to the Socio-economic Task Group, it is helpful to have a basic understanding of criminal procedures. Crimes charged in violation of Wyoming law are done so by citation or criminal information. A law enforcement officer can write a citation or "ticket" for a misdemeanor crime. A law enforcement officer may also write a report on the crime and forward that on to the county or district attorney to be filed by Criminal Information or "long form" as it is often referred to. Oftentimes law enforcement will arrest someone and write a citation charging the person with a particular crime and the prosecutor will dismiss the citation and file a Criminal Information which will make additional charges, each one being a separate criminal count on the Information.

Circuit Courts have jurisdiction over all misdemeanors, small claims and family violence protective orders, among other things. They also "screen" felonies by advising a felony defendant of the charges against them, advising them of their rights, and hearing a preliminary examination which serves to ensure the defendant probably committed the crime. It is at that time the defendant is "bound over" to district court to begin the felony criminal proceedings.

STATE DATA AVAILABLE

The two main sources of data already available to the Task Group are the Uniform Crime Report (UCR) that is gathered by the Department of Criminal Investigation under the Attorney General's Office and the reports on victims of domestic battery and sexual assault that are gathered by the Division of Victim Services under the Attorney General's Office.

UNIFORM CRIME REPORT (UCR)

The UCR presents data on reported crime from records submitted by contributing law enforcement agencies, representing 98.6 percent of the jurisdictions in the state. The UCR program collects data on offenses which are categorized as Part I and Part II crimes. The Part I crimes include the "Index Crime" offenses of murder, forcible rape, robbery, aggravated assault, burglary, larceny-theft, motor vehicle theft and arson. These Part I, Index Crime, offenses are collected by way of a monthly report filed by the individual agencies and are supposed to provide information on the incident report and arrest.

Part II crimes consist of assaults where no weapon was used and did not result in serious injury to the victim, drug violations including felony violations, driving under the influence, sex offenses, offenses against the family such as abuse, neglect, and non-support, and all the offenses which are not a part of Part I crimes. Part II crimes are reported by arrests only. Sublette County has seen the greatest increase in the Part II crimes.

Procedures employed by the UCR require that an arrest be counted on each separate occasion an individual is taken into custody in an agency's jurisdiction. Although several charges may be placed against a person at the time of arrest, only one arrest (*usually* the most serious) is counted each time the person is taken into custody. So if, for example, a person was arrested for one Part I crime and three Part II crimes, only the Part I arrest would show up on the UCR. And, according to the UCR, differences in arrest practices, policies, and enforcement emphasis among agencies influence the volume of arrests for various offenses. Additionally, as in the example of Sweetwater County, when the jail facilities are full, people will not be arrested as there is no place to secure them, and if the crime is a Part II crime, there will be no record of that in the UCR.

As the UCR acknowledges in the first page of their quarterly reports, a major problem with the report is that the manner in which the incident reports and arrests are tracked varies from agency to agency. The problem was illustrated here in Sublette County recently when Undersheriff Henry Schmidt explained to this committee that in the past month, he has become aware that the manner in which statistics have been

reported to the UCR by the Sublette County Sheriff's Office (SCSO) have resulted in a substantial under reporting of crime for a number of years. For example, the number of domestic battery arrests were reported to the UCR as nine for the year 2004. The Sheriff's office later reported to the Socio-economic Task Group that 29 arrests had been made for Domestic Battery in the year 2004. Sweetwater County Sheriff Dave Gray echoed those reporting inconsistencies.

A further problem with relying on the UCR is that it only addresses arrests and no other dispositions of the incident. An example of this is Domestic Violence Statistics, which are reported by arrests within the main UCR database but are broken out in a separate section pursuant to a Wyoming statute. In the third quarter of 2004, the number of dispositions of domestic violence was 805. However there were only 398 arrests made so that is all that will show on the main UCR. Other dispositions were: 1) mediation by officer - 88; 2) offender not found - 55; 3) papers filed against - 52; 4) referred to social agency - 16; 5) separated by premises - 120; and, 6) other - 76. While the arrests noted in the main UCR will reflect a portion of the domestic violence crime rate and time and effort expended by law enforcement, the reflection is only fractionary, and a jurisdiction such as Sweetwater County will show the arrest rate substantially lower than normal due to their inability to house inmates.

DOMESTIC VIOLENCE REPORTS

The statistics required to be reported to the Division of Victim Services have been changed numerous times in the past ten years. Robin Clover, Director of SAFV in Sublette County, reports that there are inconsistencies in reporting from county to county. Clover did state that the Family Violence Program is attempting to rectify the inconsistencies in reporting and seems to be making some inroads.

The most accurate statistics reported by the Family Violence Program, according to Robin Clover, are the 'Unduplicated Number of Victims Served' by provider. This means the victim has been counted only once during the year. That would include whether the victim had separate incidents on a weekly basis which she was seen for with the same perpetrator or if she had numerous incidents throughout the year with a number of different perpetrators. At Clover's suggestions, those statistics have been reported on our database.

"Services Provided" was the statistic Clover addressed to show differences between counties. In Sublette County, with scarce victim resources, SAFV provides a victim an average of 22 services. In Sweetwater County, where many more resources are available, SASH (their SAFV) provides a victim an average of only 5 services, as they are cared for by other agencies. So each victim in Sublette County will be provided considerably more services requiring substantially more time by SAFV than SASH in Sweetwater County. Clover felt it inappropriate to use the services provided number as it is exceedingly difficult to compare county to county.

OTHER DATA AVAILABLE

INDIVIDUAL LAW ENFORCEMENT AGENCIES

Individual law enforcement agencies keep their own statistics. Sublette County Sheriff's Department was able to provide the committee with a number of breakouts such as number of arrests and number of calls, number of citations issued and so forth. They were able to further break out the number of arrests by drug, alcohol and domestics. Sweetwater County Sheriff's Department was able to provide the committee with the detail of arrests, contacts, stops, etc. for their department. They informed us that Green River Police Department and Rock Springs Police Department have similar data collection systems. Each year the Rock Springs *Rocket-Miner* prints these statistics in their annual Progress Report Edition.

Wyoming Highway Patrol keep their statistics by fifteen divisions. Sublette County is in Division K along with Teton and a portion of Lincoln Counties. Sweetwater County is Division E and H which encompasses the western portion of Carbon County. Statistics are not broken out by county. The Socio-economic Task Group did not attempt to gather crime or incident statistics from this agency. To put together a complete drug case / arrest picture, this should be done and the data incorporated in the socioeconomic impact

monitoring program.

The Department of Criminal Investigation (DCI) also operates and makes arrests in Sublette and Sweetwater Counties which are not included in County statistics reported by UCR. The DCI Southwest Enforcement Team covers Sublette, Sweetwater, Carbon and Uinta Counties. The Task Group did not get DCI statistics for Sublette and Sweetwater Counties, but this should be done.

Courts

The Wyoming State courts are comprised of municipal, circuit and district courts. These courts do keep their own statistics as to crimes charged by both information and citations. The circuit courts break these charges out by misdemeanor and felony. They also track family violence protective orders (FVPO) which include stalking. These FVPOs are often without companion criminal charges filed or contacts with SAFV. The circuit courts generally would be the only court in which highway patrol citations would be charged. Any felony charge involving the highway patrol would be done by Criminal Information. District Court has exclusive jurisdiction over juvenile matters.

The Circuit and District Courts report statistics to the Wyoming Supreme Court. The Supreme Court then makes these statistics available to the public.

Drugs

The UCR addresses drugs only in the Part II Crime section which is by arrest only. It further lumps both misdemeanor and felony charges together and does not distinguish between types of drugs. As stated above, if one person were to be charged but not arrested on twenty counts of delivery and 20 counts of manufacture of methamphetamine, it would be reported as one arrest of a drug crime.

Data collection needs to be undertaken to accurately report the amount of drug crimes along with delineating the types of drugs being used. This should include incidents, arrests and convictions from all pertinent agencies. Southwest Counseling in Rock Springs is gathering a number of statistics on drug use and addiction in Sweetwater County and is willing to partner with Sublette County to gather statistics as directed.

► TRENDS SHOWN BY MONITORING DATA COLLECTED

Review of the monitored crime statistics can discern several basic trends. Increases in crimes, arrests, and services have grown at rates that vastly outpace the already growing population, while crimes and arrests have shown to be highly correlated with drilling activity.

Correlation to Rig Activity

Changes in reported crimes, the crime rate, and the number of arrests are highly correlated with drilling rig activity in Sublette County. Changes in drilling activity has predicted 89.6% of the changes in total reported index crimes during 1996-2004. The amount of drilling activity in Sublette County determines the population of temporary or rotational workers residing in the area, and it is likely this temporary workforce population plays a large role in driving the changes in crime. A number of factors may be contributing to the large discrepancy between increases in crime indicators and increases in population. One factor is that both the U.S. Census Bureau population estimates and the Department of Labor workforce estimates likely underestimate the actual growth in population and workforce of Sublette Co. Those least likely to be counted in the estimates are those living in “non-traditional” housing arrangements, as Census Bureau estimates are otherwise typically accurate. A number of statistics point toward the effects of this population on crime:

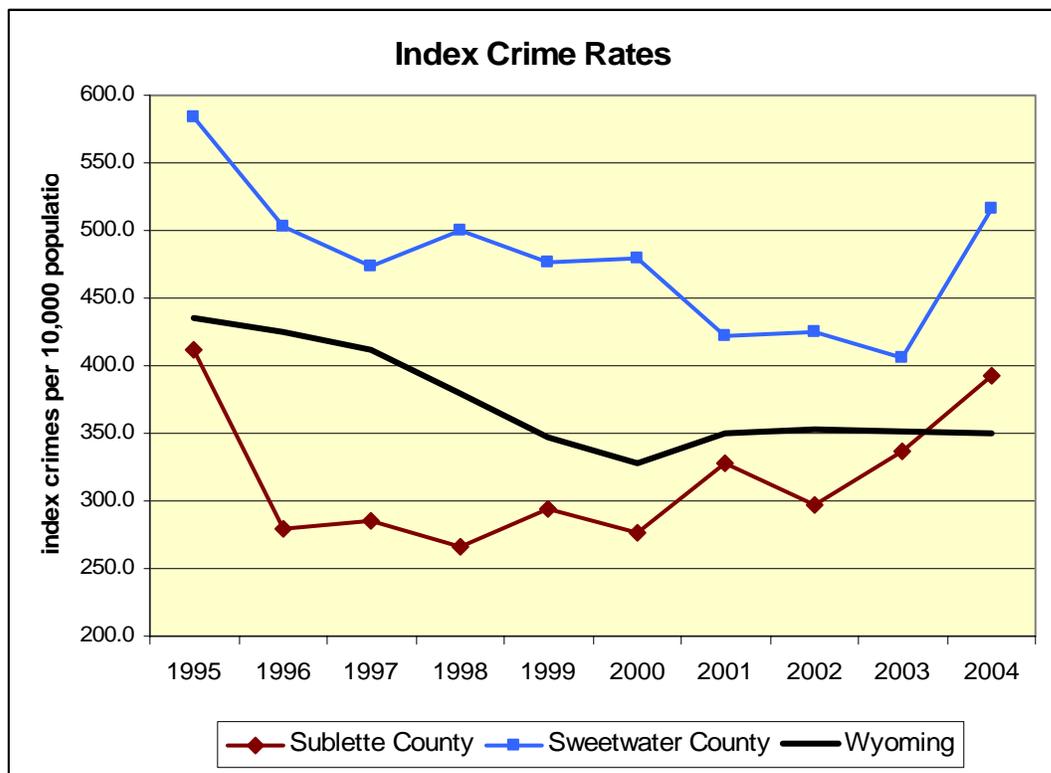
- The rates of increase in reported crime, arrests, and incidents far outpace the increase in population. If current trends continue, when the population reaches 8000, there will be one arrest for every eight “official” residents. If the particular increases of the past three years continue, that rate

will be much higher. This likely reflects a growing number of “non-residents” being arrested. The disproportional increases may also be attributed to a large rise in younger residents, as the rate of crime typically tends to be higher among younger populations of people.

- The large increases in “other” arrests – which have also far outpaced population trends – are thought to be related to outstanding warrants.
- The increases in reported crimes, arrests, and the crime rate are highly statistically correlated to increases in rig activity. Rig activity has so far predicted about 90% of the increases in reported index crimes, and the amount of rig activity may be the most accurate indicator of non-resident population changes. The increase in simple assaults, while somewhat erratic, is also best predicted by changes in rig-activity.

Index Crimes (Crime Rate)

In Sublette County, the Index Crime rate (adjusted to the level of 10,000 persons) has climbed substantially over the review period, with the bulk of the increase occurring in 2001 and after, most sharply in 2004. Following years of being well below average, Sublette County’s crime rate for index crimes was very nearly at the Wyoming State average, and in 2004 it crossed to be above the State average. The overall Index Crime rate in Wyoming meanwhile dropped substantially, whereas the rate in Sublette County rose substantially.

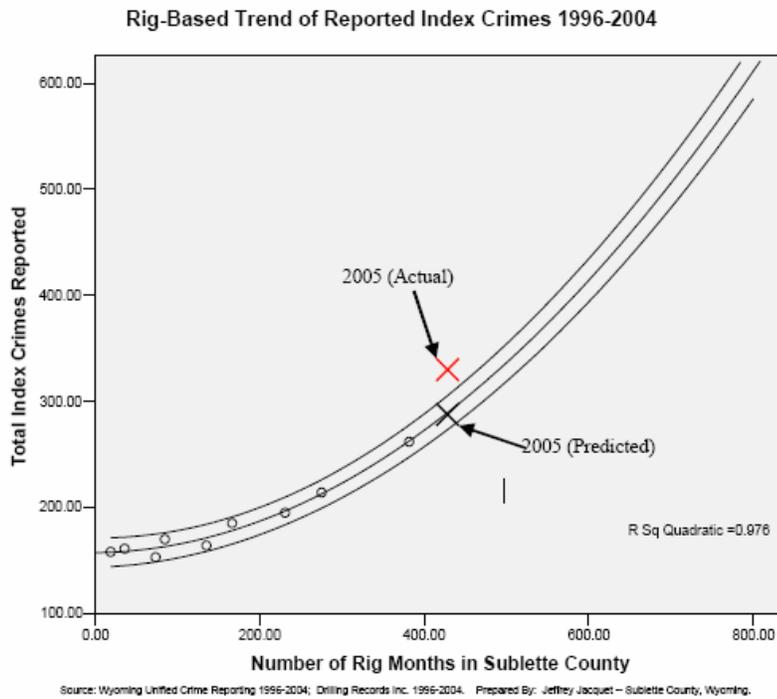


In Sublette the rate of both index crimes against people (murder, forcible rape, robbery, aggravated assault, simple assault) and index crimes against property (burglary, larceny, motor vehicle theft, vandalism) rose. Index crimes against property rose by roughly 25% over the monitoring period, while index crimes against people nearly doubled, mostly due to rise in assaults. Assaults and motor vehicle theft showed particularly strong rises.

In Sublette, indicators of domestic violence (including arrests reported by the SCSO and the number of protection orders filed) have roughly doubled since 2000, while the number of clients served by SAFV

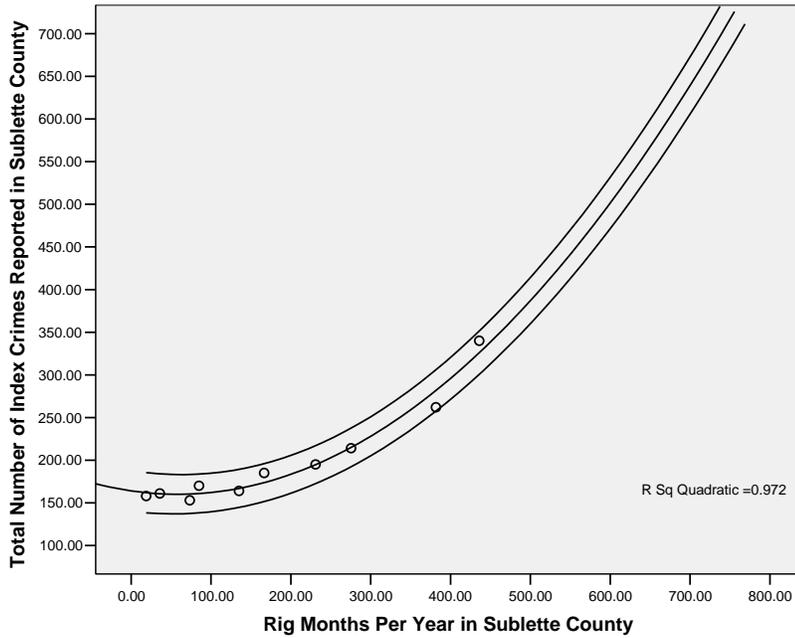
more than tripled over this period. The number of shelter days provided grew generally over time, with a sharp upturn in 2003 and 2004. This may reflect the neediness of clients as well as low availability of affordable rentals to move into.

Trends and forecast: According to the previous correlation between rig months and index crimes reported between 1996 and 2004, Sublette County should expect reported index crimes to increase by about 15% during 2005 to nearly 300 as drilling activity in 2005 increased by about 15% to about 436 rig months. However, the actual amount of crimes reported in Sublette increased by nearly 30% from 2004, an increase more than double than was predicted and further illustrates the exponential increase in crime that has occurred along with drilling activity since 2000 (please see below).



Taking into account the 2005 increase, Sublette County can expect the number of reported index crimes to increase by about 50% (to 500 crimes reported per year) if rig activity were to also increase by about 50% to 600 rig months per year (see below).

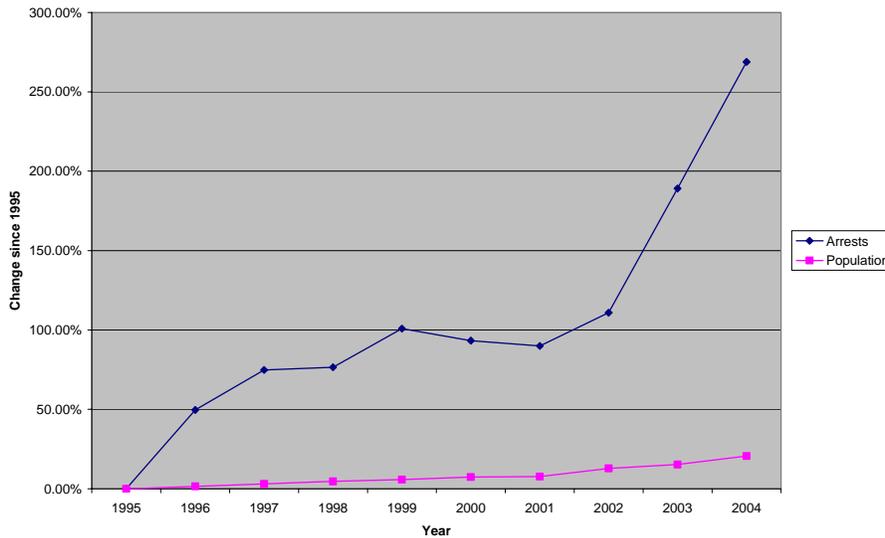
Correlation Between Rig Months and Reported Index Crimes Sublette County 1996-2005



Arrests:

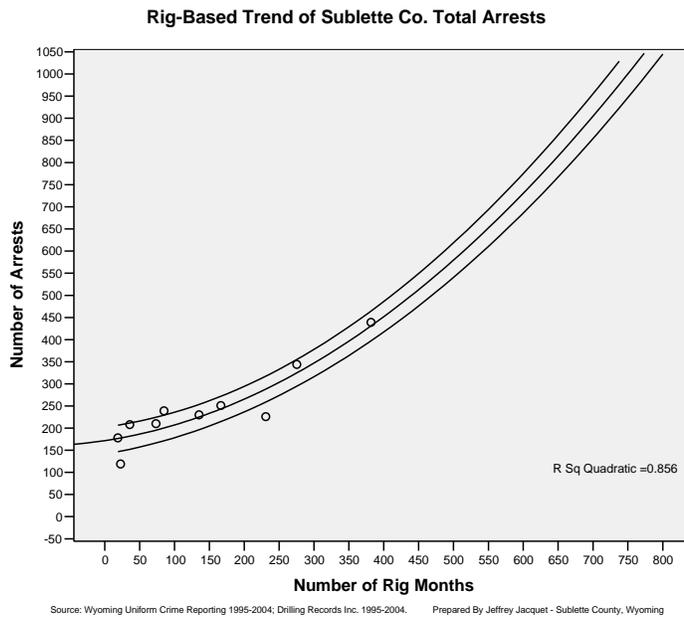
According to Unified Crime Reporting statistics, the number of arrests in Sublette County has increased by nearly 270% since 1995, growing from 110 arrests to 439 arrests in 2004. Within the last four years, the number of arrests has increased by over 94%. Arrests Using the 2004 U.S. Census Bureau population estimate for Sublette County, this means that in 2004 there was one arrest for about every 15 permanent residents. Current trends describe such a rate of increase that when the population reaches 8000, there will be one arrest for every eight residents. Similarly, the number of arrests per officer has more than doubled since 1995.

Sublette County Change in Arrests Vs. Population 1995-2004



The biggest increases in arrests were categorized as “other”, which do not fit within a list of 29 predefined crime categories given by Uniform Crime Reporting system. According to Sheriff’s Department Officials, many of these “other” arrests may be attributed to outstanding warrants. Other big increases include the areas of driving under influence, simple assault, drunkenness, and drug possession. While there were no arrest categories that showed a decrease, there were many categories that showed no significant change.

Changes in rig-months and arrests are also highly correlated. Changes in rig-months have been able to predict about 80% of changes in total arrests between 1995-2004. A 25% increase in number of rig-months per year (to about 500), at current trends, would mean about 550 arrests per year, or about a 25% increase over 2004 levels. However, preliminary evidence from the Sublette County Sheriff’s office indicates that the amount of arrests in 2005 has increased at a rate much greater than previous correlations have predicted – similar to the 2005 increase in index crimes reported.

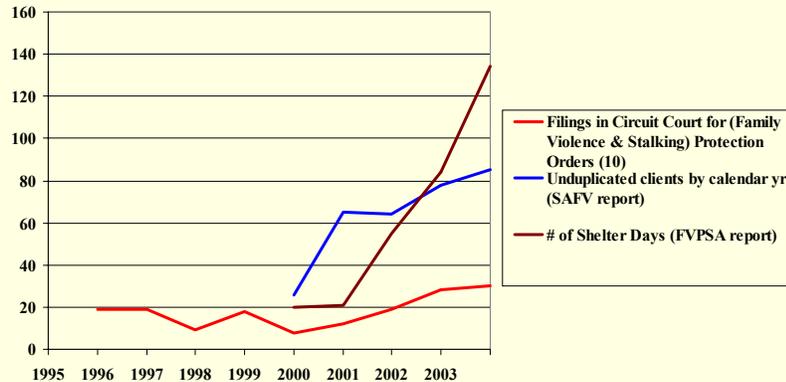


Forces affecting Sweetwater County are more varied and complex than Sublette; while increased rig count in the PAPA might have a significant effect on employment, earned income, and population in Sublette County, effects to Sweetwater County are more difficult to discern.

Sweetwater’s crime rate was higher than the State average in all monitored years, a dubious distinction. In Sweetwater, the index crime rate did drop considerably over most of the review period, with 2003 exhibiting the lowest index crime incidence. The latest (preliminary) UCR data for 2004, however, indicates that the crime rate trend in Sweetwater County reversed in 2004 and began climbing sharply. Final UCR annual total summary statistics are expected to be available by summer. (<http://attorneygeneral.state.wy.us/dci/>).

Domestic Violence

Domestic Violence Data - Sublette ¹



¹ Data from Sublette County Circuit Court.

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Domestic Violence

Domestic violence incidents reported via UCR over the 10 year review period in Sweetwater County progressed fairly steadily upward, with a fairly sharp jump occurring in 2003. Sweetwater County population during this same period declined.

In sum, far in excess of population growth, crime in Sublette County has escalated significantly over the monitoring period. Crime in Sublette rose most sharply in 2003 and generally follows rig month trends. Sweetwater County socioeconomic qualities are affected by many factors other than development of Sublette County gasfields. A significant rise in crime in that County, however, occurred in 2004.

Crime and Drug Monitoring Recommendations

1. Recommend to the State that both the UCR and the Domestic Battery Statistics be made consistent in their gathering and reporting and that the data be kept in the same time frame, whether by calendar year or fiscal year. Recommend that all law enforcement agencies including Highway Patrol and DCI be made 'contributors' to the UCR County summary tables.
2. Monitoring should include gathering data from the municipal, circuit and district courts. These courts need to begin keeping information on place of employment.
3. Results of employment-related drug testing should be gathered and analyzed. Operators are requested to provide aggregated drug test result data for workers in the PAPA.
4. The State and BLM should continue to gather back data wherever possible.

► MAJOR RECOMMENDATIONS FOR MITIGATION

YEAR-ROUND DRILLING:

It is recommended that the BLM consider concentrated year-round access for drilling and completion operations in the PAPA in order to increase permanent residency of the gas industry workforce and offset crime and drug use associated with a temporary/rotational workforce.

In return for granting of year-round access, the BLM should require socioeconomic offsite mitigation including the following:

- Industry purchase of land for housing in support of reduction of “man camps” and promotion of sustainable community-appropriate housing
- Industry financing of community infrastructure related to industry growth
- Industry would pay fair market value for loss of other uses including grazing, hunting, and recreational activities on the PAPA
- BLM should also recognize the non-market value losses that might occur as a result of intensive development when computing offsite mitigation costs.

ZERO-TOLERANCE DRUG POLICY

The BLM will mandate a zero tolerance drug policy as a condition of approval on the APD process. All operators and contractors must establish and maintain a substance abuse program that includes required pre-employment and continued random drug testing.

EMPLOYER-BASED CRIME STATISTICS

It is recommended that the Sublette County’s Sheriff’s office begin tracking the place of employment for anyone arrested in Sublette County. Arrest data would then be compiled by both type of offense and the place of employment, while identifying information about the person arrested would not be compiled. The objective of this data collection is to foster competitiveness among operators and contractors working in the gas industry by identifying which companies have the most exemplary crime-free workforce. Operators have also indicated that it is currently difficult to concretely identify if any of their contractors use a problematic workforce.

► ADDITIONAL RECOMMENDATIONS FOR MITIGATION

Mandate that operators and major contractors offer bonuses for clean UA’s, voluntary testing, quitting smoking, etc.

Mandate that drug dogs and law enforcement searches on site through employment policies and contracts and signs posting the policy. Either have local treatment center or partner with Sweetwater County for a treatment center but at a minimum, have an aftercare facility in the community.

Mandate that Operators use 3 towers instead of 2 towers when not in camps – use buses for transport.

Offer prevention services. Facilitate NA/AA

That the State of Wyoming develop incentives for adoption of the Zero Tolerance policy as defined above.

That a series of drug / drug-testing policy ‘best practices’ workshops be developed and presented in Sublette County. PAPA operators, operator insurance representatives, drug-testing contractors, local ‘prevention’ specialists, law enforcement, and others would be invited. Working toward uniform application of ‘best-practices’ and logistics such as search policies would be addressed.

Chapter 4 | Demographics

Background. The driving force creating the socioeconomic impacts associated with PAPA development is the related employment. Understanding changes in population associated with that employment is crucial to the development of mitigation strategies.

Available data. Data relating specifically to the demographics of PAPA employees is exceedingly hard to come by. While only 8 companies have federal oil and gas lease holdings in the PAPA, their contractors and subcontractors that provide the employees working in the field range from large companies all the way down to small independent contractors only employing a few individuals. As a result, the contractors who employ the workers of the field are estimated to be in the hundreds of companies.

Past monitoring. The PAPA ROD required no monitoring of socioeconomic impacts. But they did provide a benchmark identifying what, at the time, constituted a significant impact, which was a 10 percent change in employment from 1999. That benchmark has been surpassed. And to our knowledge there are no agencies monitoring the resultant oil and gas socioeconomic impacts and associated demographic shift to a useful level of detail.

Findings of current monitoring effort.

► GAS INDUSTRY HOUSING SURVEY

In order to obtain a sampling of demographic data relating to the gas industry workforce, a one-page survey was distributed gas industry employees in the Fall of 2005. The intent of the survey was to gather both demographic and housing-related information, and was distributed directly to employees at some gas field companies, through collection boxes, mailings, and door-to-door canvassing.

Out of an estimated 1500 surveys distributed, 524 surveys were filled out and returned, which is thought to represent an estimated 15-25% of the total gas industry workforce working in Sublette County. The occupations of the 524 respondents are diverse across the spectrum of occupations within the gas industry, with the exception of rig hands – or “roughnecks” – which are thought to be somewhat underrepresented by the survey.

Summary of Findings:

In sum, the survey found that among non-residents (ie. temporary or rotational workers) currently employed in the gas industry, there appears to be substantial interest in permanently relocating to the area. Potential relocatees tend to be older, married, and have children under the age of 18, then those not considering relocation. Those thinking or planning on relocating also indicated they wished to purchase a home, with more interest expressed in moving to Sublette County (especially the Pinedale and Boulder areas) than Sweetwater County. The vast majority of potential relocatees indicated, however, they would be willing to spend less than \$750 a month in housing costs which would require a very substantial down payment in order to afford the average home in Sublette County. When asked the biggest obstacle in moving to the area, the overwhelming majority of people indicated housing affordability and overall housing availability as key.

Residency

Of the 524 respondents, 305 (or 58 percent) claimed Southwestern Wyoming to be their permanent residence, while the remaining 215 respondents (or 41 percent) said their permanent residence was elsewhere and resided in the area on a temporary basis. Of the 215 non-resident respondents, 104 (or about 48 percent) said they were thinking about relocating permanently to the area, while an additional 32 respondents (or about 15 percent) said they were actually planning to do so.

Of the survey respondents, the largest portion (25%, or 127 respondents) indicated they lived/stayed in Rock Springs, with the second largest portions of respondents split between Big Piney/Marbleton and

Pinedale at about 20% each (or about 100 respondents each). The remaining respondents were largely evenly dispersed among locations such as Boulder, Green River, Sand Draw, Farson, and etc.

226 of the 524 respondents (about 43%) indicated they lived in a house while working in the area, 111 respondents (about 23%) said they lived in a mobile home, while 44 respondents (about 9%) said they lived in a RV, 27 respondents (about 6%) said they lived in a Man Camp, 73 respondents (about 14%) said they lived in an apartment, and 31 respondents (about 6%) said they lived in a Motel.

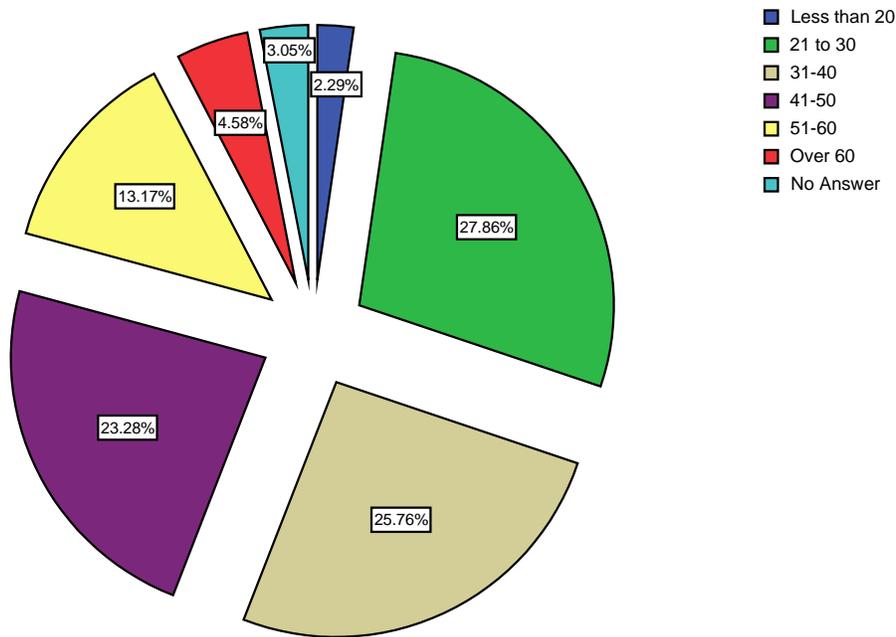
Regarding residency status, during the survey process discrepancies emerged between what employers assumed their workers residency status to be as compared to what the actual employees indicated on the survey. At a number of companies, supervisors and secretaries indicated that nearly all of their workforce were permanent residents of the area, or that they company typically only hires permanent residents. Large portions of that companies workforce would then indicate they lived in the area temporarily, while claiming permanent residency in another area (often in another state).

Age

The age brackets of the 524 survey respondents were largely split between the ages 21-30 (27%), ages 31-40 (25%), and 41-50 (23%). Less than 3% indicated they were younger than 21, and less than 14% indicated they were over ages 51-60, while less than 5% indicated they were over the age of 60.

The respondents who indicated they were “non-residents” of the area were slightly younger than the overall total, while respondents who indicated they were “residents” of the area were older than the overall total.

What is your Age Bracket? (n=524)



Work Schedule

Of the 524 survey respondents, the median work schedule six days on/two days off, and 12 hours per day. 33% (or 177 respondents) indicated they worked 5 days on, with 2 days off, while 16% (or 82 respondents) indicated they worked 6 days on, with either 2 or 3 days off. The third largest work schedule category

(11%, or 58 respondents) was 14 days on/7 days off. In regards to the number of hours worked per day, the largest category was 12 hrs/day (177 respondents, or 28%), followed by 10 hrs/day (123 respondents, or 24%). The third largest category, 11 hrs/day, was only marked by 7% (or 38 respondents) of the survey respondents.

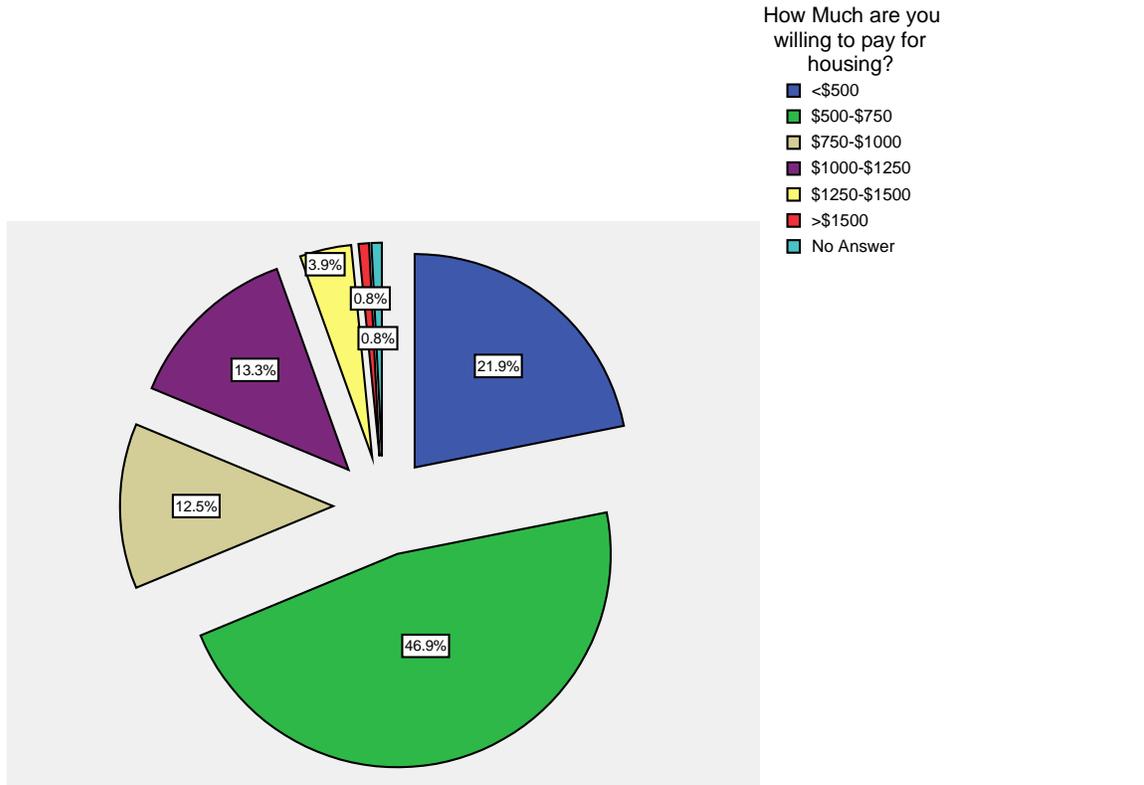
Those thinking or planning on relocating:

The 104 survey respondents who indicated they were currently non-residents but were thinking or planning on relocating to the area tended to be older, more likely to be married with families, and more likely to buy a house. The majority of these relocating non-residents indicated they are thinking or planning to move the region right now or within the year.

41% of these respondents indicated they were between the ages of 41-50, while 17% indicated they were over the age of 51. About 76% of these respondents said that they would be relocating with a spouse or “significant other”. On average these respondents had about 2 children under the age of 18. The median age of the respondents’ children was about 8 years old, although ages varied from newborns to late teens.

Housing Budget of those Thinking or Planning on Relocating.

When those non-residents thinking or planning on relocating were asked “Given your family budget, how much would you be willing to pay per month for housing”, the near majority of respondents (47%) indicated they would be willing pay between \$500 to \$750 per month for housing, while 22% indicated they would be willing to pay less than \$500/month. About 13% indicated they would be willing to pay between \$750 to \$1000 a month for housing, while about 15% said they would be willing to pay between \$1000 to \$1250 a month.



Given these results, it is unlikely the vast majority of respondents can afford to buy or rent an average single family home in Sublette County without providing a substantial down-payment on a new house purchase. The amount of such assets available was not recorded by the survey, although it is assumed the amount of available down-payment increases with age. According to the Wyoming Economic Analysis Division of the Department of Administration and Information, the average rental rate for a single family home in Sublette County as of June of 2005 is nearly \$900/month. According to the County Assessor's office, the average sales price of a single-family home in Sublette County was \$244,979 in 2005. Over the course of a typical 30-year mortgage at a 7% APR, in order to afford the average home in Sublette County and keep monthly mortgage payments under \$1000/month, a down-payment in excess of \$100,000 would be required.

Factor most likely to influence relocation

When asked which factors would most likely influence their decision to relocate, about 65% of respondents indicated that more affordable housing would influence their decision, while about 50% said more available housing was important. About 25% of the respondents indicated that more shopping/entertainment opportunities would influence their decision, while 20% indicated that better health care in the area was a factor. Less than 10% indicated that year-round drilling in Sublette County would influence their decision.

Recommendations for mitigation. None at this time

Chapter 5 | Local Economy

Past monitoring.

The PAPA ROD required no monitoring of socioeconomic impacts.

However, a few governmental agencies do collect economic data on the region:

The State of Wyoming Department of Economic Analysis works with the United States Bureau of Labor Statistics to collect economic data regarding employment through the Quarterly Census of Employment and Wages (QCEW) (which includes types of industry, unemployment, earnings, wages, etc), which available at <http://doe.state.wy.us>.

The State of Wyoming Department of Revenue also collects some economic data principally for research or taxation purposes, which is available at <http://revenue.state.wy.us/>.

Additionally, The United States Department of Commerce collects additional economic data through the Regional Economic Information System (REIS) which is similar in scope to the QCEW, although is typically dated by a few years, which is available at www.bea.gov.

To our knowledge, monitoring of the local economy for management or future manipulation purposes, however, is not being conducted.

Findings of current monitoring effort.

Employment

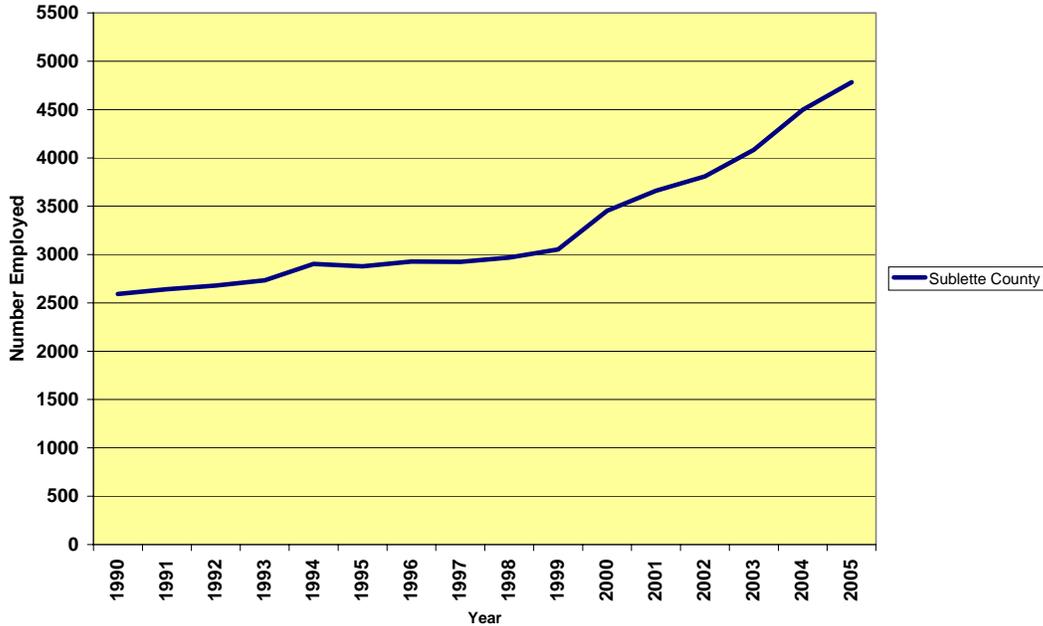
The PAPA EIS specified that “a 10 percent change in county government revenues or in county-wide employment” would constitute a Significant impact (1999 PAPA EIS p. 4-14). Since BLM’s issuance of that statement, county-wide employment has in fact well exceeded the specified 10 percent change on all fronts related to employment. The data presented in the graphs below reflect that total wage and salary employment surpassed this threshold by rising 28 percent between 1999 and 2003 according to REIS data, and by 57 percent between 1999 and 2003, according to QCEW data. The threshold of a 10 percent increase in county-wide employment has been far surpassed regardless of the data source. As manifest in other sections of this report (i.e., crime, social services), the SocioEconomic impacts of PAPA development have been significant.

Employment by County is estimated and reported by the Wyoming Department of Employment in two ways: 1) by place of residence (e.g., employment of persons who are residents of Sublette County including proprietors and no matter where they work) (at <http://doe.state.wy.us/lmi/laus/toc.htm>) and 2) by place of work (e.g., employment of persons who work in Sublette County and are covered by unemployment insurance, i.e., employees only) (at http://doe.state.wy.us/LMI/toc_202.htm).

These employment figures are largely a composite of estimates based on voluntary surveys of employers, data from State unemployment tax collections, the US census department’s population estimates, and other factors. Periodically ‘benchmarked’ and checked for quality control, these figures are considered quite reliable in most instances (personal communication with Brad Payne, Senior Statistician, Department of Employment Research & Planning Division, 473-3827). However, in areas with a large influx of employees, such as Sublette County, it is likely these numbers are in actuality conservative, as employees are tallied by the employer’s county of origin. Many employers affiliated with the oil and gas industry operate in Sublette County but are actually located in a different county or even state.

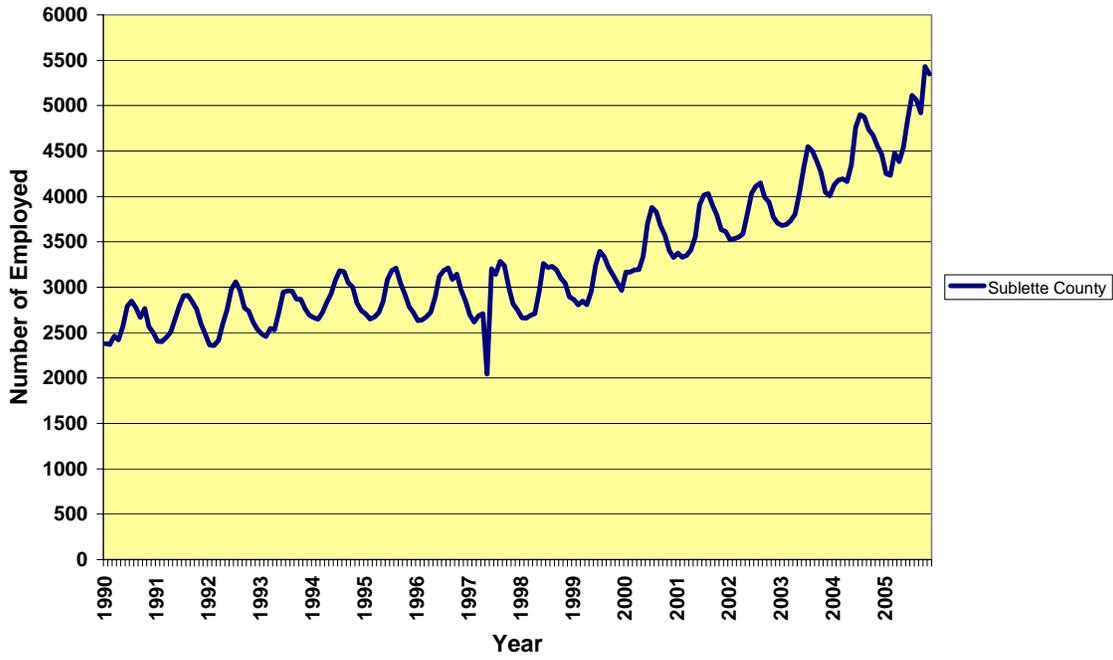
As can be seen on the following graphs, as measured by the Quarterly Census of Economics and Wages, growth in Sublette county employment is relatively flat from 1995 through 1998. From 1999 to 2005, however, employment growth in Sublette County was substantial, generally correlating with the exponential increase in the County's rig month totals and other related gas field development activity. The increased employment in Sublette County is obviously tied to oil and gas industry growth. This is substantiated by REIS data indicating that the bulk of the growth in employment in Sublette County is due to a nearly 29 percent increase in wage and salary employment, which correlates to the increased employment in the oil and gas industry. Employment by sector data, discussed below, also corroborates this conclusion.

Yearly Sublette County Employment 1990-2005

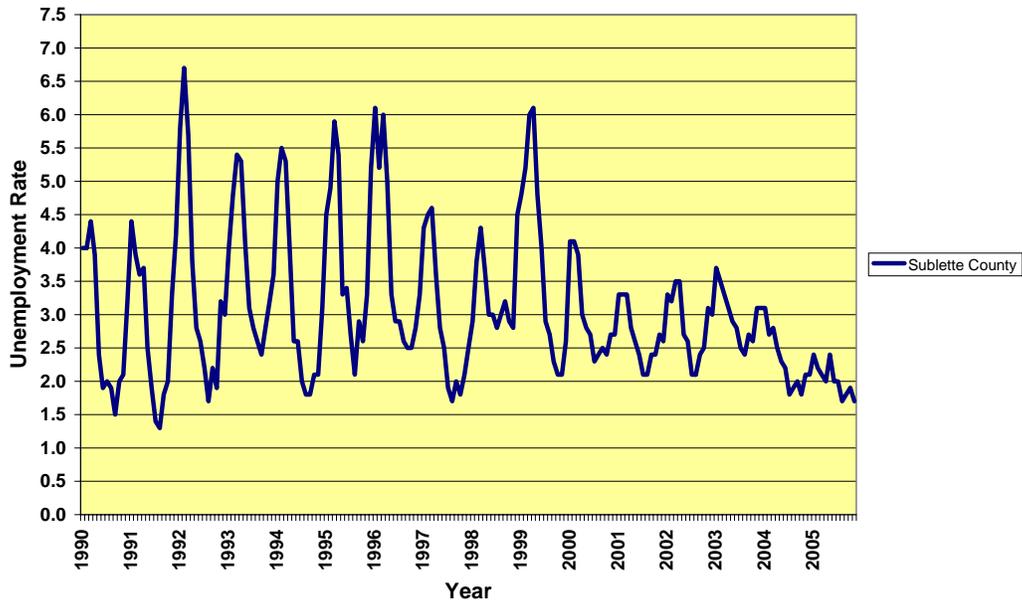


Furthermore, as illustrated in the graph below, the employment seasonal fluctuations appear to have stopped in 2005, which matches the lifting of many seasonal drilling restrictions in the PAPA.

Monthly Sublette County Employment 1990-2005



Monthly Sublette County Unemployment Rate 1990-2005



The decrease in seasonal fluctuations is further illustrated by the monthly unemployment rate for Sublette County, which has shown a steady decline since about 1998. Today, Sublette County has one of the lowest unemployment rates in the nation, and the seasonal change in unemployment figures has all but stopped.

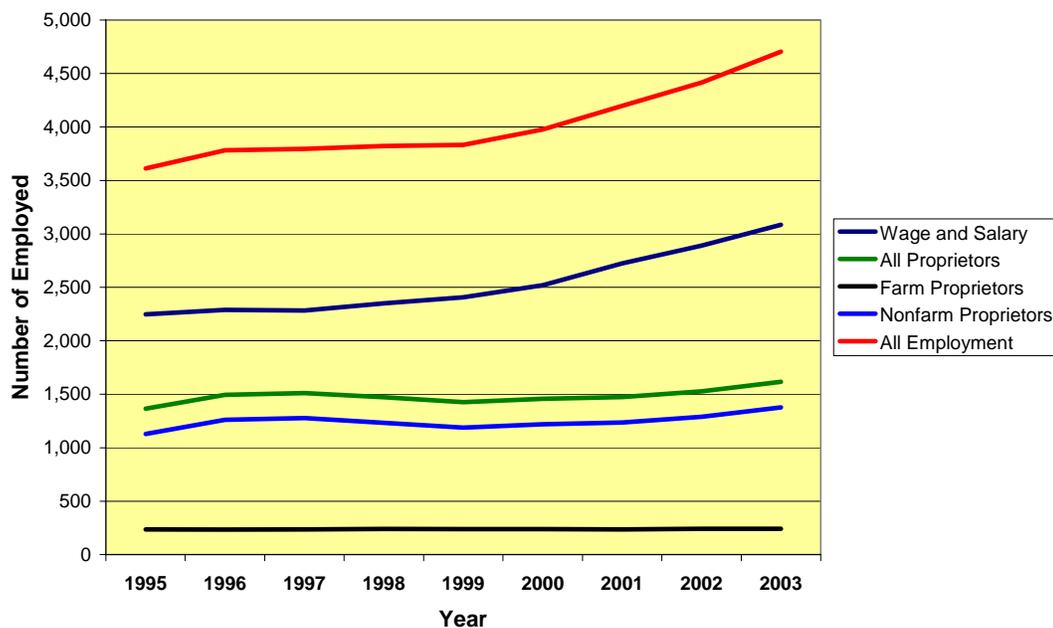
Employment figures from the Regional Economic Information System (REIS) for 1969 – 2003 reflect the total full-time and part-time employment by county. Paralleling the trend of QCEW data presented above, REIS employment data for Sublette County grew only slightly from 1995 through 1999. From that point forward, however, there was a substantial upturn in employment after 1999 and until 2003 (the most current REIS data available).

According to this data, Sublette County total full-time and part-time employment has grown by slightly over 97.6% percent between 1995 and 2005. However, proprietor’s employment has grown only about 18 percent since 1996, while wage and salary employment has sustained a nearly 38 percent increase. Proprietors in Sublette County comprised about 35 percent of employed persons in 2003, which is unchanged from 2002. It is anticipated that when REIS data from 2004 and 2005 becomes available, it will also reflect the increased growth in employment in Sublette County from 2002 to 2004. These data are derived from a great variety of state and federal agency sources including unemployment insurance payment filings by employers and income tax reporting records. For a detailed explanation of REIS methodologies, refer to www.bea.gov.

By contrast, total full-time and part-time Sweetwater county employment increased by slightly less than 2 percent during this same timeframe. Wage and salary employment showed no change, while proprietor’s employment increased by about 7 percent between 1996-2003. Proprietors in Sweetwater County comprised about 15 percent of the employed persons. By volume, the decline in wage and salary employment in Sweetwater County overshadowed the increase in proprietor’s employment, and the result is an overall slight increase in employment in Sweetwater County for this period.

Again, paralleling the trend shown by REIS data, State data indicate that Sweetwater County employment

Sublette County Employment by Type 1995-2003



generally fell from 1995 until 2002, and in 2003 it shot up steeply (the most recent year for which REIS

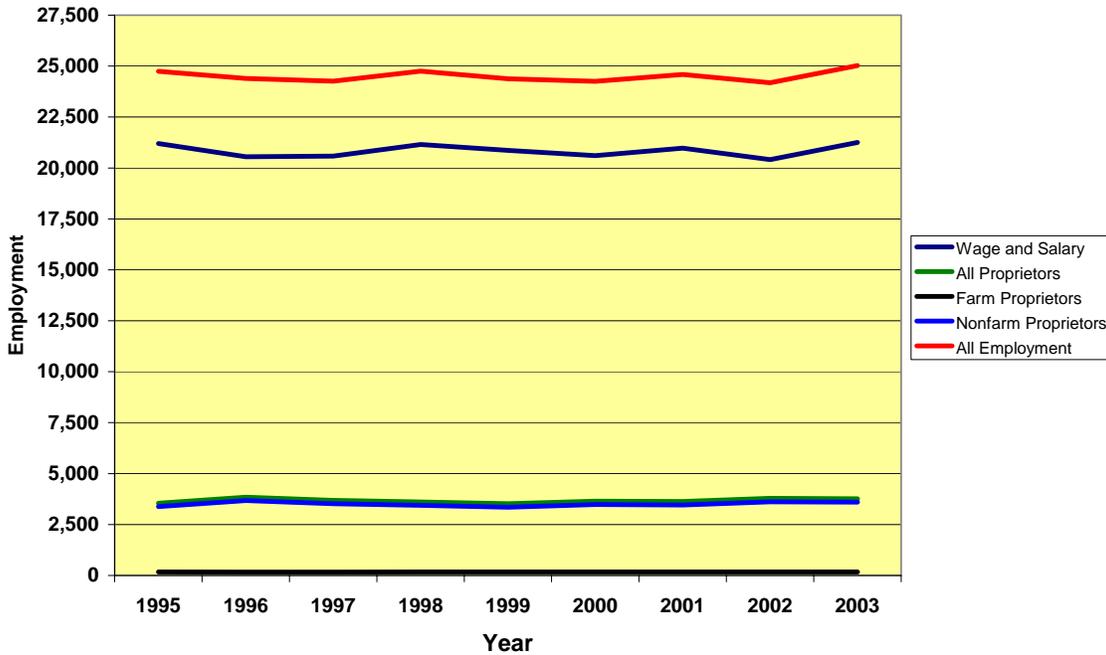
data is available). It is anticipated that when it becomes available, REIS data will also show a major reversal of trend and will show Sweetwater County employment burgeoning in 2004 and 2005.

Employment by sector.

In Sublette County, government (including school) was consistently the largest employer during the tracking period, according to Wyoming Department of Employment statistics regarding jobs covered by unemployment insurance (http://doe.state.wy.us/LMI/toc_202.htm). In the private sector, mining-related (overwhelmingly oil & gas-related) employment was consistently high relative to other sectors over the review period, and accounted for 558 (23%) of the 2389 persons employed in private industry in the third quarter of 2003; of note, a sharp upturn in mining employment is apparent in 2003.

Employment in the accommodation and food services sector wavered somewhat but generally rose during this period, employing 424 people in the third quarter of 2003. Construction employment (including heavy construction and dirtwork) fluctuated considerably over the period, and accounted for 338 persons in the 2003 third quarter.

Sweetwater Employment By Type 1996-2003

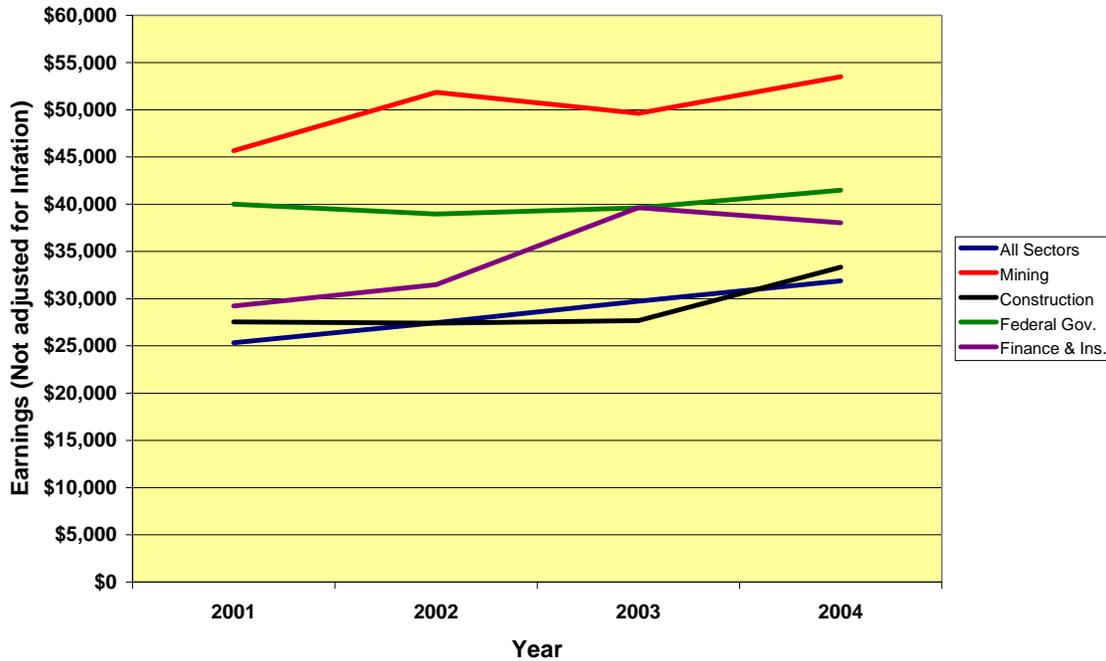


Employment in agriculture is both relatively low and steadily declining, occupying only 126 people in the County in the third quarter of 2003. Combined finance, insurance, and real estate (FIRE) industries are also a rather small employment sector, but grew steadily over the review period, employing 89 people in the County in the 2003 third quarter. Employment by automotive and service stations in the County was steadily on the rise while recorded specifically, and likely substantially outstrips employment by either FIRE or agriculture, but no specific data is available due to reclassification of industry codes midway during the review period. Manufacturing comprises a relatively minor employer in the County and fluctuated slightly upward during the period, but lost ground as percentage of the overall employment market, employing 48 people in the third quarter of 2003; manufacturing has been targeted as one of the most underrepresented industries in Wyoming that pays a living wage (see article at <http://doe.state.wy.us/lmi/0503/a1.htm>). In sum, the both already large government and mineral extraction sectors gained market share over the period, further narrowing the local economic base.

Per capita income.

Regarding average earnings per job in Sublette County, the mining sector pays best (\$53,501 per year in 2004), followed by the federal government (\$41,481 per year) and then finance and insurance (\$38,041 per year). With the relative rise of these sectors, average earnings per job in the County rose over the review period. Including all sectors, average earnings per job in Sublette County in 2004 was \$31,891 per year, an increase of about 20% from 2001. (<http://data.bls.gov/PDO/outside.jsp?survey=en>)

Sublette County Wage Employment Earnings by Sector 2001-2004

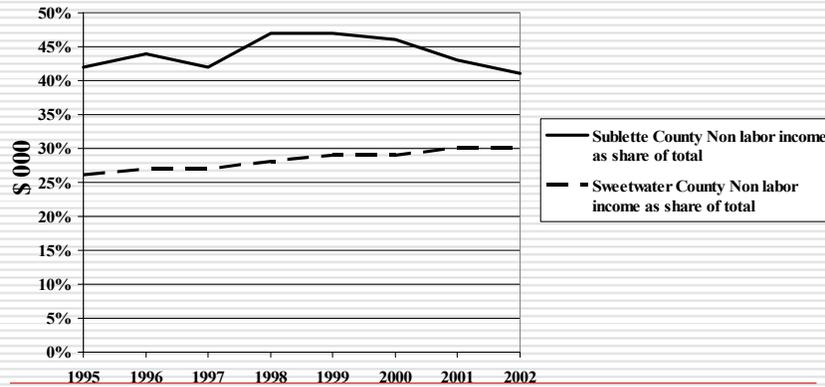


It should be noted that personal income to County residents is a function of both earned and unearned income. Sublette County is unusual and differs substantially from Sweetwater County in its relatively high amount of unearned income, largely a reflection of late-middle aged immigrants bringing portfolios of investment income with them. In 2003, Sublette County had a per capita personal income of \$33,936. Per capita, this was made up of an average of \$21,685 of net earnings, \$8,857 dividend, interest and rent receipts, and \$3,393 retirement, government assistance, unemployment and other transfer receipts. (<http://www.bea.gov/bea/regional/bearfacts/action.cfm>).

In 1998, Sublette County's unearned income as a share of total county income began to decline, as illustrated on the graph below. In 2003, unearned income as a percentage of total income declined even further. This decline likely represents that a higher proportion of Sublette County residents receive most of their income through wages than ever before, illustrating the effect of a gas field-related in-migration of wage employees.

Earnings

Non Labor Earnings - Adjusted for Inflation ¹



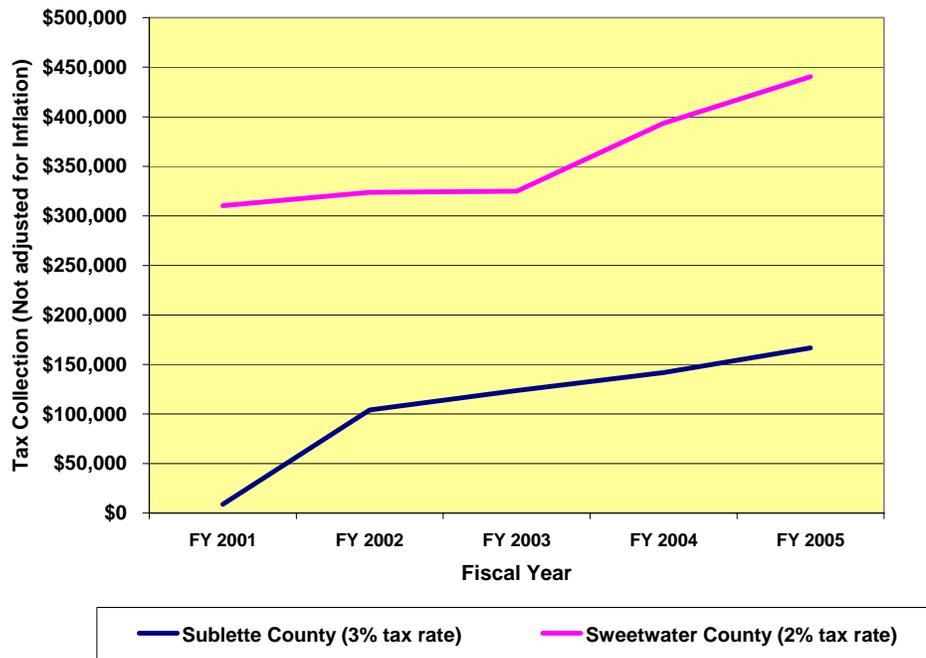
¹ Sonoran Institute Economic Profile System - The term "Non-Labor Income" is also referred by some economists as "Non-Earnings Income". It consists of Dividends, Interest and Rent (collectively often referred to as money earned from investments) and Transfer Payments (payments from governments to individuals, age-related, including Medicare, disability insurance payments, and retirements).

Local tax collections: Wyoming permits the application of lodging taxes at rates ranging from 1% to 3%. The tax may be applied to an entire county or to specified incorporated municipalities within it, dependent on local elections; a local election passing the tax is required. This is a tax on accommodations (at motels, bed-and-breakfasts, etc.) for stays less than 30 days in length; room rentals in excess of 30 days such as occurs with gasfield employees are exempt from this tax. 'Outfitters or Hunting Guides' are exempt from collecting lodging taxes, with some dude ranches qualifying under this exemption. All collections (less a 2 percent state administrative cost during the first year the tax is imposed, and a 1 percent thereafter) are distributed to the cities, towns and counties of origin. At least 90 percent of the tax distributions must be used to promote travel and tourism within the county, city or town imposing the tax. The amount remaining, not to exceed 10 percent of the total amount distributed, may be used for general revenue within the governmental entity imposing the tax.

A 3% lodging tax was instituted in Sublette County in 2001. Lodging tax collections have risen considerably over the 2001 through 2005 period, with by far the steepest jump occurring in between 2004-2005, corresponding to the construction of new motels in Pinedale. Given that the tax is relatively new, it is suggested that appropriate collections by all accommodations services in the county may not have been made since its inception. It should be noted that lodging tax collections would not be an accurate measure of lodging occupancy rates, owing to the exemption of stays over 30 days, which are common among certain lodging proprietors. The significance of these lodging tax collections, thus, lies only in the tax revenue to the county.

In 1991, Sweetwater County adopted a 2% lodging tax. Lodging tax collections in Sweetwater have risen steadily and generally moderately throughout the 10 year monitoring period, but with a sharp rise apparent in 2004. It is not understood why the 2003-2004 trends in Sublette and Sweetwater County are so different.

Lodging Tax Collection by County 2001-2004



Since 1993, the state-imposed **sales and use tax** rate has been 4 percent, with 72 percent allocated to the State General Fund and the remaining 28 percent going to the county of origin. The portion returned to the counties is divided among county government and incorporated municipalities based on population. Unincorporated towns such as Boulder, Daniel, Cora and Merna are administered by the county. Since July 1, 2002, the state share reduced to 70.5 percent.

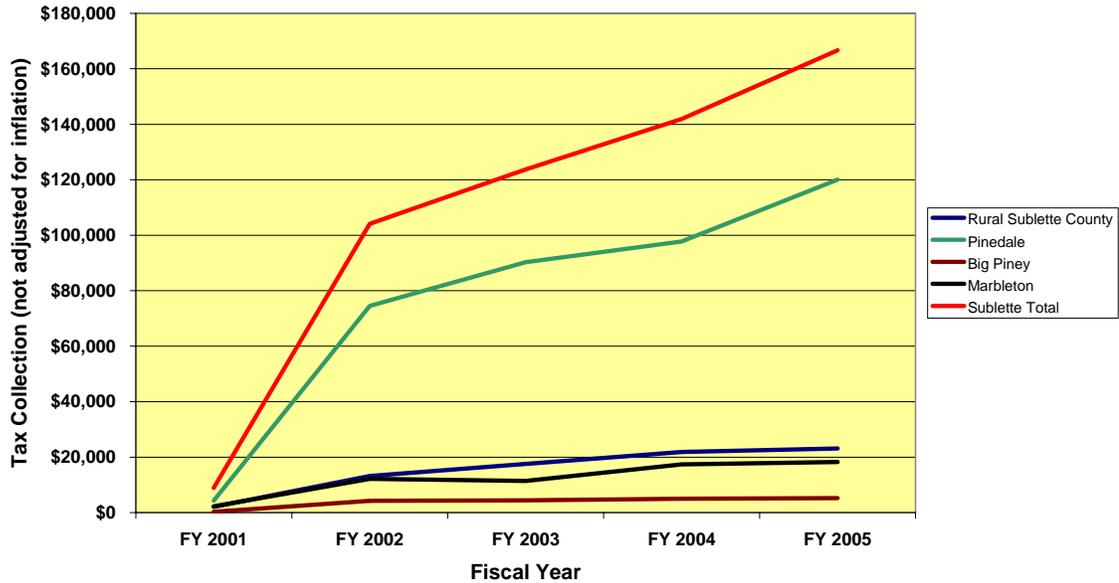
Beginning in 1973, Wyoming counties were granted the option to impose an additional 1 percent sales tax and use through public election. The optional sales and use tax revenue, less administrative costs, is returned to the county of origin.

In addition to the aforementioned county optional tax, any county, through public election, may impose an additional excise tax of up to 1 percent on retail sales made within the county. The revenue generated from this tax is designated solely for the planning, construction, furnishing, equipping, and debt servicing for any capital improvement project as authorized through public election. This tax is referred to as the 1 percent capital facilities option tax. Distribution of collections of this sales and use tax are made in the same manner as the optional tax, with collections, less only administrative costs, returned to the county of origin.

Sublette County has not added to the State base tax rate; sales and use taxes are at 4%. Sweetwater County in 1974 adopted a 1% additional general purpose tax and in 2002 adopted a 0.5% specific-purpose tax; sales and use taxes in Sweetwater County are currently at the rate of 5.5%.

In Sublette County, sales tax collections since 1999 have risen 268% (more than tripled). County sales tax collections rose each year between 1999 and 2005, with the largest gains occurring in 2001 and 2002 and in 2004 (apparently a reflection of the gas drilling activity boom).

Sublette County Lodging Tax Collection by Area 2001-2005



In Sublette County between 1999 and 2005, use tax collections have risen by over 400 percent. In 2002, use tax collections in the County dropped, but otherwise collections rose each year. The biggest gain occurred in 2001 and in 2005. In 2004, the ratio of use taxes to sales taxes collected was about 1: 14 for the County.

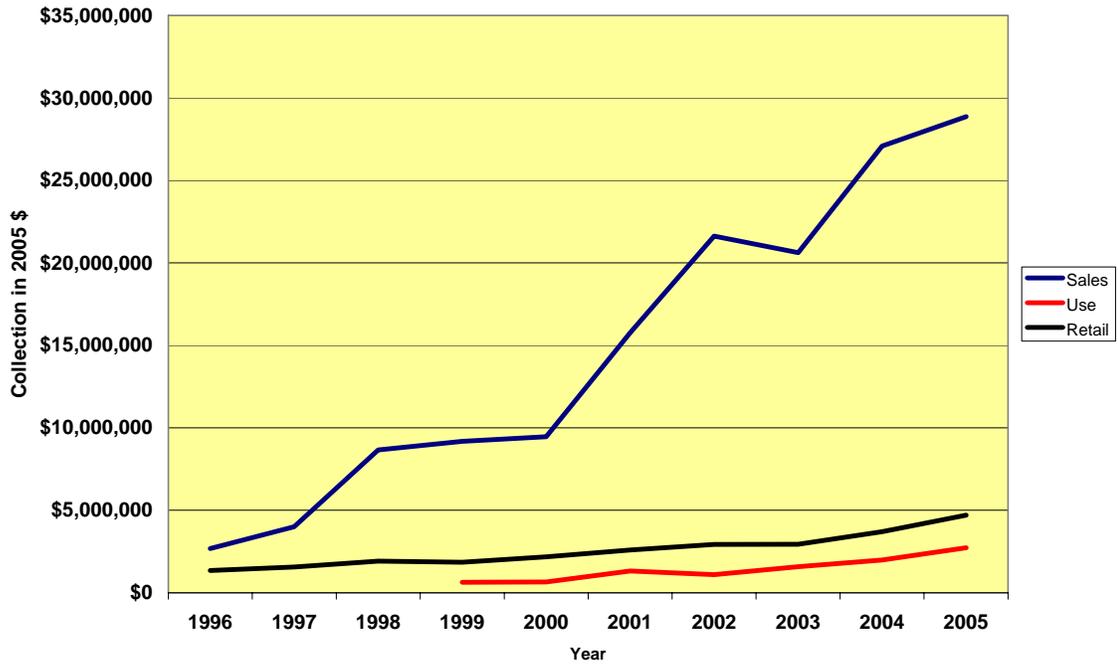
In Sweetwater County between 1999 and 2005, use tax collections rose 54 percent. Collections rose fairly steadily each of these years. In 2004, the ratio of use taxes to sales taxes collected is about 1: 6 for the County. In Sweetwater County, sales tax collections since 1999 rose 68 percent. County sales tax collections rose each year during this period, with the biggest jumps in 2002 (when the capital facilities tax was added) and in 2004 and 2005 (with the surge of gas field activity ??).

State use tax is imposed on purchases made outside a taxing jurisdiction for first use, storage, or other consumption within that jurisdiction. Thus, the use tax prevents sales tax avoidance, or payment of a lesser tax rate by making purchases outside of the taxing jurisdiction where first use, storage, or other consumption will occur. Wyoming taxing jurisdictions are the State of Wyoming, and/or each Wyoming county. State use tax is shared between state government and the county of origin on the same distribution basis as sales tax.

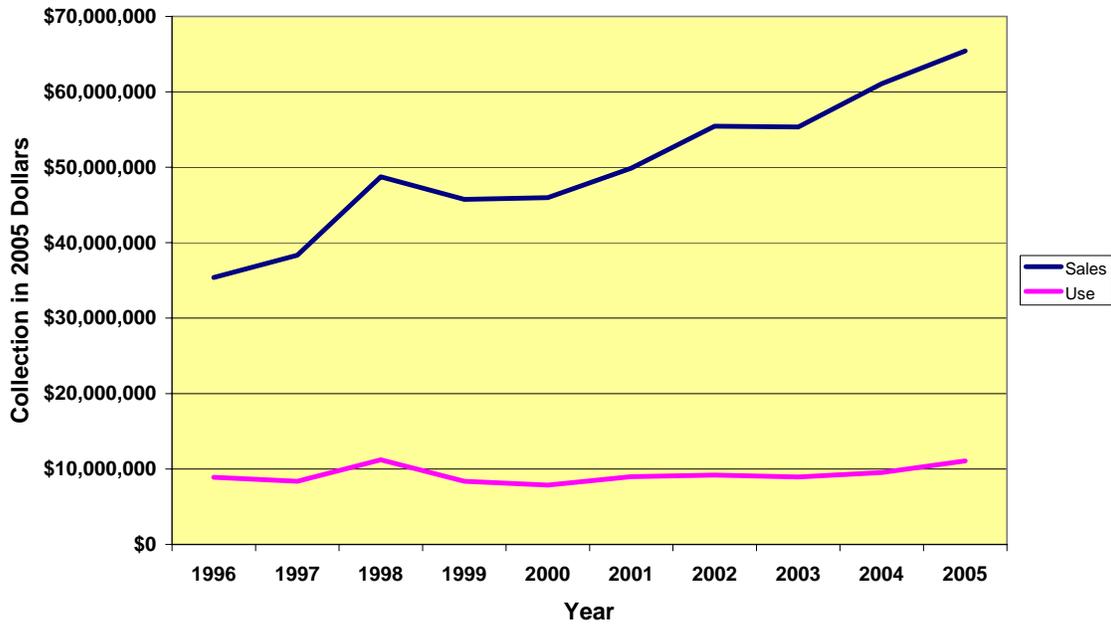
The ratio of sales to use taxes collected varies appreciably between Sublette and Sweetwater Counties, for reasons not discerned. The discrepancy appears to bear some investigation.

The collection of sales and use taxes is overseen by the Wyoming Department of Revenue, Excise Tax Division which maintains 9 field offices. The Thayne office (883-2934) oversees Sublette County collections and the Rock Springs office (352-5291) administers Sweetwater County. The TG would like a clearer understanding of how the collection system works, how compliance is assured, and the level of confidence in compliance with both sales and use tax submissions.

Sublette County Tax Collection Breakdown 1999-2005 in 2005 Dollars



Sweetwater County Tax Collection Breakdown 1996-2005. In 2005 Dollars



Ad valorem taxes, minerals taxes, and property taxes, along with more minor cigarette, liquor and miscellaneous taxes, are also collected and distributed. These comprise the lion's share of local government revenues, but due to lack of time, statistics associated with these taxes have not been collected for this report.

Recommendations for Mitigation: None at this time.

Chapter 6 | Education

The State's founding fathers had very strong feelings about the need for education throughout the State of Wyoming. They further felt that educational issues were best handled at the local level. They wished to create a system that provided for adequate funding of schools, established parameters requiring some allegiance to a State authority and yet, allowed for local control of educational programs. Thus, we have evolved to the system that we have today. Each of the 48 school districts in the State of Wyoming is an autonomous political subdivision of the State. As such, each one has its own elected body of trustees and develops its own organizational structure for operations. So long as the district works within parameters established by Wyoming Constitution, abides by statutes developed through the Wyoming legislature and complies with rules/regulations promulgated by the Wyoming Department of Education, the district is able to steer its own course in history. And while each district is able to "steer its own course", regular periodic compliance reports submitted to the Wyoming Department of Education by each district generally assures availability of regular and consistently reported demographic data. Each district is then able to best assess its own needs based upon strong historical information in its possession. Under present development scenarios (PAPA, Jonah and Jonah II), what the districts are lacking is the ability to accurately forecast "bust and boom" enrollment data. Both of these could have significant effects on area schools.

► VOCATIONAL EDUCATION AND WORKFORCE TRAINING.

While school districts in the area may not be feeling a boom in student populations (please see below), it is increasingly important that local students be able to take advantage of some of the local high-paying career paths available within the gas industry, if they wish to do so. The retention of local youth in the community is seen to foster community stability, sustainability and connectiveness while also addressing some of the workforce shortages being experienced by industry.

Of particular concern is whether high school students in the area are being made aware of the possible high-paying, long-term gas industry careers available in their own back yard, and whether students are able to receive the education and training needed to follow these career paths.

A subcommittee was formed by the PAWG socio-economic committee to explore vocational educational opportunities for Sublette County high school students and adult learners to provide a portion of well trained workers for the Pinedale anticline who are residents of Sublette County. The committee met on February 9, 2006 with high school representatives, the President of Western Wyoming Community College, industry representatives, BOCES and the Town of Pinedale to discuss providing vocational education. It was recommended to have statistical information from the industry on their specific needs before proceeding with further planning. The SAAC agreed on March 8, 2006 to have Jeffrey Jacquet work with Geoff Sell (Shell) and Laurie Latta (Town on Pinedale) to provide documentation of need.

► PAPA IMPACTS ON LOCAL SCHOOLS

Available data.

Sublette County has two school districts operating within its borders: Sublette County School District Number One, Pinedale, Wyoming generally serving the northern population of the county and Sublette County School District Number Nine, Big Piney, Wyoming generally serving the southern population of the county. School enrollment graphs for both districts are included in the task group's report. The graphs were generated from historical demographical data within the task group's spreadsheet. In an effort to aid future analysis of school district demographics, the following items are included in the spreadsheet as well:

- a) School enrollments by grade level (elementary, middle school and high school);
- b) Numbers/percentages of identified special education students;
- c) Year-end average daily membership (ADM) numbers;
- d) Numbers/percentages of identified free/reduced lunch recipients.

Current monitoring effort findings. For Sublette County School District Number One, one can see that for the period of 1995 through 2001, enrollments in Pinedale's schools were relatively flat. Then, coinciding with increased energy development in general, we see a gradual upswing in student enrollments.

While the numbers for 2002, 2003 and 2004 may not represent significant impact, we must consider the nature of development in the area's energy fields. Most of the significant **gas** development in the PAPA is within the physical borders of the Pinedale school district. Increases in the historical enrollment generally reflect the quality of life items in the Pinedale area and peoples' wishes to live here. Greater enrollment increases are reflected after 2002 and are attributed to the increase in gas field activity.

For Sublette County School District Number Nine, one can see that for the period of 1995 through 2002, enrollments in Big Piney's schools were actually on a downward to flat trend. Then, in 2003 their enrollments also came back up somewhat. The difference in the enrollment statistics between the two districts is felt to be the nature of energy development in each district. Historically, the Big Piney school district has been the district with the greatest amount of **oil** development occurring within its borders. Hence, as oil development declined in the mid to later nineties, so did school enrollments in Big Piney.

Both districts have some ability to handle some growth within their present facility configurations. These configurations are dependent upon educational programs administered and student enrollments. Over the years, each of these two districts has been independently affected by energy development within its political borders. Both have been through "boom and bust" times. While historical demographic data of various types are available for each of the districts, the educational leaders of both districts intimated that they have two major concerns resulting from Pinedale Anticline Project Area development: 1) an accurate forecast of student enrollment growth or decline within their district and, 2) policy implementations by major employers in the PAPA which would have a significant affect on the growth or decline of the district's student enrollment. Ideally, each district would like to have data provided to them detailing the number of children (ages 1 through 18) of PAPA employees who will be residing within the boundaries of either district. The districts would prefer to have that information provided along with the age distribution of those numbers. It is only with this information that the districts would be able to accurately determine operational education needs (teacher contracts, supplies, materials) as well as capital infrastructure needs (facilities).

While the Wyoming Department of Education, the Wyoming School Facilities Commission and school districts presently have enrollment forecasting methods (Cohort-survival method), this forecasting tool utilizes birth and death rate statistics and does not take into account rapid shifts in population resulting from energy development or changes in the rate of energy development(up or down). Through school year 2003-04, neither district has experienced a major shift, up or down, believed to be attributed to PAPA development. However, it is felt that the reason for this is the evolutionary nature of the PAPA development and the restrictions that have been previously placed upon PAPA operators by federal agencies (restricted winter drilling). It is not presently known what effect the recent changes in restrictions on those operators will have on area demographics. It is also felt that impact in the Sublette County area will be experienced through the "accumulative effect." That being, that Sublette County has several major energy development activities taking place (PAPA, Jonah Infill, South Piney CBM, Schute Creek Sour Gas Addition, etc.). It is generally felt that all of these activities combined will have a greater effect then what we are presently seeing. This will be especially so with recent changes in the numbers of wells being developed and changes in the distances between well heads being revised.

Recommendations for future monitoring. To best enable the local districts and agencies to make decisions based upon the best information available, it is our feeling that the various demographics provided in our task group's baseline spreadsheet need to be updated and monitored on an annual basis. Doing so will enable ongoing analysis particularly with the significant shifts in development taking place in the energy fields(almost on an annual basis field operators are increasing the numbers of wells, the location of well pads and the rate of extraction of product desired).

To monitor the quality of education in the two districts and what, if any, effect the increasing enrollment numbers may have on that quality of education, it is suggested that annual Wycas testing results be included in the demographics as well. Wycas was adopted by the State Department of Education as the standardized testing product required of all Wyoming school districts approximately 4 years ago. The aggregated results of the testing by district is released each year.

And again, as intimated by both districts, accurate forecasts of student enrollments is the most important information needed to help plan for future school needs. It is felt that the best information of forecasting future enrollments would best be provided through a professional socioeconomic analyst hired or contracted to collect, analyze and interpret the data. It is also felt that the best demographic forecasts based upon rig counts and PAPA employer surveys need to be developed to be able to provide accurate, reliable data concerning significant increase (or decrease) in school student population.

Recommendations for mitigation. At this time, due to the evolutionary nature of the development taking place in the energy fields, a significant impact on the schools does not appear to be occurring. However, it is felt that significant impact will notice to start taking place in the very short future and that the impact will continue. Mitigation requirements will have to be identified and interpreted as we see what trends start to emerge.

Chapter 7 | Emergency Response Services

Emergency care is defined in this section as fire fighting, services performed by the Sheriff's office and health care delivery. These two social and quality of life services are provided throughout the county in customized ways. This section will address both of these social services and applicable monitoring processes.

► FIREFIGHT SERVICES

Each of the major communities within Sublette County is served by volunteer fire fighting departments. These communities include Big Piney/Marbleton; Pinedale, Daniel, Bondurant and Boulder. The major element of their funding is derived from the county budget.

Available data. Each department has a chief, who is responsible for reporting the number of calls to the state of Wyoming Fire Department. Information recorded by (at least some of) the fire departments includes number of total calls, number of wildland fire calls, number of structure calls, number of rescue calls, a variety of details concerning cause of fire, and number of volunteers. The Big Piney/Marbleton department has some 40 to 50 volunteers, all from the oil and gas industry or the oilfield service industry.

Current monitoring effort findings. Only total number of calls by department could be gathered by the TG to date, with Daniel and Bondurant not reporting. Review of the TG spreadsheet indicates that the number of calls rose from 40 in 2000 to 133 in 2003 (the latest year of data).

It is difficult to categorically state that increases in calls are all related to increases in the oil patch. Increased tourism and secondary housing for the aesthetic home buyer have impacts on the services and demands of the fire fighting organizations

Discussions with fire chiefs indicated that Boulder VFD volunteers are heavily called on now. Boulder Dept is currently seeking volunteers in anticipation of personnel shortage. Marbleton VFD is also interested in recruiting.

The Pinedale firehall will be expanded as mil levy revenues allow more (needed) fire trucks to be purchased. This may occur in approximately 2 years. This future garage expansion will eliminate the Pinedale firehall public meeting room, which is in frequent use by public groups. The community may want another meeting room to replace the Pinedale firehall meeting room once expansion begins.

Mil levy revenues are meeting general firehall, equipment, and training needs, and are expected to continue to do so.

Recommendations for monitoring. Monitoring of fire fighting activities will remain with each individual fire department. The state fire office is the ultimate recipient of data from each individual reporting department.

Recommendations for mitigation. While having information regarding future oilfield drilling may have some value, it was the feeling of the Big Piney fire chief that their greatest need was more volunteers. The Big Piney chief was quick to point out that the oilfield industry in general and the oil and gas companies in particular have been very accommodating to their organization. Programs and efforts that would promote more volunteers are at the top of the list of desired objectives.

Another area that may be helpful to address is the potential of Hazmat training. One of the fire chiefs indicated that a clearer understanding is needed regarding what types of emergencies (wellhead fires, pipeline breaks) gas field operators will be relying on county fire services for response to. The Big Piney Dept has over the years acquired expertise and equipment to handle oil and gas field fires. The other departments have not. If O&G operators in other fire districts of County plan to call the County fire

departments for emergencies, specialized training and equipment in those districts would be a good idea. If, however, operators plan to rely on contract specialists (Red Adair etc.), this is not relevant.

The PAPA ROD (p. A-34) recommended that the operators consider sponsoring training for all of the county's fire departments. Response techniques for oil and gas fires are different than those used to fight other types of fires. Hence specialized training in this facet of fire fighting along with improved communications with operators has mutual benefits. Further, operators assisting volunteer the fire fighting departments in attracting new volunteers is something to consider.

It is recognized that field facilities store flammable materials, thereby providing a potential emergency situation. Training on responding to production facility fires is a potential benefit for all concerned. Adjacent landowners should be adequately informed and know what to do in the event of an emergency situation and how to notify the proper officials. Landowner information and education could encompass both drilling and production activities and their attendant potential hazards.

► HEALTH CARE SERVICES

Presently the county is serviced by three clinics: two in Marbleton and one in Pinedale. The Pinedale Clinic and one of the Marbleton clinics are administered by physicians under contract with the Rural County Health Care District (District), an autonomous political subdivision of the county. This special district was created in 1987 as a mechanism to coordinate healthcare delivery in the county due to the absence of a hospital. Funding is received through a 2 mil tax levy and occasionally grants from the State Land Investment Board. The District is governed by a five person elected board whose members serve staggered four-year terms. The District has recently hired a full-time Director, and has a full-time clerk.

The contracts provide monies for service fees, malpractice insurance, continuing medical education, locum tenens and EMS medical directorship. In addition, the District provides a building, utilities, equipment, and a designated amount for medical supplies. Each physician is then allowed to operate a private practice utilizing the facility and equipment provided.

The other Marbleton clinic, Wyoming Range Medical PC, is a newly opened private clinic. Coordinating data between both the public clinics and Wyoming Range Medical will be key to analyzing Health Care trends in Sublette County.

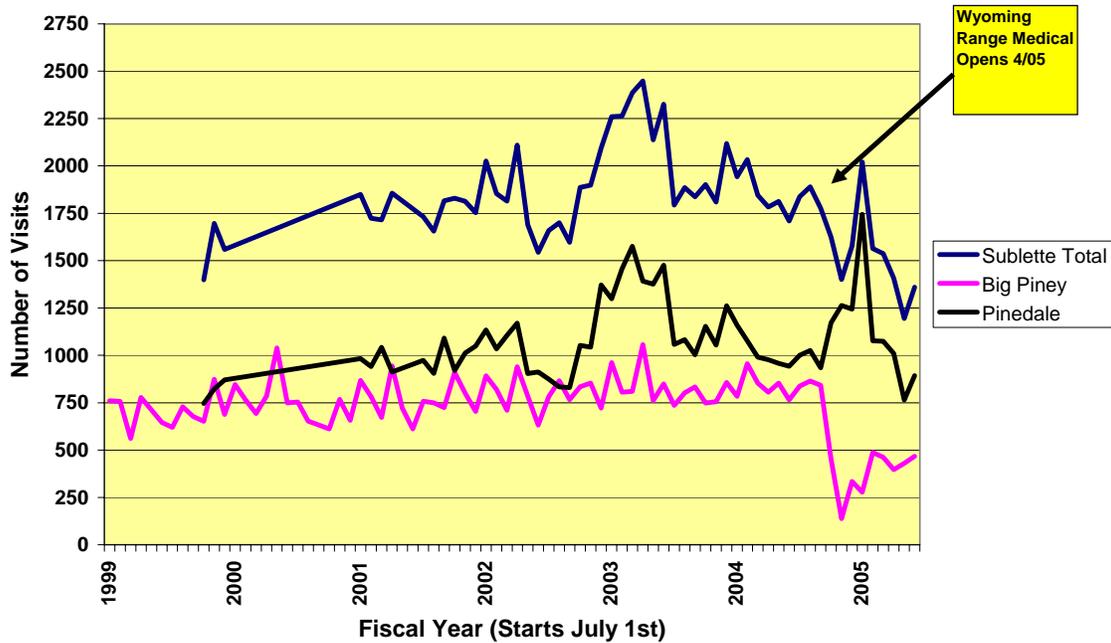
All clinics provide 24/7 emergency care on an on-call basis.

Available data. Basic activity and budget data is provided by the clinics and the EMTs to a District clerk, who compiles the data for presentation and monitoring to the District board of trustees. This data, as well as District meeting minutes and operating budgets, are filed with the county libraries. Available clinic statistics are limited to the number of patients seen during office hours and after office hours each month in each clinic. Data for the Marbleton/Big Piney public clinic is complete from July of 1999 to present, while available patient data for the Pinedale clinic is sporadic between 1999 and 2001, and complete from 2001 to 2005.

The overall number of patient visits at the two public clinics has shown a spike in 2004, while otherwise remaining relatively flat between 2000 and 2005. The opening of the Wyoming Range Medical clinic in Marbleton has is undoubtedly responsible for the drop in patient visits at the two public clinics in Sublette County.

Linear and quadratic regression analysis between rig activity and patient visits shows no correlation between the two variables. It is unlikely that rig activity in the county adversely effects the amount of patient visits at the clinics, as many gas field workers are thought to be younger and inclined to seek non-emergency health care at their permanent place of residence.

Sublette County Total Patient Visits by Clinic (Does not include Wyoming Range Medical - est. 4/05) 1999-2005



► **AMBULANCE SERVICE (EMS)**

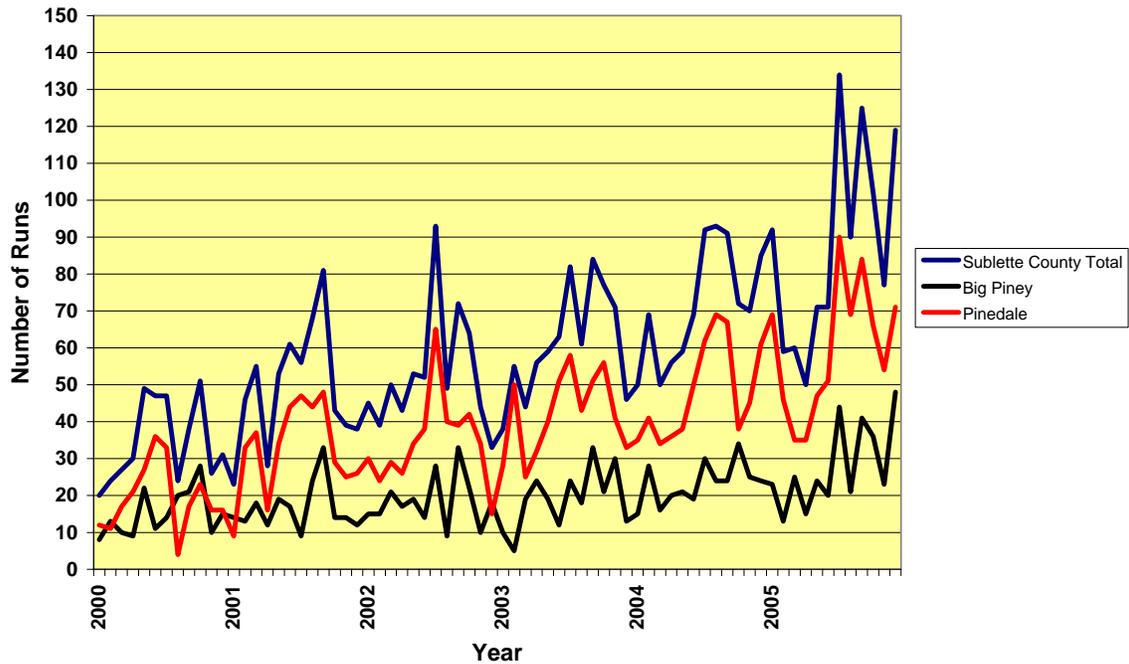
The ambulance service is directly provided and administrated by the District. It operates both the Pinedale and Marbleton ambulance services on a 24/7 basis. This service is composed of salaried personnel (presently 7) for the daytime hours and a core of compensated volunteers (presently 35) for the evenings and weekends. Although the EMT’s have formed their individual member organizations, both are separate from the District’s ambulance service. All EMT’s are employees of the District.

Available data.

Complete monthly records of number of EMS runs and the destination of the runs are available from 2000-2005. Data concerning the location of the EMS call (PAPA, Jonah, Sand Draw) exists but is difficult or impossible to compile due to the large amount of paperwork that must be digested.

Monthly EMS records show that the amount of emergency services overall has been increasing steadily since 2000, but fluctuates seasonally. The summer of 2005 saw over 130 EMS runs, compared to less than 50 in the summer of 2000.

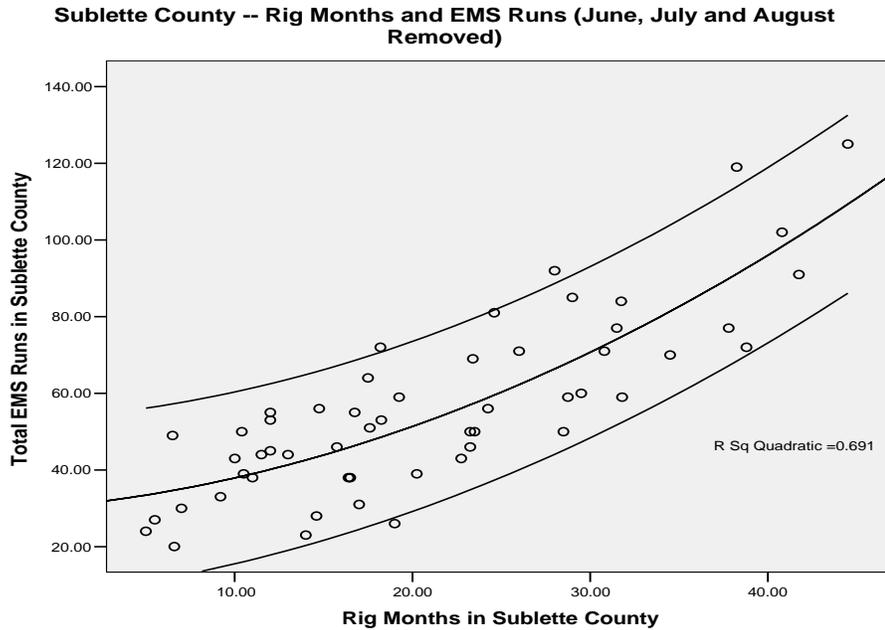
Monthly Sublette County EMS runs by area. 2000-2004



While the impact of increased oil and gas activities has had an increase in service calls, it is difficult to fully determine what amount stems from the oil patch and what is driven by other factors. Tourist activity (as well as gas field activity) is also seasonal in nature and is thought to drive a large portion of the fluctuations in emergency services.

However, when quadratic regression analysis is run between monthly EMS runs and monthly rig months, two variables appear moderately correlated with a $R^2 = .64$ that is statistically significant beyond the .000 two-tailed level. Interestingly, when the months of June, July, and August are removed, the correlation increases to a still statistically significant $R^2 = .69$ (please see chart below). The removal of these three months would remove the majority of tourist activity (and seasonal fluctuation) from the equation.

Furthermore, Big Piney/Marbleton EMS runs are correlated to a similar degree with PAPA activity, but show little to no correlation with Jonah Field drilling activity. While this may be partly due to the fact that Jonah activity often increases during winter months, however, when the summer months are removed the correlation remains unchanged.

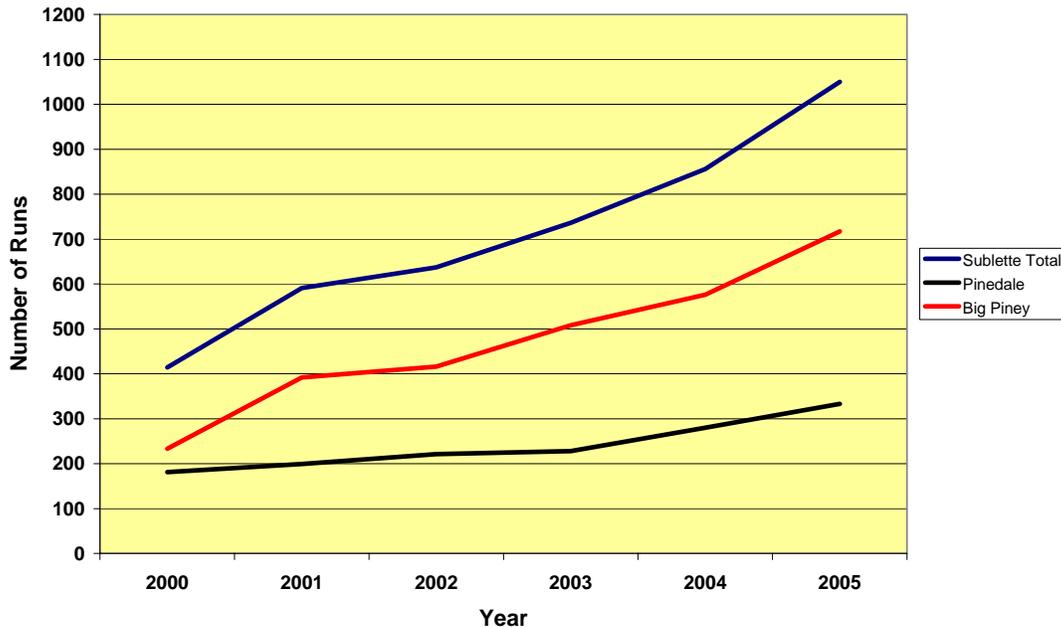


To contradict notions of a relationship between EMS runs and drilling activity, the Rural Health Care Board Clerk compiled residency status of EMS clients between the years 1998-2003, which showed little change in percentage of residents (about 71-75 percent) vs. non residents. The clerk also tabulated the amount of EMS runs that have taken place in the oil field directly. These runs increased from 1 in 1998 to 44 in 2003, however the percentage of oil field runs compared to the overall EMS activity remained flat at 2-3%. The clerk indicated that oil field data for 2004 forward will be difficult to tally, due to the time requirements involved. It should be noted that not all gas-field related accidents will occur in the gas field, as situations like traffic accidents and non-work related medical emergencies will undoubtedly occur among the gas field workforce.

However, yearly tallies of EMS runs show large increases that are unlikely to be caused by increases in either tourist activity or population alone (see below). The number of EMS runs in the county has increased over 150 percent in the last five years, rising from 414 runs in 2000 to 1050 runs 2005. The number of EMS runs originating from the Big Piney/Marbleton EMS has risen even more dramatically, by over 207% in the last five years, from 233 runs in 2000 to 717 runs in 2005. Big Piney/Marbleton has not seen the large increases in population or tourist activity that has occurred in the Pinedale region.

Considering there is a statistical correlation between EMS and drilling activity that increases during non-summer months and, as a comparison, no correlation between patient visits and drilling activity, it is likely gas field activity plays a role in an increased EMS workload. However, it is likely a combination of factors including a growing population, an aging population, and increased tourist activity.

Yearly EMS Runs by Area 2000-2005



Discussions with the Big Piney/Marbleton EMT coordinator indicated that the most pressing need is more volunteers. Becoming an EMT volunteer is a huge commitment for an individual in terms of the many hours spent training. Further, being an EMT is also challenging given the nature of the service in responding to accidents and tragedies. Its service appeal is to a certain element of the community. The District recognizes its important need to continually assess the staffing needs in order to ensure a crew for each of the six ambulances in the county. The District’s ambulance service will eventually move towards becoming a paid service on a 24/7 basis. As an indicator, the Big Piney division has begun to cover weekend daytime hours with one salaried personnel. Further plans for increases include building ambulance facilities with four bays instead of three and designating funds for additional ambulances.

There is benefit by having predictive data about demographic changes for Sublette County.

Recommendations for monitoring. Working closely with the District and seeing if the information associated with monitoring oil and gas activities could be of assistance.

One area of focus that may be improved is for the District and its clerk track patient count by the two county clinics. Information beyond patient count may be difficult due to the confidentiality issues surrounding health care delivery.

► **MAJOR RECOMMENDATIONS FOR MITIGATION.**

VOLUNTEER COORDINATOR

It is recommended that a full time position be created to coordinate and enhance volunteerism and community connectiveness in Sublette County. A volunteer coordinator would make more opportunities available to become active in the community and thus foster stronger community relations. In addition, it is recommended that the BLM require operators and major contractors to offer incentives and programs for community volunteerism by their employees.

The need for EMT volunteers is significant. Having operators continue to promote volunteerism in this area is something to consider. It is again noted that the oil and gas industry already provides a number of volunteer EMTs, particularly in the Big Piney area. Another possible mitigation measure would be to

provide more salaried personnel to provide better coverage where volunteers can't. Finally, coordinated training with fire fighting and response to field facility hazards could be beneficial.

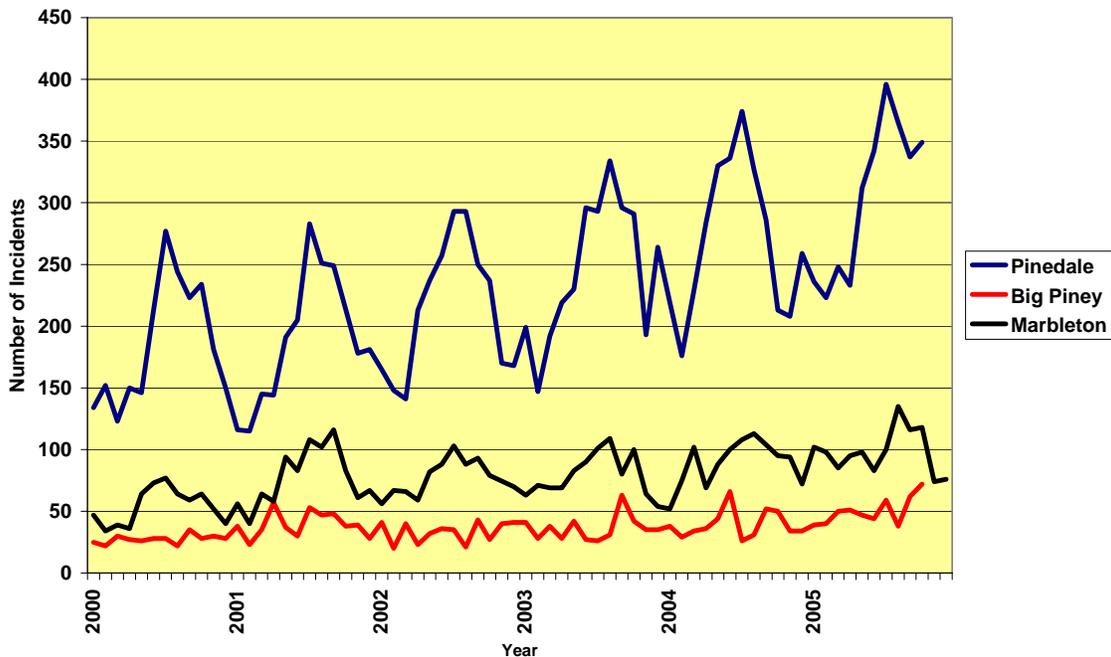
The PAPA ROD (p. A-34) recommended that if significant development occurs that there may be a need for an additional 4-wheel drive ambulance. The operators, working with the EMTs, could monitor this need and situation. At the time of this report the county property tax receipts are fairly robust. If another ambulance becomes necessary a collaborative effort to fund the ambulance from the county, the municipalities and operators could be implemented. One other possible avenue to pursue is to recommend that the mineral industries provide their own ambulance and crew. This may encompass developing a contract between the District and the operators to facilitate better response times in the oilfield/gasfield.

► INCIDENTS

Sublette County Incidents do not measure crime, per se, but rather measure the amount of activity within the Sheriff's Office. Incidents include every service the Sheriff's Office is called perform, including everything from arrests to vehicle identification number checks to loose cattle. County wide, the number of incidents has increased by 46.6 percent between 2000 and 2004, growing from 5340 incidents in 2000 to 7827 in 2004. Incident volume also fluctuates seasonally, as likely related to both fluctuations in tourism and drilling activity. As the graph below illustrates, the biggest increases have been in the town of Pinedale, where incidents grew by 66 percent in four years, from 2227 incidents in 2000 to about 3690 incidents in 2004.

Much more data is available regarding incidents, type of incident, location, and correlation to drilling activity. Analysis is ongoing.

Sublette County Incidents by Town 2000-2005



Chapter 8 | Social Services

In this report, Social Services are defined as composed of two agencies, the Department of Family Services and mental health service agencies. Other social services and agencies could be included in this section in the future as time and relevancy dictate. Note that health care is addressed in its own section of this report, and that sexual assault and domestic violence services are addressed in the Crime section of this report.

The Department of Family Services (DFS) is a State agency which administers a host of federal and state programs described at <http://dfsweb.state.wy.us/programlisting.html>. WIC and POWER, formerly known as AFDC, are among the more recognized programs administered by the agency. Divided into 10 regions across Wyoming, DFS’s District 3 Office is located in Rock Springs. District 3 is comprised of Sweetwater and Sublette Counties. Two service offices are in this district, one each in Rock Springs and Pinedale.

High Country Counseling and Resource Centers are private, nonprofit, community mental health centers, organized under the laws of the state of Wyoming to provide accessible, affordable, and high quality Mental Health and Substance Abuse Treatment Services in Lincoln and Sublette counties, Wyoming. Services are available to anyone on a sliding fee scale basis. High Country’s office in Sublette County is located in Pinedale.

A parallel non-profit organization, Southwest Counseling Services serves Sweetwater County, with offices in Green River and Rock Springs. A larger operation, SCS offers mental illness treatment, substance abuse recovery services, child, adolescent and family services, therapeutic foster care services, psychosocial treatment services, psychiatric services, and twenty-four hour crisis intervention.

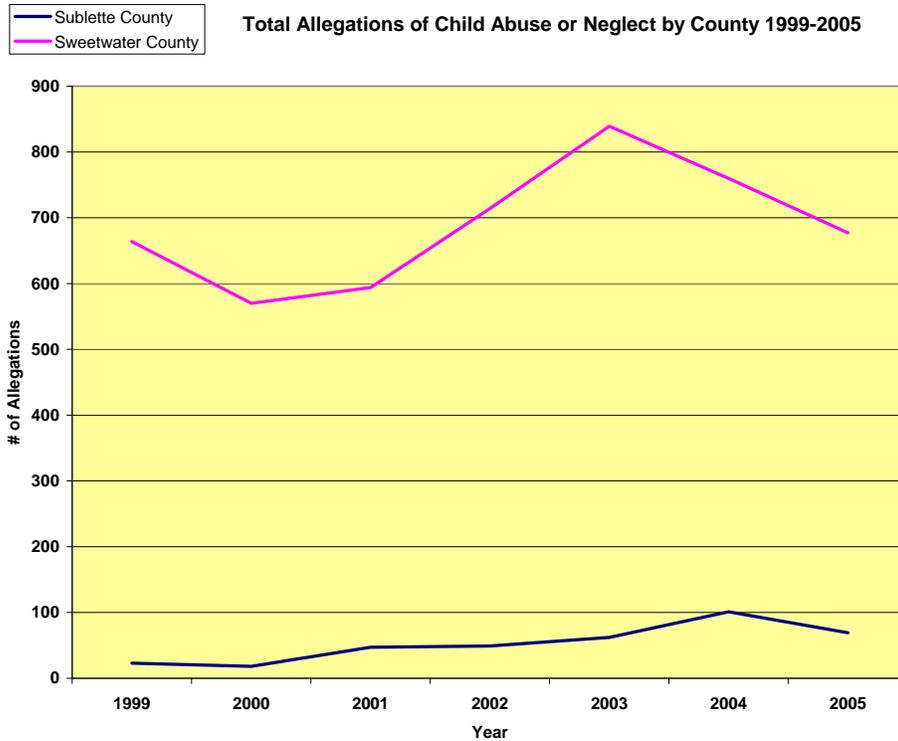
Available data.

Dana Ward, DFS regional coordinator for Sublette and Sweetwater counties and Jeff Swain of High Country Counseling of Pinedale have assisted the TG monitoring assessment effort to date and have indicated that data is available from their respective agencies in the following areas:

<i>DFS- separately for Sublette County and Sweetwater County</i>
Total allegations of child abuse or neglect
Number of allegations assessed or investigated
Number of children where allegation was substantiated
Number of children removed from the home
Number of children born testing positive for meth
Number of children in foster care
Number of children placed out of the community
Total dollars expended for services
Food Stamps only
Medical assistance only
POWER only
Food Stamps and Medical
Food Stamps and POWER
Total dollar value of public assistance (does not include medical)
<i>High Country Counseling – Sublette County</i>
Hours of mental health counseling provided
Hours of substance abuse counseling provided

Current monitoring effort.

Child abuse and Neglect

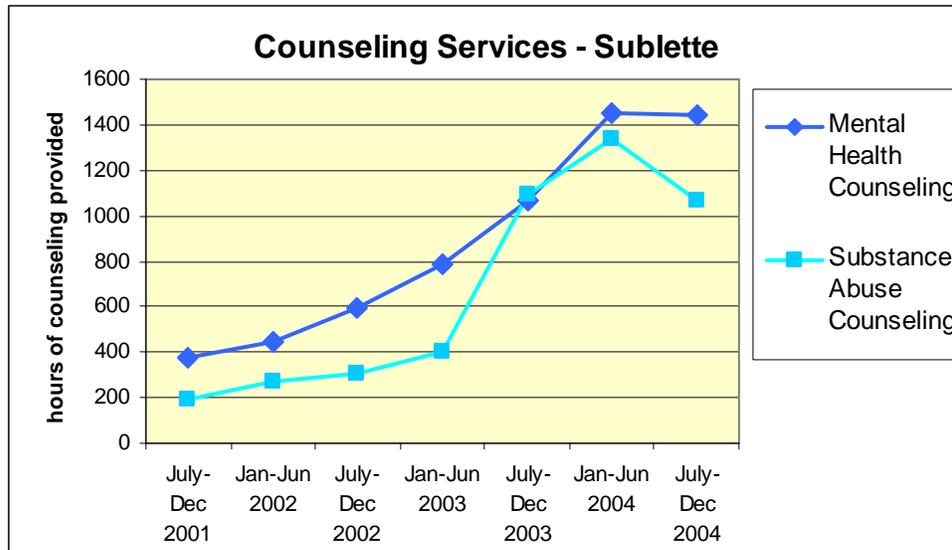


Dana Ward, District 3 Manager, Department of Family Services, Rock Springs provided information regarding Child Abuse and Neglect from 1999-2005.

Child abuse and neglect cases in Sweetwater County rose sharply between 2000 and 2003 and has decreased since 2003. In 2005, Sweetwater DFS reported 677 cases of child abuse or neglect, down from the 839 in 2003.

In Sublette County, cases of child abuse or neglect has shown less fluctuations, rising steadily between 2000 and 2004, with a slight drop between 2004 and 2005. 2004 saw an all-time high of 101 cases of child abuse or neglect, while the number dropped to 69 in 2005.

Ms Ward indicated that reasons for an increase in Sublette County cases and a recent decrease in Sweetwater County are likely complicated. She said more caseworker stability in Sweetwater has likely decreased repeat offenses in that County. She also indicated that in Sublette County increased awareness and referrals may have played a part in increasing the totals.



Jeff Swain, director of High Country Counseling Services' Pinedale office provided the number of counseling service hours given since July 2001. Examination of this data indicates that between 2002 and 2004 there has been a 178% increase in hours of counseling for mental health and a 314% increase in hours of counseling for substance abuse. During this same period, the population of Sublette County rose only a few percent (Census Bureau county intercensal population estimates are available at <http://www.census.gov/popest/datasets.html>).

Swain also offered the following (paraphrased) observations. Over the past several years, High Country Counseling has become increasingly busy in general. Of note, in the second half of 2003, the number of substance abuse treatment hours exceeded the number of mental health treatment hours. Emergency on-call services have increased, especially in relation to substance abuse emergencies, in particular methamphetamine incidents. In the second half of 2004, service hours rendered dropped somewhat due to loss of one therapist. Now HCC has four therapists again, and substance abuse and mental health service hours are expected to go back up and remain relatively close to each other. This pattern runs contrary to most similar agencies around the state, where mental health service hours tend to significantly outnumber substance abuse hours.

HCC moved into a larger facility about a year and a half ago, and is already considering adding on to the building to provide more therapy offices and a larger group room. The office is currently considering hiring a fifth therapist to meet growing demand. "The growth in Sublette County has put extra demands on us, and I project that at recent rates of growth, we could add an additional therapist to our staff each year for several years, if we could generate the funding to do so. As it is, in many cases we recommend and provide less services to some clients than is optimal for their well-being, due to our current caseloads and time limitations."

Generally paralleling these trends, DFS's Dana Ward imparted the following information and opinion.

DFS caseworkers provide the front line crisis intervention and case management for child and adult abuse and neglect cases. This person also handles all of the juvenile probation cases - CHINS and delinquents. We have one caseworker in Sublette County, but if numbers continue to rise, we'll need to request more caseworkers from the legislature. Those are difficult to come by.

At this time, we have 12 casework positions in Sweetwater County, 4 of which are vacant because we have not been able to hire qualified candidates. Based on current numbers, we need to fill these 4 slots and need 2 additional caseworkers.

Transient populations mean people don't have roots in the community. This means they have no local support systems for families to depend on. Utilizing Navy family support models to assist families may be helpful. The Military has advanced in the area of child protection and family support - whether it's addressing deployment, domestic violence, mental health, marriage support, or substance abuse.

Invest in:

- 1) outstanding local mental health and substance abuse treatment resources (facilities and programs) for adults, youth, and families
- 2) 24/7 child care facilities and/or homes
- 3) afterschool, weekend and all day/evening summer programs for youth
- 4) transportation to work sites and home/school and home
- 5) making sure that all community resources are easily accessible, including culturally, to the hispanic community (interpreters, etc.)
- 6) family treatment court for child protection and juvenile cases (Sublette County would need additional caseworker, financial resources for training and on-going treatment court costs, costs for guardian ad litem (GAL), mental health and substance abuse counselors, and possibly another public defender, probation officer, prosecutor and judge – would need 4x's these numbers in Sweetwater County).
- 7) assisting DFS in recruiting and supporting foster parents
- 8) low income housing
- 9) more law enforcement

Recommendations for Monitoring.

At a minimum, statistics concerning counseling caseloads, substance-abuse case incidence, underlying causes and associations, and the above-listed DFS data should be gathered, analyzed, and monitored for the next ten years. Creation and collection of data which reflects non/relationship to energy development should be particularly emphasized. This monitoring would give insight into impacts on family structure and economic well being which in turn indicates the health of the community. The above list of monitoring items should begin as equal in importance. Each year the list could be reevaluated and priorities suggested at that time.

► MAJOR RECOMMENDATIONS FOR MITIGATION.

YEAR-ROUND DRILLING:

- It is recommended that the BLM consider concentrated year-round access for drilling and completion operations in the PAPA in order to increase permanent residency of the gas industry workforce and offset the impacts on community connectiveness, volunteerism, and domestic violence.

In return for granting of year-round access, the BLM should require socioeconomic offsite mitigation including the following:

- Industry purchase of land for housing in support of reduction of “man camps” and promotion of sustainable community-appropriate housing
- Industry financing of community infrastructure related to industry growth
- Industry would pay fair market value for loss of other uses including grazing, hunting, and recreational activities on the PAPA
- BLM should also recognize the non-market value losses that might occur as a result of intensive development when computing offsite mitigation costs.

Local social services professionals have identified a variety of needs arising from recent jumps in social problems. The 'Invest in' list above presents multiple positive methods to address the growing issues. Other community-identified needs in this general field include the need for a human services multi-office building /facility in the Big Piney Marbleton vicinity. With the full-occupancy of local motels during summer, the need for a SAFV shelter facility in northern Sublette County has also become more pressing.

Alternatively, oil and gas operators could incorporate this into their existing 'community investment' programs.

Chapter 9 | Traffic

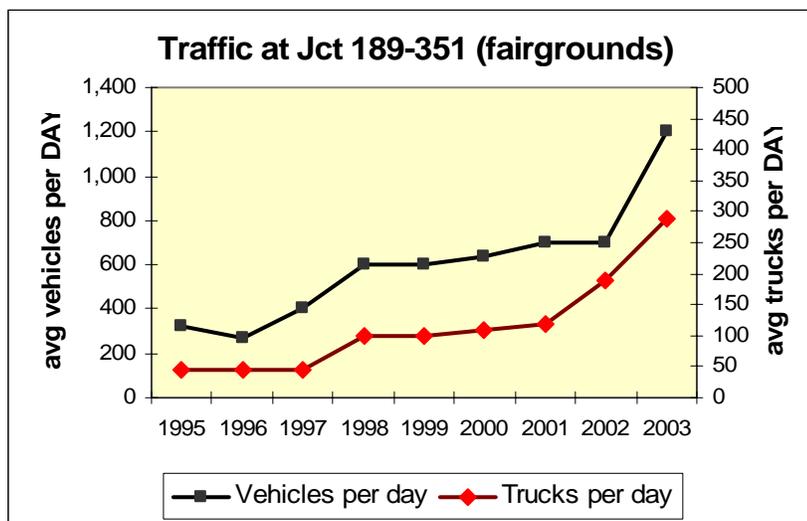
Personal safety was identified by the TG as an issue for monitoring, originally defined to include two components: crime and traffic accidents. Crime is addressed in its own section.

Available data. Traffic counts at selected highway junctions are regularly monitored by WYDOT and resulting data was provided to the TG by Sherman Wiseman (Sherman.Wiseman@dot.state.wy.us). A host of attributes of traffic accidents (including location, date, day of week, time, road conditions, light conditions, weather conditions, number of passengers, road alignment, object collided with, etc.) are monitored by WYDOT, and that data was provided by Stacey Adams-Gierisch, Senior Data Controller at WYDOT’s Highway Safety Division (Stacey.Adams@dot.state.wy.us). Gary Michaud (Gary.Michaud@dot.state.wy.us) of the WYDOT Planning Division recently gathered and analyzed Sublette County accident data at the request of PAWG task groups, and delivered a powerpoint presentation to the Transportation TG. His presentation material is available.

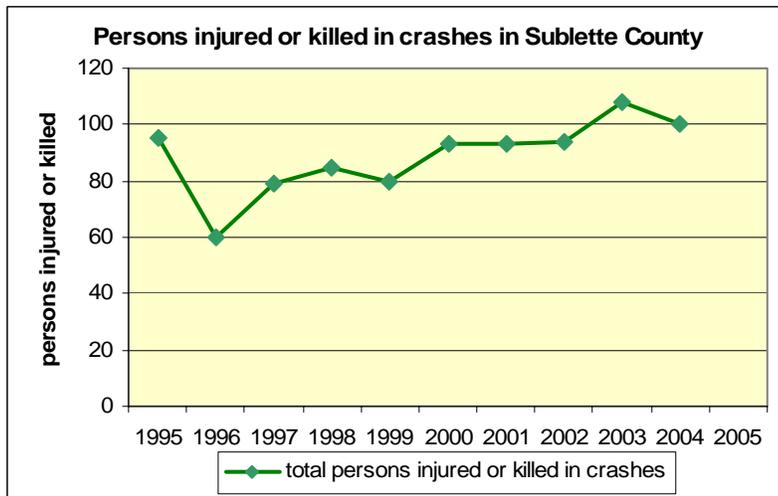
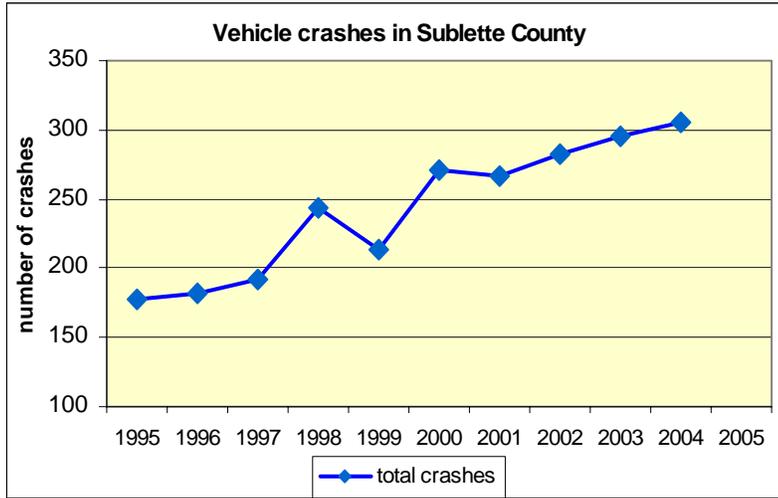
Past monitoring. The PAPA ROD required no monitoring of socioeconomic impacts, regarding traffic impacts or otherwise. The above referenced monitoring is regularly conducted by WYDOT as relates to general highway usage and crash data.

Findings of current monitoring effort. Traffic volume changes in Sublette County over the past 10 years vary greatly by location, with some areas experiencing a dramatic rise and other highway segments seeing relatively minor growth. Traffic volume at Bondurant, for example has risen only 10 percent over this period, whereas volume along Highway 191 near Ehman Lane nearly doubled.

Generally, traffic counts in the vicinity of towns and between Jonah/PAPA access routes along Hwy 351 and Marbleton have grown substantially. For example, the average number of vehicles per day passing the junction of Highways 189 and 351 (near the County fairgrounds) nearly quadrupled from 320 in 1995 to 1200 vehicles per day in 2003. During this same period, the number of trucks passing this spot rose more than six-fold from 45 per day to a hefty 290 per day. The biggest jump in truck traffic volume at this location occurred in 2002, while the steep rise in total vehicle count occurred in 2003. This is displayed on the two-scaled graph below.



Over this same monitoring period, the total number of traffic accidents in Sublette County and the number of people injured or killed annually also increased, as reflected on the following graphs.



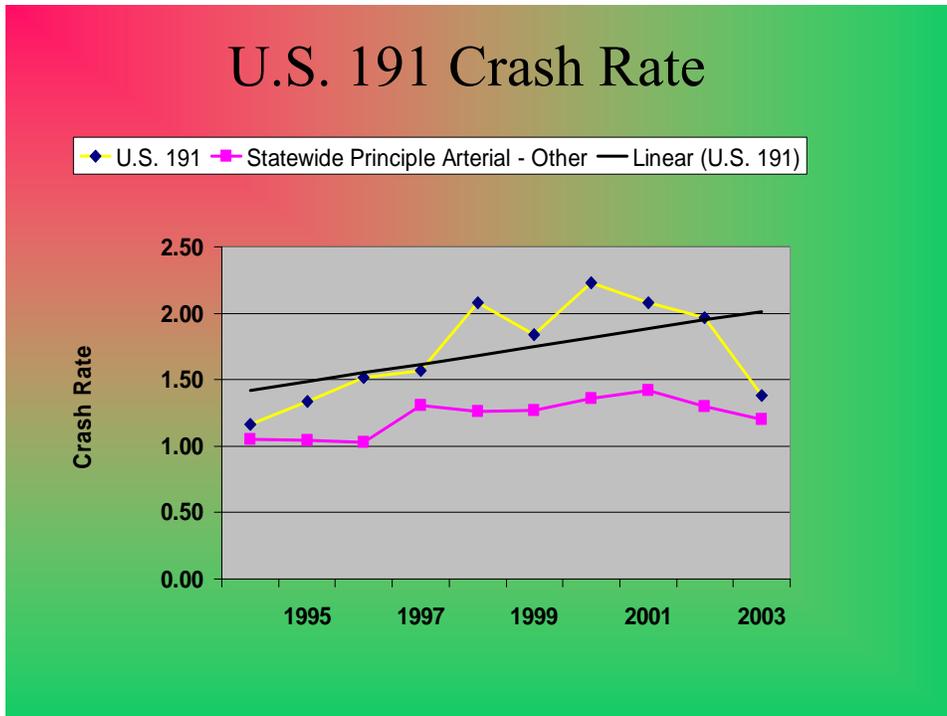
When adjusted for the population increase over this period, the **rate** of vehicle accidents causing human injury or death dropped steeply in 1995, and then rose steadily, somewhat following the trend of the total rig months in the County. The accident rate in 1999 was 138.2 injury accidents per 10,000 population, and 5 years later in 2003 the accident rate had grown 23 percent to 169.9 accidents per 10,000 people.

It should be noted, however, that calculating the number of accidents per capita on the basis of local resident population can be misleading in terms of risk to residents, as residents comprise only a portion of the total traffic. WYDOT calculates crash rates as follows.

$$\text{Crash Rate} = \frac{\text{number of crashes}}{\text{(vehicle miles / million)}} \quad (\text{Vehicle miles} = \text{avg. annual daily traffic} \times \# \text{ of miles in section} \times 365 \text{ days})$$

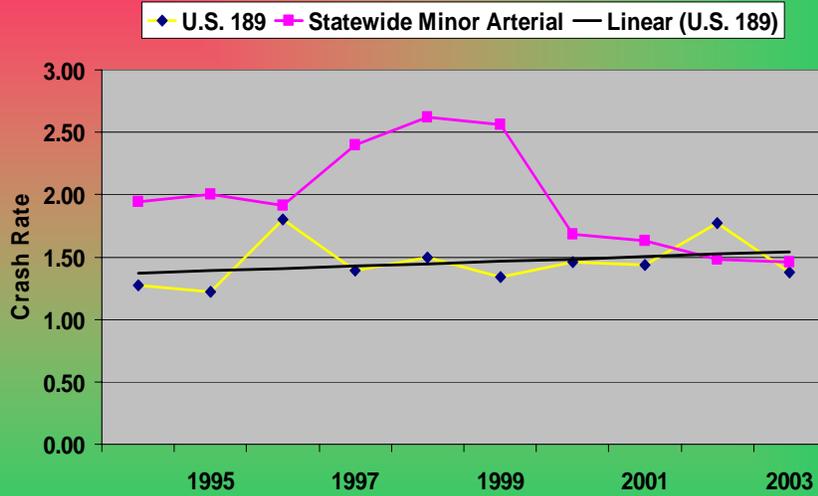
The following graphs provided by WYDOT show the rate of crashes calculated according to traffic volume.

When adjusted for traffic volume, the crash rate trend on Highway 191 was above the state average for roads of its class and generally has been climbing throughout the review period. The rate did, however, drop nicely in 2003 and very nearly reached the State average, as illustrated on the graph below (provided by Gary Michaud, WYDOT Planning Division)

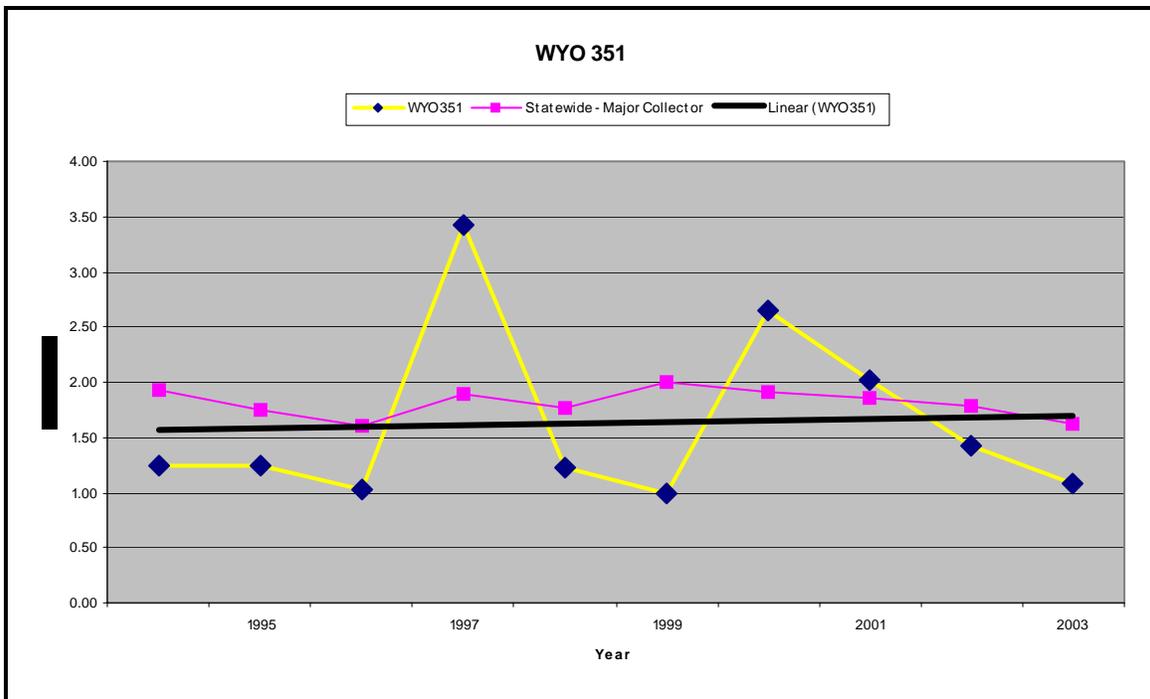


The crash rate adjusted for traffic on Highway 189 has been quite consistent over the review period and is considered approximately average for roads of its class in Wyoming, as illustrated on the following graph (provided by Gary Michaud, WYDOT Planning Division).

U.S. 189 Crash Rate

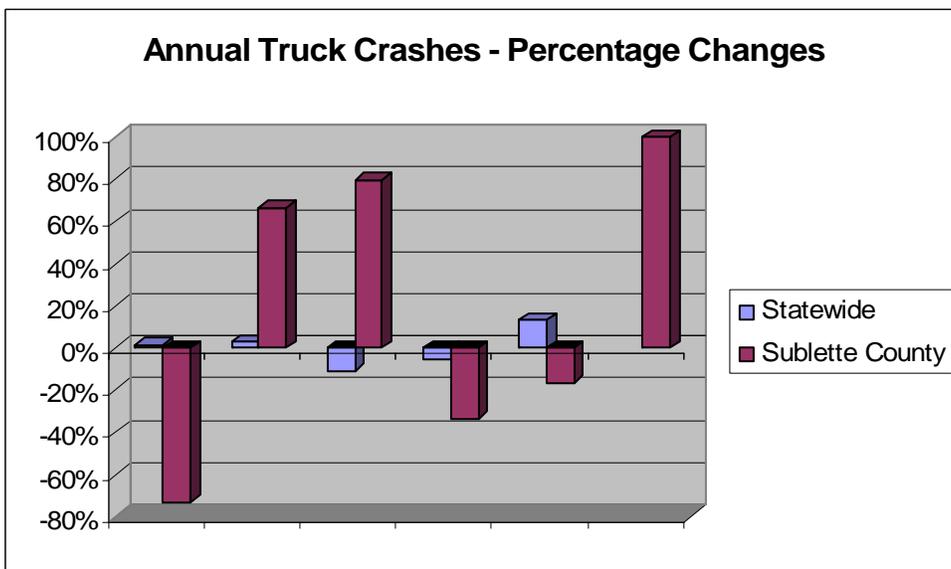
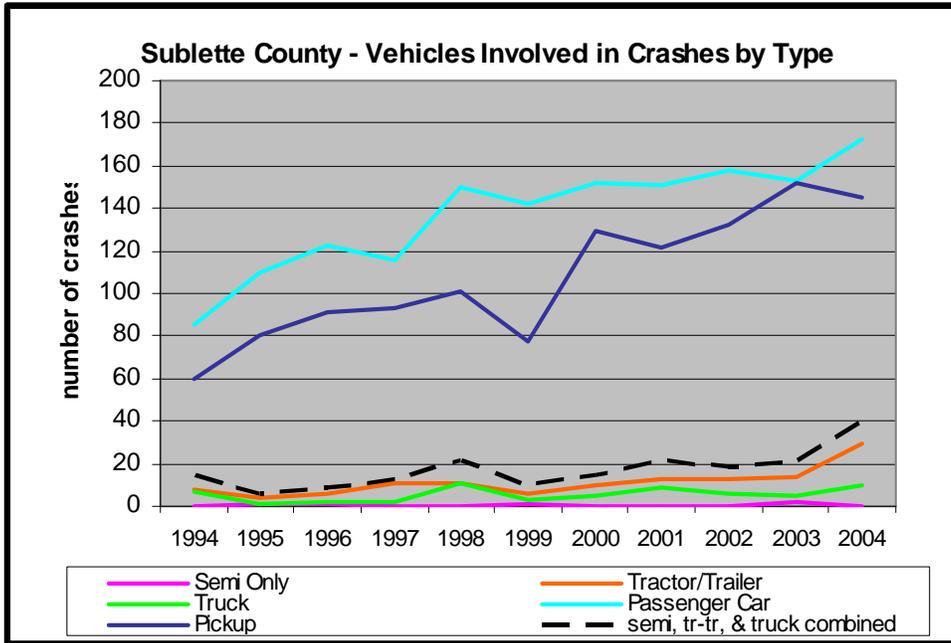


The crash rate for Highway 351 is below state average for roads of its class, and has been declining for the last 3 years, as reflected on the graph below (provided by Gary Michaud, WYDOT Planning Division). This is despite the marked recent increase in traffic noted earlier.

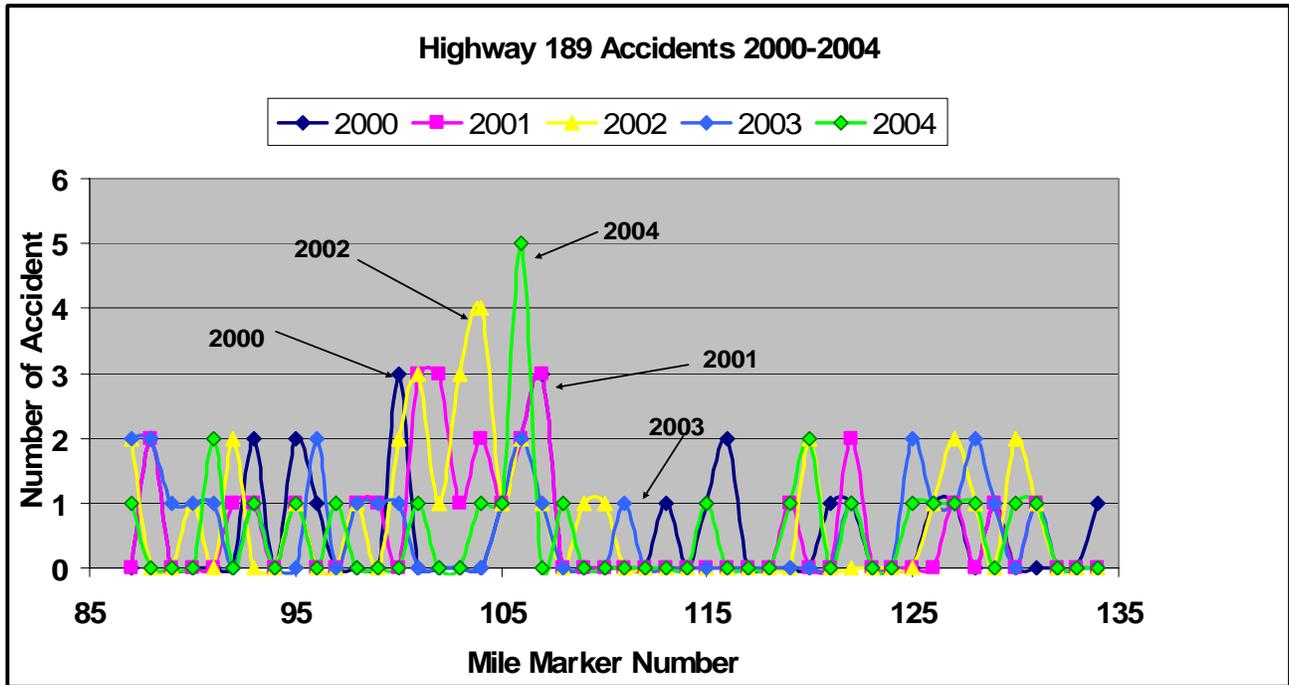


In sum, both the amount of traffic and the number of crashes have increased appreciably in recent years on the three main highways in Sublette County reviewed above. When considering traffic volume, however, the crash rate is only roughly at or even slightly below the State average for comparable highways.

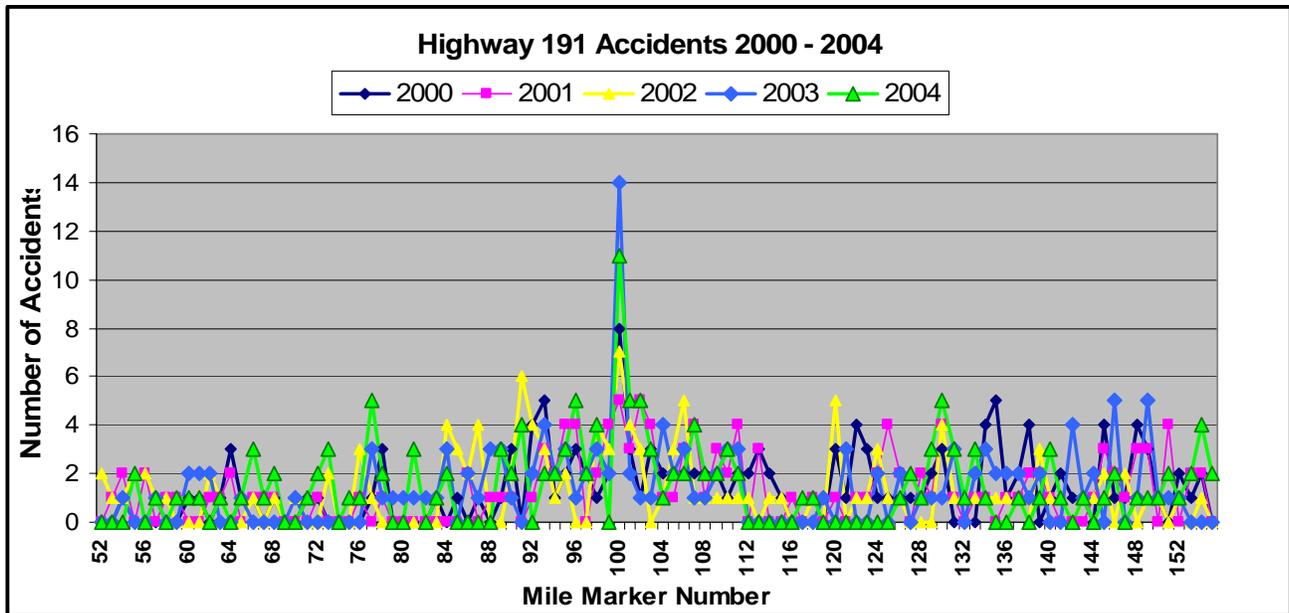
Vehicle types involved in crashes were also examined. As reflected on the following graph, passenger cars dominated the accident scene over the entire review period. Pickup trucks historically ran a reasonably close second, but in 2003 equalled cars in crash association. Collectively the number of large (not pickup) trucks involved in crashes has roughly doubled over the past ten years, but consistently comprises only a small share of the vehicles involved in crashes.



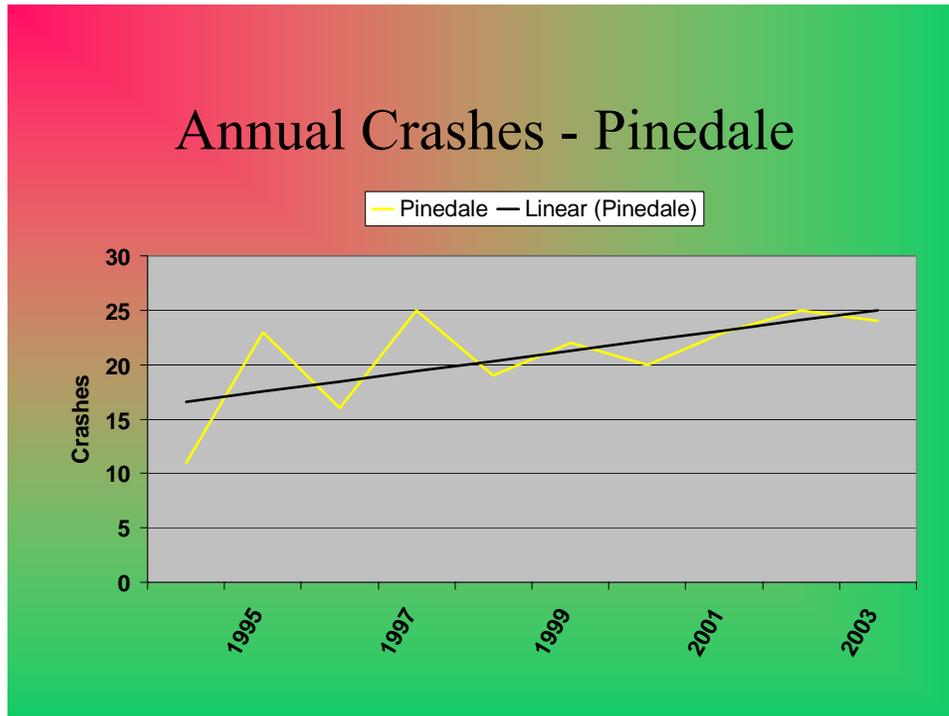
The location of crashes along highways was also examined, reflected on the graphs below. Review of crashes along Highway 189 shows that overall no locations were outstandingly high in traffic accidents in 2003.



Highway 191 exhibits one short section with an elevated number of crashes in 2003; this location lies within Town of Pinedale.



When all accidents within the town of Pinedale are examined (including along other Highway 191 sections within Town and on town streets), however, the accidents within Pinedale can be seen to be steadily climbing, but with no major change in accident growth rate apparent over the past 3 years.



In sum, as with everything, all this may be looked at in at least two ways: That the amount of traffic on many roads in Sublette County is increasing significantly, but that increased drilling-related crashes are not disproportionate to the overall increase. OR: That traffic volume, accidents, and the number of persons injured or killed on Highways in the County all increased sharply in 2000 and generally continues to climb.

Recommendations for monitoring.

Diligent monitoring by the TGs in collaboration with WYDOT is recommended to identify problem areas and issues early-on and to develop remedies where possible. Annual review should be conducted of the locations and causes of crashes, with an eye toward identifying trends.

Recommendations for mitigation. None at this time from this Task Group. Refer to Transportation Task Group.

Chapter 10 | Quality of Life

Available data. Hard data regarding quality of life is something of an oxymoron, yet our inability to precisely quantify this in a spreadsheet hardly negates the significance of this variable which the TG selected for monitoring. In fact, the case can be made that NEPA’s charge to assess a federal undertaking’s potential impact on the human environment is **all about** human quality of life.

While no recent studies or datasets exclusively addressing local quality of life values are known, several available reports shed light on the issue. A University of Wyoming survey (McLeod, Kruse & Woirhaye 1998) mailed out to all property owners and residents of Sublette County in late 1996 asked, “Why do you reside in Sublette County?”, and received the following responses. (Responses from Bondurant/Cora and those aggregated by resident/non-resident status are not copied here.)

	Pinedale/ Daniel	Boulder	Big Piney/ Marbleton
Low population	66	69	59
Job/business	33	19	54
Lifestyle	72	63	66
Scenery	74	67	56
Safety	62	50	60
Recreation	65	67	54
Air/water	65	59	48
Low tax	27	37	31
Climate	21	24	17
Education	22	20	45
Other	11	24	9

Several observations may be regarding these results. Low population, lifestyle, scenery, and recreation were all identified by the majority of residents in all areas as reasons they reside here; these are common values which should be preserved. Comparing responses by area, scenery was extremely important to Pinedale respondents; low population, scenery and recreation were extremely important to Boulder respondents; and lifestyle and safety were foremost values in Big Piney-Marbleton. In Big Piney-Marbleton, job/business was cited as a majority reason for residing in the County, and education was considered an important factor there by many, in significant contrast to respondents from the Pinedale and Boulder areas.

The University survey also asked people to estimate what the County population would be in 10 years, and “At the population level you indicated above..., in your opinion will the quality of life have improved dramatically, improved, improved somewhat, stayed the same, decreased somewhat, decreased, decreased dramatically.” The following results were obtained.

	Pinedale/ Daniel	Boulder	Big Piney/ Marbleton
Improve dramatically	2	0	3
Improve dramatically	8	10	9
Improve somewhat	18	19	24
Subtotal-improve	28	29	36
Stay same	14	10	28
Decrease some	28	19	21
Decrease some	18	19	11
Decrease dramatically	11	23	5
Subtotal - decrease	57	61	37

Interpretation of these results is hampered by our not knowing the population prediction which the individual respondent was speaking about (great ranges of population estimates were presented in aggregate for each community in the report, but the averages and modes all were in the vicinity of 10,000). Nonetheless, the above responses indicate that a strong majority of Boulder and Pinedale respondents felt that population growth would decrease their quality of life, whereas only a minority Big Piney-Marbleton respondents believed that growth would adversely affect their quality of life. From this it might be concluded that growth would be more readily accepted in the south of the County.

Although it gives no indication of the relative importance of individual quality of life values, the more recent Wyoming Rural Development Council's (WRDC 2004) Sublette County Community Assessment report reflects community-identified values and desires. The County's slow pace, open spaces/agriculture, quiet, scenery, recreation, schools, and people were identified by local residents as assets during the interviews and public 'listening-sessions' held in the County in May 2003. Desire was expressed by participants for a hospital, more mental health services, more adult education opportunities, more cultural programs, more basic services to the Big Piney-Marbleton area, more after-school activities for youth, more communication among local government and civic groups, concerted community clean-up efforts, and more effective planning and zoning, along with a host of other more topic-specific desires (e.g., infrastructure needs, sustainable economy). Further examination of this report may be insightful in identifying indicators of quality of life held in common by Sublette County residents. No parallel past surveys of Sweetwater County residents are known to the TG.

Past monitoring. The PAPA ROD required no monitoring of socioeconomic impacts, regarding quality of life or otherwise. The above referenced surveys were conducted in response to perceived community desires for planning in the face of growth. Note that the northern portion of Sublette County exhibited an unusually rapid growth rate even before the current gas-field development boom.

Findings of current monitoring effort. Some of the most highly valued qualities identified by County residents in the aforementioned past studies (low population, lifestyle, scenery, slow pace, open spaces/agriculture, quiet and recreation) have been adversely affected by PAPA development. Certainly the slow pace of life, low population, and open spaces have been diminished.

Due to time constraints and the disconcertingly nebulous nature of 'quality of life', the SocioEconomic TG has not addressed this issue specifically other than in the above discussion; no elements specifically

selected for 'quality of life' monitoring are currently included in our spreadsheet. We do, however, have a proposal which follows.

Recommendations for monitoring. Western Wyoming Community College and BOCES recently organized a multi-session public forum entitled "Boom and Bust: A Community Conversation", which took place in Pinedale and Rock Springs in spring 2005. The forum organizers have indicated that they are willing to hold a session where participants discuss and define "quality of life" and assist in determining questions that could make an effective Quality of Life survey. Once developed, the survey could be conducted annually (for at least the next ten years) via the local newspapers, however money is needed to publish the survey. .

Results of the survey described above will give the PAWG and the BLM a good idea of public attitude about their own lives and about the impact of PAPA development on their lives.

► **MAJOR RECOMMENDATIONS FOR MITIGATION.**

It is recommended that the BLM fund the costs associated with publishing a Quality of Life Survey. The survey results can be collected and analyzed by the Socioeconomic Analyst Hired by the SETG.