

**Decision on Action and Application for Categorical Exclusion  
For Activities Associated with Oil and Gas Development  
Section 390, Energy Policy Act of 2005**

Hanging Woman Basin Addition  
Hanging Woman Basin WIW  
Nance Petroleum Corp.  
(CX-070-07-2-001 through CX-070-07-2-045)  
(CX-070-07-3-005 through CX-070-3-006)  
Bureau of Land Management  
Buffalo Field Office

**Description of the Proposed Action**

Nance Petroleum Corp. proposes to add 41 twin CBNG wells to 41 single CBNG well locations previously approved under the Randall Prong POD (WY-070-05-251), Antelope Draw and West Antelope POD (WY-070-05-001) and Boxelder POD (WY-070-05-357) environmental assessments (EAs) approved 09/21/2005, 11/16/2004 and 11/17/2005 respectively. The 41 CBNG wells are proposed as twins to already approved CBNG wells. Nance Petroleum Corp. also proposes to add 6 water injection wells. Four of the injection wells are proposed on pre-existing well pads. This disturbance is in similar environmental conditions and on-the-ground surveys have been completed. The project area is located in sections 19, 22, 23, 24, 25, 26, 27, 30, 31, 32, and 36 of T. 58N., R. 80 W. and sections 19, 20, 21, 22, 24, 28, 29, 30, 31, 32, 33, 34 and 35 of T. 58 N., R. 79 W. The proposed twin wells will be located within existing or approved well locations. The proposed wells will use existing infrastructure including access roads, pipelines, overhead and underground power.

YR	CX	#	Well Number	T.	R.	Sec.	Lease #	County	Well Type	NEPA document
07	02	001	19-01 KB	58	79	19	WYW147428	SHERIDAN	CBNG	CX
07	02	002	20-01KB	58	79	20	WYW147428	SHERIDAN	CBNG	CX
07	02	003	20-11 KB	58	79	20	WYW147428	SHERIDAN	CBNG	CX
07	02	004	21-01KB	58	79	21	WYW147428	SHERIDAN	CBNG	CX
07	02	005	21-03 KB	58	79	21	WYW147428	SHERIDAN	CBNG	CX
07	02	006	21-09 KB	58	79	21	WYW147428	SHERIDAN	CBNG	CX
07	02	007	21-11 KB	58	79	21	WYW147428	SHERIDAN	CBNG	CX
07	02	008	28-01 KB	58	79	28	WYW155740	SHERIDAN	CBNG	CX
07	02	009	29-03 KB	58	79	29	WYW147430	SHERIDAN	CBNG	CX
07	02	010	31-09 KB	58	79	31	WYW147430	SHERIDAN	CBNG	CX
07	02	011	32-01 KB	58	79	21	WYW147430	SHERIDAN	CBNG	CX

07	02	012	32-03 KB	58	79	32	WYW147430	SHERIDAN	CBNG	CX
07	02	013	32-09 KB	58	79	21	WYW147430	SHERIDAN	CBNG	CX
07	02	014	33-11 KB	58	79	33	WYW147430	SHERIDAN	CBNG	CX
07	02	015	19-01 KB	58	80	19	WYW146966	SHERIDAN	CBNG	CX
07	02	016	19-03 KB	58	80	19	WYW146966	SHERIDAN	CBNG	CX
07	02	017	22-01 KB	58	80	22	WYW146967	SHERIDAN	CBNG	CX
07	02	018	22-09 KB	58	80	22	WYW146967	SHERIDAN	CBNG	CX
07	02	019	23-01 KB	58	80	23	WYW146967	SHERIDAN	CBNG	CX
07	02	020	23-03 KB	58	80	23	WYW146967	SHERIDAN	CBNG	CX
07	02	021	23-09 KB	58	80	23	WYW146967	SHERIDAN	CBNG	CX
07	02	022	23-11 KB	58	80	23	WYW146967	SHERIDAN	CBNG	CX
07	02	023	24-01 KB	58	80	24	WYW146967	SHERIDAN	CBNG	CX
07	02	024	24-09 KB	58	80	24	WYW146967	SHERIDAN	CBNG	CX
07	02	025	24-11 KB	58	80	24	WYW146967	SHERIDAN	CBNG	CX
07	02	026	24-03 KB	58	80	24	WYW146967	SHERIDAN	CBNG	CX
07	02	027	25-01 KB	58	80	25	WYW146968	SHERIDAN	CBNG	CX
07	02	028	25-03 KB	58	80	25	WYW146968	SHERIDAN	CBNG	CX
07	02	029	25-09 KB	58	80	25	WYW146968	SHERIDAN	CBNG	CX
07	02	030	25-11 KB	58	80	25	WYW146968	SHERIDAN	CBNG	CX
07	02	031	26-01 KB	58	80	26	WYW146968	SHERIDAN	CBNG	CX
07	02	032	26-03 KB	58	80	26	WYW146968	SHERIDAN	CBNG	CX
07	02	033	26-09 KB	58	80	26	WYW146968	SHERIDAN	CBNG	CX
07	02	034	26-11 KB	58	80	26	WYW146968	SHERIDAN	CBNG	CX
07	02	035	27-01 KB	58	80	27	WYW146968	SHERIDAN	CBNG	CX
07	02	036	27-09 KB	58	80	27	WYW146968	SHERIDAN	CBNG	CX
07	02	037	27-11 KB	58	80	27	WYW146968	SHERIDAN	CBNG	CX
07	02	038	30-11 KB	58	80	30	WYW146969	SHERIDAN	CBNG	CX

07	02	039	31-01 KB	58	80	31	WYW146969	SHERIDAN	CBNG	CX
07	02	040	31-03 KB	58	80	31	WYW146969	SHERIDAN	CBNG	CX
07	02	041	31-09 KB	58	80	31	WYW146969	SHERIDAN	CBNG	CX
07	02	042	21-13*	58	79	21	WYW147428	SHERIDAN	WIW	CX
07	02	043	22-09	58	79	22	WYW147428	SHERIDAN	WIW	CX
07	02	044	24-09	58	79	24	WYW147429	SHERIDAN	WIW	CX
07	02	045	34-01*	58	79	27	WYW147430	SHERIDAN	WIW	CX

\* Existing

There are two proposed water injection wells within this project that are not on existing locations and will include new surface disturbance. These wells are listed in the table below and are approved under CX #3 of Section 390 of the National Energy Policy Act of 2005. These two wells will be drilled within a known or proven productive area (Hanging Woman Basin) to a producing formation.

YR	CX	#	Well Number	T.	R.	Sec.	Lease #	County	Well Type	NEPA document
07	03	005	24-12	58	80	24	WYW147429	SHERIDAN	WIW	CX
07	03	006	35-08	58	79	35	WYW147429	SHERIDAN	WIW	CX

On-sites were held 11/1/06 & 11/03/06. The following people were present during the onsite:

**BLM:** Amy Shepperson, Bill Ostheimer, Mike McKinley, Leigh Grench

**Pearl Development:** Christi Haswell, Eric Rolli, Bill Kovar, Joey Sheeley

**Surface Landowners:** Padlock Ranch; Don Luse

### Plan Conformance

The proposed action is in conformance with the terms and the conditions of the Approved Resource Management Plan for the Public Lands Administered by the Bureau of Land Management, Buffalo Field Office (BFO), April 2001 and the PRB FEIS, as required by 43 CFR 1610.5

### Plan of Operations

The proposal is designed in conformance with all bureau standards and incorporates appropriate best management practices, required and designed mitigation measures determined to reduce the effects on the environment.

A surface use plan of operations describing all proposed surface-disturbing activities has been reviewed and is approved pursuant to Section 17 of the Mineral Leasing Act, as amended.

### Compliance with the Energy Policy Act of 2005

The proposed activity has been determined to be statutorily categorically excluded from NEPA documentation in accordance with Section 390 of the National Energy Policy Act of 2005. The 41 CBNG and four injection wells are approved under CX #2. The proposed wells are on existing or previously approved well locations approved under the Randall Prong POD (WY-070-05-251),

Antelope Draw and West Antelope POD (WY-070-05-001) and Boxelder POD (WY-070-05-357) EAs, approved 09/21/2005, 11/16/2004 and 11/17/2005 respectively. The two water injection wells with new surface disturbance are approved under CX #3. The 35-08 location is within the area analyzed by the Boxelder POD (WY-070-05-357) EA approved 11/17/2005. The 24-12 location is within the area analyzed by Antelope Draw and West Antelope POD (WY-070-05-001) EA approved 11/16/2004.

### **Persons and Agencies Consulted**

Proportions of the project area had been previously inventoried for cultural resources and SHPO consultation completed under the Randall Prong POD, Antelope Draw and West Antelope POD and Boxelder POD. A Class III cultural resource inventory was conducted for the additional Area of Potential Effect for this project. In Accordance with the Wyoming State Protocol, Section V (B), between the Wyoming State Historic Preservation Officer and BLM, the State Historic Preservation Officer was electronically notified on 01/09/07 of the action and finding of no effect. If any cultural values [sites, artifacts, human remains (Appendix L PRB FEIS)] are observed during operation of this lease/permit/right-of-way, they will be left intact and the Buffalo Field Manager notified. Further discovery procedures are explained in the *Standard Conditions of Approval* (General) (A) (1).

The BLM completed formal consultation with the US Fish and Wildlife Service (Service) for impacts to listed species on Randall Prong POD (WY-070-05-251), Antelope Draw and West Antelope POD (WY-070-05-001) and Boxelder POD (WY-070-05-357). The project description for each consultation has been updated and reviewed by the Service to include this proposed action. No further consultation is needed.

### **Decision and Rationale on Action**

I have decided to implement the Hanging Woman Basin POD with the following Conditions of Approval (COAs):

#### **Site Specific Hanging Woman Basin:**

1. **All COAs applied to Randall Prong, West Antelope and Antelope Draw and Boxelder PODs shall apply to the Hanging Woman Basin POD development, production, and reclamation, unless otherwise specified.**
2. All changes made at the onsite will be followed. They have all been incorporated into the operator's plan of development.
3. A copy of the project map, conditions of approval, and engineer designs, where applicable, must be with the dirt operator at all times. Noncompliance will require construction to be shut in until the appropriate information is with the operator.
4. There needs to be a 20' vegetative buffer between the pit and the drainage for the 24-03 KB location.
5. The operator will drill seed on the contour to a depth of 0.5 inch, followed by cultipaction to compact the seedbed, preventing soil and seed losses. To maintain quality and purity, the current years tested, certified seed with a minimum germination rate of 80% and a minimum purity of 90% will be used. On BLM surface or in lieu of a different specific mix desired by the surface owner, use the following:

<b>Species – Cultivar</b>	<b>Full Seeding (lbs/ac PLS*)</b>
Western Wheatgrass <b>or</b> Thickspike Wheatgrass	3.0
Bluebunch Wheatgrass	3.0
Needle-and-Thread	3.0
Green Needlegrass	3.0
Globemallow	1.0
White or Purple Prairie Clover	1.0
Fourwing Saltbush	1.0
<b>Totals</b>	<b>15</b>

Slopes too steep for machinery may be hand broadcast and raked with twice the specified amount of seed. Complete fall seeding after September 15 and prior to prolonged ground frost. To be effective, complete spring seeding after the frost has left the ground and prior to May 15.

6. All earth moving activity in the following areas will be monitored by an archeologist who meets or exceeds the qualification standards recommended by the Secretary of the Interior. The Bureau has identified these areas as containing the potential for buried cultural deposits (areas containing deep alluvial deposits). The Bureau will require the submission of two copies of a monitoring report within 30 days of the completion of work.

#### **Wildlife**

1. No surface disturbing activity shall occur within ½ mile of all identified raptor nests from February 1 through July 31, annually, prior to a raptor nest occupancy survey for the current breeding season.

This timing stipulation will affect the following:

<b>Township/Range</b>	<b>Section</b>	<b>Affected Wells and Infrastructure</b>
58N 80W	21, 22, 24, 25	24-03, 24-01, 24-09, 24-11, 24-12, 25-01, 25-09, 25-11,
58N 79W	19, 20, 21, 22, 28, 29, 31, 35	19-01, 20-01, 20-11, 21-03, 21-01, 21-11, 21-09, 22-09, 28-01, 29-03, 31-09, 35-08

- a. Surveys to document nest occupancy shall be conducted by a biologist following BLM protocol, between April 15 and June 30. All survey results shall be submitted in writing to a Buffalo BLM biologist and approved prior to surface disturbing activities. Surveys outside this window may not depict nesting activity. If a survey identifies active raptor nests, a ½ mile timing buffer will be implemented. The timing buffer restricts surface disturbing activities within ½ mile of occupied raptor nests from February 1 to July 31.
- b. Nest productivity checks shall be completed for the first five years following project completion. The productivity checks shall be conducted no earlier than June 1 or later

than June 30 and any evidence of nesting success or production shall be recorded. Survey results will be submitted to a Buffalo BLM biologist in writing no later than July 31 of each survey year.

This applies to the nests on the attached table (Table 2 from Arcadus 2007)

2. If an undocumented raptor nest is located during project construction or operation, the Buffalo Field Office (307-684-1100) shall be notified within 24 hours.

Greater sage- and sharp-tailed grouse

3. No surface disturbing activities are permitted within 2 miles of a greater sage-grouse lek and 0.5 miles of a sharp-tailed grouse lek between March 1 and June 15, prior to completion of a lek surveys. This condition will be implemented on an annual basis for the duration of the drilling and construction activities.

This timing stipulation will affect the following:

<i>Lek Name Township/Range</i>	<i>Section</i>	<i>Affected Wells and Infrastructure</i>
<b>Sage-grouse</b>		
Antelope Draw I 58N 80W	25	T58N R80W sections 23 (except 23-03), Sections 24, 25, 26. T58N R79W sections 30, 31. Wells 58-80-27-01, 58-80-27-09, 58-80-22-09, 58-79-32-03,
NX Bar 10S 42E	4	58-80-19-03,
Hanging Woman 57N 79W	8	58-79-32-09, 58-79-33-11
Middle Fork- Hanging Woman 57N 79W	8	none
<b>Sharp-tailed grouse</b>		
NX Bar I 58N 81W	24	none
NX Bar III 58N 81W	23	none
Box Elder I 58N 81W	23	none
West Prong Hanging Woman 58N 79W	31	58-79-31-09

- a. If an active sage grouse lek is identified during the survey, the 2 mile timing restriction (March 1-June 15) will be applied and surface disturbing activities will not be permitted until after the nesting season. If surveys indicate that the identified lek is inactive during the current breeding season, surface disturbing activities may be permitted within the 2 mile buffer until the following breeding season (March 1). The required sage grouse survey will be conducted by a biologist following the most

current WGFD protocol. All survey results shall be submitted in writing to a Buffalo BLM biologist and approved prior to surface disturbing activities.

- b. Creation of raptor hunting perches will be avoided within 0.5-mile of documented sage grouse lek sites. Perch inhibitors will be installed to deter avian predators from preying on sage grouse.
- c. Well metering, maintenance and other site visits within 0.5 miles of documented sage grouse lek sites shall be minimized as much as possible during the breeding season (March 1– June 15), and restricted to between 0900 and 1500 hours.
- d. The Companies will locate facilities so that noise from the facilities at any nearby sage grouse or sharp-tailed grouse display grounds does not exceed 49 decibels (10 dBA above background noise) at the display ground.

#### Sharp-tailed grouse

- e. If an active lek is identified during the survey, the 0.64 mile timing restriction (March 1-June 15) will be applied and surface disturbing activities will not be permitted until after the nesting season. If surveys indicate that the identified lek is inactive during the current breeding season, surface disturbing activities may be permitted within the 0.5 mile buffer until the following breeding season (April 1). The required sharp-tailed grouse survey will be conducted by a biologist following WGFD protocol. All survey results shall be submitted in writing to a Buffalo BLM biologist and approved prior to surface disturbing activities.
  - f. Creation of raptor hunting perches will be avoided within 0.64 miles of documented sharp-tailed grouse lek sites. Perch inhibitors will be installed to deter avian predators from preying on grouse.
7. Any mitigation work, repairs or other maintenance outside the scope of the initially authorized action will require approval by the BLM Authorized Officer prior to the initiation of any work. The proposed actions will be submitted as a Sundry Notice (Form 3160-5) to the Buffalo Field Office of the BLM.

#### Hydrology

The proposed 41 CBNG wells are anticipated to produce 10 gallons per minute for a total of 410 gallons per minute. The produced water will be manifolded in existing water lines and distributed within the existing infrastructure consisting of off-channel pits, injection wells and managed irrigation through 3 center pivots. Five additional proposed and existing fee injection wells may receive federally-produced water and are as follows: 1) Nance 58-79-24-01 WIW (proposed); 2) Nance 58-79-26-01 WIW (proposed); 3) Nance 58-79-29-13 WIW (existing); 4) Nance 58-80-28-11 WIW (existing); and 5) Nance 58-80-20-12 WIW (proposed). All off-channel pits have either been bonded with the Wyoming Oil and Gas Conservation Commission (WOGCC) or the BLM.

The three existing center pivots using fee water are located in T58N, R80W, Sections 22, 27 and 28. The BLM is responsible for analyzing the proposed action using available data provided in the Water Management Plan (WMP) for the Plan of Development (POD), disclose potential impacts of the proposed action, and assure the appropriate permits are submitted. Management of LAD is critical to the success of the operation and cannot be totally analyzed and therefore the success or failure of the project is the responsibility of the owner of the irrigated lands, CBNG Operator, or its representatives and successors.

The above COAs and/or terms and conditions provide justification for this decision and may not be segregated from project implementation without further NEPA review. In addition, I have reviewed the plan conformance statement and have determined that the proposed activity is in

conformance with the applicable land use plan(s). Further, I have reviewed the proposal to ensure the appropriate exclusion category as described in Section 390 of the Energy Policy Act of 2005 has been correctly applied. It is my determination that no further environmental analysis is required.

**Implementation Date**

The above described action must be completed by 06/30/2010.

---

Chris E. Hanson  
Field Manager

---

Date

**Administrative Review or Appeal Opportunities**

This decision is subject to administrative review in accordance with 43 CFR 3165. Any request for administrative review of this decision must include information required under 43 CFR 3165.3(b) (State Director Review), including all supporting documentation. Such a request must be filed in writing with the State Director, Bureau of Land Management, P.O. Box 1828, Cheyenne, Wyoming 82003, no later than 20 business days after this Decision Record is received or considered to have been received.

Any party who is adversely affected by the State Director's decision may appeal that decision to the Interior Board of Land Appeals, as provided in 43 CFR 3165.4.

**Contact Person**

For additional information concerning this decision, contact:

Amy Shepperson  
Natural Resource Specialist  
Buffalo Field Office  
1425 Fort St. Buffalo, WY 82834  
(307) 684-1119