

3.0 REASONS FOR THE DECISION

The SEIS was prepared in response to the leaseholders' request to exercise the terms and conditions of their respective oil and gas leases in the project area. The environmental impacts of this ROD are fully disclosed in the SEIS. This ROD is in conformance with the Pinedale RMP (BLM, 1988). The establishment of the pipeline corridor is in conformance with the Pinedale RMP (BLM, 1988), the Green River RMP (BLM, 1997), and the Kemmerer RMP (BLM, 1986).

The environmental impacts of additional development within the PAPA are fully disclosed in the Final SEIS. The decision to approve natural gas development as described in the FEIS is in conformance with the Pinedale RMP (BLM, 1988) and the Proposed RMP and Final EIS (BLM, 2008). Implementation of this ROD will result in production of nationally significant natural gas resources consistent with the National Energy Policy (May 2001) and the National Energy Policy Act of 2005.

This ROD is based upon the analysis of a reasonable range of alternatives contained in the Final SEIS, the comments received on the proposed development, BLM policy, laws and directives concerning natural resource use for the benefit of the American people. This ROD is made in consideration of the public, local, state, and other federal agency input. In reaching this ROD, the following key issues were considered by BLM in making a decision consistent with its statutory mandate of ensuring multiple use of the public lands while balancing the associated impacts of those uses. Rationale for mitigation and actions to address each issue and reduce effects are presented.

The decision to implement Alternative D, as modified, provides the best balance of multiple uses within the PAPA, and will sustain the long-term yield of resources while promoting stability of local and regional economies, environmental integrity, and conservation of resources for future generations (NEPA Section 101 and FLPMA, Section 302). Alternative D, as modified, will provide for the management of the PAPA in a manner that allows for natural gas exploration and development while providing for mitigation of impacts on key resources, including air quality and wildlife.

3.1 SOCIOECONOMIC EFFECT

An issue of concern raised by the development of the PAPA as governed by the 2000 PAPA ROD is the influx of transient workers (those workers not maintaining permanent residence) and the ability of governmental agencies to address infrastructure shortfalls such as community support facilities, schools, hospitals and medical clinics, emergency services, housing, roads, and potable water and sewage treatment. Gas field employees express the desire to maintain permanent residence in the area, with their families, but are concerned about steady, continued employment opportunities in the PAPA. This ROD will allow for increased economic stability by reducing the number of transient workers necessary for development of the PAPA by allowing year-round operations in certain areas that would create non-seasonal jobs encouraging permanent workers to relocate to the area with their families.

Both project proponents and local government agencies identified potential revenues from tax dollars, royalties, and jobs associated with Alternative D as benefits to the state, county, and local communities. Strain on infrastructure, housing and lodging, transportation systems, fire protection services, law enforcement, and medical services were anticipated under all alternatives especially the full-field development alternatives. These issues are a major concern to local communities and governmental agencies. The Operators will provide 10-year rolling

forecasts of field development at the annual planning meetings. These forecasts will be made available to local government agencies to assist in planning efforts.

The Final SEIS identified several additional mitigation opportunities. The BLM is not requiring these additional mitigation measures as they are outside BLM's regulatory authority, but may support adoption through agencies that have regulatory authority.

3.2 TRANSPORTATION

Transportation issues arise as a result of the amount of traffic associated with development and production related activities. This ROD requires the use of liquids gathering systems to reduce the amount of truck traffic associated with production, which is expected to eliminate approximately 165,000 truck trips annually during peak production.

3.3 AIR QUALITY

Alternative D is preferable to the other alternatives because of the air quality mitigation component of this alternative. Air quality, particularly visibility and ozone, remains a concern of the BLM, Wyoming residents, cooperating agencies, and others. To address these concerns, this ROD requires continued monitoring and aggressive mitigation. This ROD is based upon mitigation developed jointly with the WDEQ and discussed in detail below and in the mitigation section of this ROD.

WDEQ-AQD announced on July 30, 2008, that evaluation of recent ozone monitoring data indicates Sublette County is not in compliance with the ozone standard. WDEQ-AQD has aggressively evaluated the elevated ozone levels in the past and secured voluntary compliance with industry to reduce volatile organic compounds (VOCs) and NO_x emissions. As an on-going effort, the state has developed additional strategies to further reduce ozone levels.

The industry's voluntary initiatives have been embraced by a number of companies. Examples of actions taken would include reducing emissions from drill rigs, retrofitting production equipment and redesigning systems to minimize/eliminate emission points, and the installation of a liquids gathering system.

The state is also pursuing a wide variety of measures to evaluate and reduce ozone levels. For example, WDEQ-AQD is proposing the adoption of stricter Best Available Control Technology (BACT) for the Jonah-Pinedale Development Area (JPDA) and other areas of concern. To supplement that, WDEQ-AQD will develop the technical capability to model the formation of ozone in the Upper Green River Basin. When that capability is in place, WDEQ-AQD will establish emission control strategies for VOCs and NO_x which are sufficient (with an adequate margin of safety) to prevent unhealthy ozone levels. Potential strategies include new permitting rules, retrofit rules, emission caps, and other actions to be determined.

To address episodic and elevated levels of ozone in the winter, the WDEQ-AQD has requested industry to develop contingency plans for short term reductions in VOCs and NO_x. WDEQ-AQD has informed BLM they intend to advise companies of the adequacy of their plans and if necessary, impose additional non-voluntary requirements.

As of July 21, 2008, WDEQ-AQD adopted a new permitting process for new sources in the Jonah Infill Drilling Project Area (JIDPA). All applicants will be required to demonstrate that their proposed facility will not prevent attainment or maintenance of air quality standards. Only upon

a satisfactory evaluation from WDEQ-AQD that the applicant meets these requirements will the new source permit be issued.

WDEQ-AQD's expanded strategy includes conducting an air toxics health assessment for Sublette County residents. In addition to the air toxics potential chemicals of concern, ozone exposure levels will be determined. Monitoring of these airborne chemicals will begin in November 2008. An Interim Risk Assessment will be available to the public in December 2008. Approximately August 2009, the draft final report will be ready for public review.

Other actions taken by WDEQ-AQD include cooperating with the University of Wyoming and having the University conduct an independent evaluation of ozone in Sublette County. WDEQ-AQD's own Southwest Wyoming Ambient Monitoring Network is undergoing a rigorous assessment and will likely result in monitor location changes as well as the addition of an ozone monitor in Pinedale. In early 2007, WDEQ-AQD initiated a study in the Upper Green River Valley to better understand the formation of ozone and ways to effectively manage those levels. That study is nearing completion with the draft report currently being written.

BLM is aware of WDEQ-AQD's current efforts to enforce the U.S. Environmental Protection Agency's (EPA's) new 8-hour ozone standard of 75 parts per billion (ppb) and plans to work closely with WDEQ-AQD to assure the PAPA does not prevent attainment of that standard. BLM acknowledges that project work will result in ozone formation. However, BLM is committed to assuring that any mitigation necessary to reduce the project's contribution to ozone concentrations will be implemented and that project emissions of ozone precursors will be below applicable regulatory standards, to the extent consistent with BLM's role as land manager and mineral lessor.

All of the above actions and developments leading up to the Final SEIS publication, as well as WDEQ-AQD's on-going regulatory efforts, have been carefully considered by BLM.

3.4 NATURAL GAS RECOVERY

The BLM has determined that Alternative D, as modified in this ROD, provides the necessary balance between oil and gas recovery and resource protection. Under this ROD, Operators will be able to reasonably achieve their proposed level of resource recovery over time, while providing for effective wildlife habitat and mitigation observed impacts.

3.5 GROUNDWATER RESOURCES

Protection of groundwater resources, especially sources of current and future drinking water, is a major issue. Detection of hydrocarbons in industrial water wells is a concern. Potential causes have been identified and mitigation measures have been suggested. BLM will continue to work with the regulatory agencies and the Operators to identify and mitigate causes of contamination. This ROD includes increased monitoring and mitigation to further protect groundwater resources.

3.6 WILDLIFE AND AQUATIC RESOURCES

Wildlife issues focus on the impacts of development in the PAPA resulting from direct habitat loss, indirect loss through animal avoidance of areas proximal to developments, and habitat fragmentation.

Relief from seasonal restrictions for mule deer and antelope crucial winter range and greater sage-grouse habitat is based upon this ROD affording equal or greater protection for the big

game and greater sage-grouse populations than those afforded by seasonal restrictions given the current level of development in the PAPA. Specifically, the decisions in this ROD are preferred because:

1. Seasonal restrictions do not preclude production activity, only development activity. This ROD will afford superior crucial winter range and greater sage-grouse habitat in the long-term through reducing disturbance, both to habitat and that caused by human presence, during the production phase. The long-term reduction in year-round human presence is due to a reduction in the number of well pads, the liquids gathering system and computer-assisted operations;
2. Relief from seasonal restrictions will allow for orderly systematic development afforded by such relief resulting in decreased development time and decreased time for commencement of well pad reclamation;
3. Relief from seasonal restrictions will maximize pad drilling to minimize the disturbance footprint and habitat fragmentation;
4. Acceptance of the offered voluntary lease suspensions to maintain existing wildlife habitat;
5. A Monitoring and Mitigation Fund that can be utilized to enhance or conserve wildlife habitat;
6. Implementation of the Wildlife Monitoring and Mitigation Matrix (Appendix B) to ensure that appropriate management actions are taken, if necessary.

The decision to grant relief is unique to the PAPA, specifically the Core Area and the PDAs and will not likely be appropriate for other areas because of the level of existing development, the leasehold patterns, and the unprecedented voluntary level of cooperation that the Operators have provided for this development plan.

Ultra, Shell, Anschutz, BP, Stone, Newfield, and Yates have offered to conduct no additional activity on certain leases in the Flanks of the PAPA for at least 5 years as shown in Map 3. This will collectively include 49,903 acres inside the PAPA of which 16,954 acres are within big game crucial winter range and 37,019 acres are within 2 miles of a greater sage-grouse lek. The SEIS acknowledged that habitat impacts will be substantial due to full field development. The mitigation strategy contained within this ROD includes limiting the spatial extent of development, reducing the number of pads needed to develop the resources, and reducing human presence through the use of liquids gathering systems and computer assisted operations. Further, this ROD includes a Wildlife Monitoring and Mitigation Matrix (Appendix B) that sets specific triggers for specific management responses. The Monitoring and Mitigation Fund will be used to implement appropriate projects, such as habitat improvements, to further mitigate impacts.