

**MODIFIED DECISION RECORD  
FOR  
Lance Oil & Gas Company Inc.'s  
Augusta Unit Zeta  
ENVIRONMENTAL ASSESSMENT –WY-070-08-154**

**BACKGROUND**

The December 8, 2009 Wyoming State Director Review (SDR) No. WY-2009-17, of the July 22, 2009 Decision Record for Lance Oil & Gas Company Inc.'s, Augusta Unit Zeta (AUZ) Plan of Development (POD) affirmed in part and remanded in part the Buffalo Field Office (BFO) manager's AUZ decision.

The State Director set aside the portions of the AUZ decision relative to cumulative impacts to elk, site visit limitations, and monthly elk observation reports. All other portions of the BFO's decision were affirmed.

On December 30, 2009 BLM posted a modification to the Augusta Unit Zeta coalbed natural gas (CBNG) plan of development (POD) Environmental Assessment (EA) for a 15 day public review and comment period. The purpose of the modification was to address the remanded portions of the July 22 decision as directed by the SDR (WY-2009-17). Five parties submitted comments including Powder River Basin Resource Coalition (PRBRC), Wyoming Game & Fish Department (WGFD), Biodiversity Conservation Alliance, Wyoming Outdoor Council (WOC) and Al Winters. The comments are listed and addressed in Attachment 3.

Revisions to the modified EA were also made in response to the public comments where appropriate, see Attachment 1.

**DECISION**

It is the BLMs decision to approve Alternative C as described in the attachments and authorize the following modifications to the remanded portions of Lance Oil & Gas Company Inc.'s AUZ CBNG POD:

**1. Cumulative Impacts to Elk**

EA section 4.2.1.1 Big Game Cumulative Effects is replaced by Attachment 1, Fortification Elk Cumulative Impact Assessment

Note: During the 2009 field season, BFO staff conducted field verification of “existing oil & gas roads” within the Fortification Creek elk yearlong range resulting in a revised roads layer and therefore a different security habitat assessment than the 2007 environmental report and the original Augusta Unit Zeta EA. View shed analysis utilizing the geographic information system (GIS) modeling with the best available data continue to be utilized by BLM to determine habitat effectiveness within the Fortification Creek elk yearlong range.

**2. Conditions of Approval Remanded**

The following COA has been removed: “Well metering, maintenance and other site visits will be restricted to 3 per week for the first six months, after the wells are completed. The company will be required to monitor frequency of site visits along with repairs made and problems identified resulting from the visits. The company will submit these reports to BLM at the end of every month. The BLM will use this data to determine the necessity of multiple monthly visits.”

The WSO decision states “We find that the COA does not adequately address important details as to how it would be implemented or enforced, and does not provide prudent safeguards to ensure protection of human health and the environment. The NEPA analysis does not adequately disclose potential adverse impacts from implementation of this COA, nor does it provide evidence that a limitation of no more than three “site visits” per week will benefit sage-grouse.”

Alternative mitigation measures to the above were considered however, none were determined to be effective and implementable.

The following COA has been removed: *“The operator will provide BLM with a proposed work schedule at the pre-construction meeting and a work summary report, due by the 12th of each month. The report shall summarize the work activities from the previous month, what activities were conducted, where the work was conducted, when the work was conducted, and any elk observations shall be recorded. The report shall also include the proposed activity schedule for the next month. The summary report shall be compared with the elk monitoring data to evaluate cause and affect relationships.”*

The WSO decision states that the COA is unreasonable and arbitrary and therefore is remanded. Alternative mitigation measures to the above were considered however, none were determined to be effective and implementable.

All affirmed portions of the original AUZ DR and EA remain in effect. Therefore, this decision is subject to adherence with all of the operating plans and mitigating measures contained in the master surface use plan of operations, drilling plan, water management plan, and information in individual APDs. This approval is also subject to operator compliance with all mitigation and monitoring requirements contained within the Powder River Oil and Gas Project Final Environmental Impact Statement and Resource Management Plan Amendment (PRB FEIS) approved April 30, 2003.

## **RATIONALE**

The decision to authorize the modified Alternative C is based on the following:

1. The modified EA addresses the remanded portions following the State Director’s review.
2. Alternative C will not result in any undue or unnecessary environmental degradation.
3. Site specific measures applied to Augusta Unit Zeta will lessen impacts to the Fortification Creek elk herd, in particular timing limitations on surface disturbing activities.
4. Elk displacement is anticipated to be temporary, with complete displacement during the drilling and construction phases, followed by 50% of the elk returning during the production phase.
5. The Fortification Creek elk herd population viability will not be adversely affected by this decision.
6. Elk are not a listed or sensitive species; regardless, the BLM has consulted with the WGFD to consider their objectives in managing this herd.
7. The elk herd is approximately 150% of the WGFD objective.
8. It is in the public interest to approve this development to help meet the nation’s future needs for energy reserves and reduce the U.S. dependence on foreign sources of energy. It also helps to stimulate local economies by maintaining stability for the workforce.
9. Approval of this alternative is in conformance with the PRB-FEIS, and the Approved Resource Management Plan for the Public Lands Administered by the Bureau of Land Management, Buffalo Field Office, April 2001 (refer to Appendix E of that document relative to adaptive management).

**ADMINISTRATIVE REVIEW AND APPEAL:** Under BLM regulations, 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.

*for* Paul Beels  
Field Manager, Buffalo Field Office

2/10/10  
Date