

**FINDING OF NO SIGNIFICANT IMPACT**  
**For**  
**Lance Oil and Gas Company Inc.'s**  
**Augusta Unit Zeta Plan of Development**

Based on the analysis of the potential environmental impacts, (see Attachment 1 – Fortification Elk Cumulative Impact Assessment and Attachment 2 – Augusta Unit Zeta Cumulative Impacts Under Each Alternative) and the application of mitigation measures for the Fortification Creek elk herd and greater sage-grouse, I have determined that NO significant impacts are expected from the implementation of the selected alternative, Alternative C, and, therefore, an environmental impact statement is not required.

Approval of Alternative C 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). This FONSI incorporates by reference the Augusta Unit Zeta Plan of Development Environmental Assessment (WY-070-08-154) and the 2007 Environmental Report: Coalbed Natural Gas Effects on the Fortification Creek Area Elk Herd.

**Response to Comments**

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 cumulative impacts to the Fortification Creek elk herd in more detail as directed in the Augusta Unit Zeta State Director Review (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.

**Previous Effects Analysis for the Fortification Elk Herd**

**2003 Powder River Basin Oil and Gas Project Final Environmental Impact Statement (PRB FEIS)**

The PRB FEIS considered cumulative impacts to elk within the Buffalo Field Office, but did not specifically address the isolated Fortification Creek elk herd with CBNG development forecasted throughout and completely surrounding the herd's seasonal ranges.

**2007 Environmental Report**

The 2007 Environmental Report identified past and present effects of road-building, oil and gas development and other activities on the elk herd and forecasted effects from full field 80-acre spacing development in the entire elk yearlong range. However, the 2007 report did not analyze the incremental effects of individually proposed development projects including potential mitigation measures and alternative development scenarios contemplated in site-specific environmental analyses.

**Augusta Unit Zeta POD Environmental Assessment WY-070-08-154**

The BLM Buffalo Field Office (BFO) issued a decision of Finding of No Significant Impact (FONSI) and Decision Record (DR) for the Augusta Unit Zeta Plan of Development (AUZ POD) Environmental Assessment (EA) on July 22, 2009. Wyoming State Office (WSO) BLM received two separate requests for State Director Review (SDR) in accordance with the regulations at 43 CFR 3165.3(b) from Lance Oil and Gas Company on August 19, 2009 and Powder River Basin Resource Council, Wyoming Outdoor Council, Wyoming Wildlife Federation, and National Wildlife Federation (PRBRC et al.) on August 21, 2009. The Augusta Unit Zeta State Director Review (WY-2009-17; part 3) decision issued November 30,

2009 set aside the portions of the BFO's July 22, 2009 decision with respect to cumulative impacts to elk, site visit limitations, and monthly elk observation reports. The WSO instructed BFO to remedy NEPA deficiencies identified. The Fortification Elk Cumulative Impact Assessment (Attachment 1) and Augusta Unit Zeta Cumulative Impacts under each Alternative (Attachment 2) address those NEPA deficiencies and replace Section 4.2.1.1 ("Big Game Cumulative Effects") on pages 58-59.

**Site specific measure applied to Augusta Unit Zeta to lessen impacts to the Fortification elk herd:** Surface disturbing activities will be restricted within identified elk critical winter range November 15 to April 30 and elk parturition range May 1 to June 30 for the life of the project.

Removal of the site specific measures "site visit limitation" and "elk observation report" which were applied to lessen impacts to and assist in monitoring of the Fortification Creek elk herd, will not result in a significant impact.

The Fortification Creek elk herd population managers, the Wyoming Game & Fish Department, verbally commented to the BLM that the security habitat threshold proposed in the Fortification Creek Draft RMP Amendment EA should not necessarily apply to the entire Elk Yearlong range. Population viability of the Fortification Creek elk herd will not be threatened by the projected impacts of the Augusta Unit Zeta POD.

Elk displacement is anticipated to be temporary, with complete displacement during the drilling and construction phases, followed by approximately 50% of the elk returning during the production phase. Mitigation measures were selected from the range of alternatives in this context to best meet the purpose and need for the proposed action. With the application of mitigation measures selected from Alternative C, population viability of the Fortification elk herd will not be compromised.

**Site specific measures applied to Augusta Unit Zeta to lessen impacts to greater sage-grouse:** Surface-disturbing activities will be restricted during sage-grouse breeding and nesting periods (March 1 to June 15). This condition will be implemented on an annual basis for the life of the project. See Appendix 1 to the EA for areas where the timing limitation stipulation applies.

The 2003 PRB-FEIS disclosed significant impacts to sage-grouse (pg. 4-270). Removing the site visit limitation will not result in impacts not previously disclosed and analyzed in the 2003 PRB-FEIS.

Removal of the site specific measure for "site visit limitation" to lessen impacts to sage-grouse will not result in impacts to sage-grouse not previously disclosed and analyzed in the 2003 PRB-FEIS. In conformance with Appendix E, *Record of Decision, Powder River Oil and Gas Project Environmental Impact Statement and Resource Management Plan Amendment* BLM Buffalo Field Office has initiated actions within the PRB FEIS analysis area in response to additional information regarding impacts to sage-grouse. These measures include:

1. Early initiation of a Resource Management Plan (RMP) revision, based on the evaluation of monitoring data generated under the mitigation monitoring and reporting plan (MMRP) in the PRB-FEIS Record of Decision.
2. Establishment of greater sage-grouse "focus" areas, encompassing approximately 1 million acres of sage-grouse habitat. These areas are managed under strict guidelines designed to preserve sage-grouse habitat for development of alternatives during the RMP process (Appendix 1).

3. Initiation of a population viability analysis in the Powder River Basin. This is a 24-month project involving the USGS, BLM Miles City Field Office, BLM Buffalo Field Office, and the University of Montana.
4. Development of alternatives that modify the proposed action to reflect the best available science in sage-grouse management.
5. Development of conditions of approval, specific to sage-grouse management, that incorporate some recommendations from recent research, the NE Local Sage-grouse Working Group, and the Petroleum Association of Wyoming.

The selected alternative incorporates components of the Wyoming Governor's Sage-Grouse Implementation Team's "core population area" strategy and executive order and local research to provide appropriate protections for sage-grouse, while meeting the purpose and need for the AUZ project (WYGF, 2009).

The selected alternative was developed with the recognition that: 1) many of the project components modified to minimize surface disturbance may also reduce impacts to elk and sage-grouse habitat; 2) portions of the analyzed alternatives may not correspond to the desires of the surface owner in the project area; and 3) appropriate local sage-grouse research and the best available science from across the species' range were incorporated in development of conditions of approval attached. The implementation of the selected alternative best meets the stated purpose and need for the proposed action. With the application of mitigating measures selected from Alternative C, sage-grouse population viability in the Powder River Basin will not be compromised.

**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.

*Paul Beels*  
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Field Manager, Buffalo Field Office

*2/10/10*  
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Date

- Attachment 1
- Attachment 2
- Attachment 3