

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

Willow Creek NC POD
Bill Barrett Corporation
WY-070-390CX3-10-196 - 225
Bureau of Land Management
Buffalo Field Office

Description of the Proposed Action

Bill Barrett Corporation proposes to develop thirty six (36) expired CBNG wells from the Willow Creek NC (No Change) Plan of Development (POD). The Willow Creek POD EA (WY-070-EA06-211) was approved 9/13/2006 and involved the development of 88 CBNG wells and associated infrastructure. The 88 wells were previously approved within the Willow Creek POD but have expired. Bill Barrett resubmitted 36 of the 88 APDs and related fees on 11/6/2010/ and are located as follows:

CX#	Well Name	Well #	Qtr	Sec	TWP	RNG	Lease #
WY070-CX10-196	FEDERAL	14-7	SWSW	7	45N	76W	WYW89851
WY070-CX10-197	FEDERAL	12-17	SWNW	17	45N	76W	WYW0266651
WY070-CX10-198	FEDERAL	14-17	SWSW	17	45N	76W	WYW0266651
WY070-CX10-199	FEDERAL	23-17	NESW	17	45N	76W	WYW0266651
WY070-CX10-200	FEDERAL	34-17	SWSE	17	45N	76W	WYW72455
WY070-CX10-201	FEDERAL	32-20	SWNE	20	45N	76W	WYW72455
WY070-CX10-203	FEDERAL	41-20	NENE	20	45N	76W	WYW72455
WY070-CX10-204	FEDERAL	43-20	NESE	20	45N	76W	WYW89860
WY070-CX10-205	FEDERAL	32-2	SWNE	2	45N	77W	WYW128454
WY070-CX10-206	FEDERAL	34-2	SWSE	2	45N	77W	WYW128454
WY070-CX10-207	FEDERAL	12-11	SWNW	11	45N	77W	WYW128464
WY070-CX10-208	FEDERAL	21-11	NENW	11	45N	77W	WYW128464
WY070-CX10-209	FEDERAL	32-11	SWNE	11	45N	77W	WYW128464
WY070-CX10-210	FEDERAL	34-11	SWSE	11	45N	77W	WYW128455
WY070-CX10-211	FEDERAL	41-11	NENE	11	45N	77W	WYW128464
WY070-CX10-212	FEDERAL	43-11	NESE	11	45N	77W	WYW128455
WY070-CX10-213	FEDERAL	12-13	SWNW	13	45N	77W	WYW89851
WY070-CX10-214	FEDERAL	14-13	SWSW	13	45N	77W	WYW146849
WY070-CX10-215	FEDERAL	21-13	NENW	13	45N	77W	WYW89851
WY070-CX10-216	FEDERAL	23-13	NESW	13	45N	77W	WYW146849
WY070-CX10-217	FEDERAL	32-13	SWNE	13	45N	77W	WYW128457
WY070-CX10-218	FEDERAL	34-13	SWSE	13	45N	77W	WYW128457
WY070-CX10-219	FEDERAL	41-13	NENE	13	45N	77W	WYW89851
WY070-CX10-220	FEDERAL	43-13	NESE	13	45N	77W	WYW128457
WY070-CX10-221	FEDERAL	12-14	SWNW	14	45N	77W	WYW0275187
WY070-CX10-222	FEDERAL	21-14	NENW	14	45N	77W	WYW0275187
WY070-CX10-223	FEDERAL	23-14	NESW	14	45N	77W	WYW0275187
WY070-CX10-224	FEDERAL	32-14	SWNE	14	45N	77W	WYW128455
WY070-CX10-225	FEDERAL	34-14	SWSE	14	45N	77W	WYW146849
WY070-CX10-226	FEDERAL	41-14	NENE	14	45N	77W	WYW128455
WY070-CX10-227	FEDERAL	43-14	NESE	14	45N	77W	WYW128455

WY070-CX10-228	FEDERAL	23-15	NESW	15	45N	77W	WYW89854
WY070-CX10-229	FEDERAL	41-15	NENE	15	45N	77W	WYW0275187
WY070-CX10-230	FEDERAL	32-24	SWNE	24	45N	77W	WYW146849
WY070-CX10-231	FEDERAL	41-24	NENE	24	45N	77W	WYW146849

The following well and associated gas line, waterline, power and access road listed below are deferred until the operator can demonstrate that a surface use agreement has been reached with John Christensen to the BLM. Upon the operator demonstrating that a surface use agreement has been reached the well will be approved accordingly:

CX#	Well Name	Well #	Qtr	Sec	TWP	RNG	Lease #
WY070-CX10-202	FEDERAL	34-20	SWSE	20	45N	76W	WYW89860

The following impoundment is deferred due to lack of impoundment bond. The impoundment cannot receive federal produced water until the operator has the impoundment properly bonded with the BLM.

Impoundment Name / Number	Existing/ New	BLM Identifier	Legal Description	Surface Owner/Mineral Lease Number
Diversion Dam	Existing	14-45-77 NESW	46N76W Section 14 NESW	Fee/WYW155664

The following impoundments, previously approved for use in association with the water management plan for the Willow Creek POD, are approved for use in association with the water management strategy for the 36 resubmitted Willow Creek NC POD wells:

Impoundment Name / Number	Existing/ New	BLM Identifier	Legal Description	Surface Owner/Mineral Lease Number
P2-1	New	2-45-77 NWSE	45N77W Section 2 NWSE	Fee/Fee
P3-1	New	3-45-77 SWSW	45N77W Section 3 SWSW	Fee/WYW128454
P10-1	New	10-45-77 NWNW	45N77W Section 10 NWNW	Fee/Fee
P24-1	New	24-45-77 NENW	45N77W Section 3 NENW	Fee/WYW89856
P30-1	New	30-46-76 NWSE	46N76W Section 30 SENW	Fee/WYW72471
P31-1	New	31-46-76 SWNW	46N76W Section 31 SWNW	Fee/WYW128456
EX 29-1	Existing	29-46-76 SEW	46N76W Section 30 SENW	Fee/Fee
EX 33-1	Existing	33-46-76 SEW	46N76W Section 30 SENW	Fee/Fee
P2969S Wilson Stock Reservoir	Existing	31-46-76 NESW	46N76W Section 31 NESW	Fee/Fee
P104435 Hood Draw Sec 25 Stock Reservoir	Existing	25-46-77 NWNE	46N76W Section 25 NWNE	Fee/WYW85361

Impoundment Name / Number	Existing/ New	BLM Identifier	Legal Description	Surface Owner/Mineral Lease Number
P8682R Parkman Disposal Reservoir	Existing	31-46-76 NWSW	46N76W Section 31 NWSW	Fee/Fee

The following rights-of-way are authorized with the approval of the Willow Creek NC Plan of Development:

WYW-169955 amendment #1 for road, water pipeline and buried power;

WYW-169956 amendment #1 for “up to 20 inch” gas pipeline; all in:

T. 45N., R. 77W., Sec. 2, Lots 6, 11; access, water, gas to serve wells 32-2 and 34-2.

Sec. 11, Lot 1, 9, 16; access, water, gas to serve 41-11 well

Sec. 12, Lot 4, 11, 14; water, gas

Sec. 13, Lots 3, 6, 11; access, water, gas to serve wells 21-13 and 23-13.

Sec. 14, Lots 1, 8, 10, 11, 12 access, water; 5, 11, 12 gas

Sec. 15, Lots 8, 9, 10, 11 for water and gas to serve 23-15 well.

Sec. 22, Lots 2, 3, 4, 5, 7 (access only)

T. 46N., R. 77W., Sec. 35, Lot 8, 9, 10, 15, 16 (access only)

All utility corridors will be installed adjacent to and parallel with access routes where they exist, or will exist in association with the above described authorizations. All authorized access, improved water and gas will not exceed a total width of 50 feet.

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 applicable Categorical Exclusion reference in Section 390 of the Energy Policy Act of 2005 is exclusion number (b)(3) which is *drilling an oil or gas well within a developed field for which an approved land use plan or any environmental document prepared pursuant to NEPA analyzed such drilling as a reasonably foreseeable activity, so long as such plan or document was approved within 5 years prior to the date of spudding the well.*

This document Willow Creek POD EA WY-070-EA06-211 has been reviewed and has been determined to consider potential environmental effects associated with the proposed activity at a site specific level.

The environmental assessment Willow Creek POD was approved on 9/13/2006 and identifies the Willow Creek POD as reasonably foreseeable.

Previous inventory:

A previously reviewed and accepted Class III cultural resource inventories 70060172 and 70060172A adequately covered the proposed project area. No cultural resources are in the area of potential effect. On 8/21/06 BJ Earle, BLM Archaeologist, electronically notified the Wyoming State Historic Preservation Office (SHPO) following section VI(A)(1) of the Wyoming State Protocol, of a finding of no effect for the proposed project.

The wildlife biologist has reviewed the proposal and determined that the Conditions of Approval from the Willow Creek POD are (1) consistent with the Final Environmental Impact Statement (WY-070-02-065) and programmatic biological opinion (ES-6-WY-07-F012) for the Powder River Basin Oil and Gas Project; and (2) effects to listed species have not changed from those analyzed in the POD consultation. Since the POD was approved, the US Fish and Wildlife Service listed Blowout Penstemon (*Penstemon haydenii*) as endangered. The project area was surveyed for suitable habitat in 2010. No suitable habitat exists in the project area and therefore the proposed action will not affect Blowout Penstemon.

Decision and Rationale on Action

I have decided to implement the following Conditions of Approval (COAs):

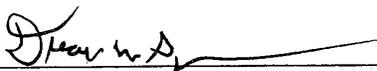
1. The operator will comply with all the COA's identified in the original Willow Creek POD and subsequent sundries for this POD.
2. A preconstruction onsite must be held with a BLM NRS (Eric Holborn(307) 684-1044) prior to any construction or drilling of the approved POD.
3. All infrastructure, including engineering slopes stakes, must be field staked prior the preconstruction meeting and construction of the project

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.

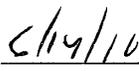
The above described action must be completed by 9/13/2011

Implementation Date

This project will be implemented on or after the below date.



 Duane W. Spencer
 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

Casey Freise

Supervisor Natural Resource Specialist,

Buffalo Field Office,

1425 Fort Street, Buffalo, WY 82834

(307) 684-1189