

DECISION RECORD
Denbury Onshore LLC HD2015 Plan of Development (POD)
Categorical Exclusion 3 (CX3), WY-070-390CX3-14-390 to -393
Bureau of Land Management, Buffalo Field Office, Wyoming

DECISION. The BLM approves the applications for permit to drill (APDs) from Denbury Onshore LLC (Denbury) to drill 3 wells and construct their associated infrastructure as described in the CX3 analysis, WY-070-390CX3-14-390 to -393 (exclusive of 390 which is deferred), all of which the BLM incorporates here by reference.

Compliance. This decision complies with:

- Federal Land Policy and Management Act of 1976 (FLPMA) (43 USC 1701); DOI Order 3310.
- National Environmental Policy Act of 1969 (NEPA) (42 USC 4321).
- National Historic Preservation Act of 1966 (16 USC 470).
- Endangered Species Act of 1974 (16 USC 1531).
- Powder River Basin Oil and Gas Project Final Environmental Impact Statements (FEIS), 2003.
- Buffalo Resource Management Plan (RMP) 1985, Amendments 2001, 2003, 2011.

A summary of the details of the approval follows. The CX3 analysis, WY-070-390CX3-15-390 to -393, includes the project description, including site-specific mitigation measures which are incorporated by reference into this CX3 from earlier analysis. The proposed wells are approximately 35 miles southwest of Gillette in Campbell County, Wyoming. The HD2015 POD proposal included 4 APDs to develop and produce oil and natural gas from the Shannon formation of the PRB. All wells are horizontal bores with 1 well per location.

Approvals. BLM approves the following 3 APDs and associated infrastructure:

#	Well Name	Well #	Qtr	Sec	Twp	Rng	Lease	CX Number
2	DENBURY HD 2015 HDU	4303H	SWSW	30	44N	74W	WYW42595	WY-070-390CX3-14-391
3	DENBURY HD 2015 HDU	5106H	SENE	10	45N	76W	WYW51703	WY-070-390CX3-14-392
4	DENBURY HD 2015 HDU	6294H	NWSE	29	46N	76W	WYW18925 A	WY-070-390CX3-14-393

Deferrals. BLM defers the decision on the following APD for reasons listed below in Limitations.

#	Well Name	Well #	Qtr	Sec	Twp	Rng	Lease	CX Number
1	DENBURY HD 2015 HDU	3126H	SENE	12	43N	75W	WYW66408	WY-070-390CX3-14-390

Limitations. BLM defers its decision on 1 APD since the compliance with Section 106 of the National Historic Preservation Act (NHPA) and the NEPA analysis is not complete and BLM cannot issue a final decision on the application. The proposed HDU3126H well has the potential to adversely impact the setting of the Pumpkin Buttes Traditional Cultural Property (TCP). BLM must continue the ongoing consultation with the Wyoming State Historic Preservation Officer (WYSHPO) and interested tribes to determine what steps may be necessary to resolve potential adverse effects to the Pumpkin Buttes TCP. Additional preparation for the analysis and consultation to determine how the project can proceed is necessary before BLM can issue a final decision. If Denbury Onshore LLC can assist BLM in organizing a meeting and potential field visits with the interested tribes, it will enable the BLM to continue with the Section 106 consultation process.

THE FINDING OF NO SIGNIFICANT IMPACT (FONSI). Congress, the Department of Interior and BLM affirmed there was no significant impact of a like-structured project when they created this CX3 and its limiting parameters. Thus a FONSI and an EIS is not required.

COMMENT OR NEW INFORMATION SUMMARY. There has been no new information or policies received since BLM's receipt of these APDs.

DECISION RATIONALE. The approval of this project is because:

1. Mitigation measures and COAs, analyzed in the CX3, in environmental impact statements or environmental analysis to which the CX3 tiers or incorporates by reference, will reduce environmental impacts while meeting the BLM's need.
2. The deferral of HDU3126H, CX 390 and its infrastructure allow Denbury and BLM additional time to develop design features and or acceptable mitigation to reduce impacts to the Pumpkin Buttes Traditional Cultural Properties. In addition to the deferral language, justification, and remedy provided above the deferrals are proper under the standard lease terms, the rationale in the Buffalo RMP, and Wyoming BLM policy.
3. The approved project conditioned by its design features and COAs, will not result in any undue or unnecessary environmental degradation. The impact of this development cumulatively contributes to the potential for local GSG extirpation yet its effect is acceptable because it is outside priority habitats and is within the parameters of the Powder River Basin (PRB) FEIS/ROD and current BLM and Wyoming GSG conservation strategies. There are no conflicts anticipated or demonstrated with current uses in the area. This decision approving the HD2015 POD complies with the Energy Policy Act of 2005, Section 390, 43 CFR 1610.5, 40 CFR 1508.4, and 43 CFR 46.215.
4. Approval of this project conforms to the terms and the conditions of the 1985 Buffalo RMP (BLM 1985), subsequent update (BLM 2001), and amendments (BLM 2003, 2011). This project complies with the breadth and constraints of CX3, Energy Policy Act of 2005, and subsequent policy.
5. The selected alternative will help meet the nation's energy need, revenues, and stimulate local economies by maintaining workforces.
6. The operator, in their POD, shall:
 - Comply with all applicable federal, state, and local laws and regulations.
 - They have offered water well agreements to the owners of record for permitted water wells within 0.5 mile of a federal producing well in the POD (PRB FEIS ROD, p. 7).
7. The project is clearly lacking in wilderness characteristics because it is amidst mineral development within a designated oil producing unit and there is no federal surface within the unit boundary.
8. This decision does not foreclose the lessee or operator to propose a new or supplementary plan for developing the federal oil and gas lease(s) in this project area, including submission of additional APDs to drain minerals in accord with lease rights and law.
9. Denbury certified there is a surface use access agreement with the landowners.
10. This approval is subject to adherence with all of the operating plans, design features, and mitigation measures contained in the master surface use plan of operations, drilling plan, water management plan, and information in individual APDs.

ADMINISTRATIVE APPEAL: This decision is subject to administrative appeal in accord with 43 CFR 3165. Request for administrative appeal 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.

Field Manager: _____ /s/ Duane W. Spencer

Date: _____ 2/3/15

Categorical Exclusion 3 (CX3), WY-070-390CX3-14-390 to WY-070-390CX3-14-393
Section 390, Energy Policy Act of 2005
Denbury Onshore, LLC, Denbury HD 2015 POD Plan of Development (POD)
Bureau of Land Management, Buffalo Field Office, Wyoming

Description of the Proposed Action

Denbury Onshore, LLC (Denbury or operator) proposes to drill 4 horizontal oil and gas wells and construct their associated infrastructure. The proposed wells are southwest of Gillette in Campbell and Johnson Counties, Wyoming (see Table 1.1 for legal descriptions). Denbury’s proposed development area is located within the existing Hartzog Draw Secondary Unit, an area of 35,495 acres. The area topography is relatively rugged terrain, with more moderate to level topography located between numerous ridges. To the south and west of the project area lie the Pumpkin Buttes. These major features are flat mesas formed by the weathering of resistant cap rock (White River formation). Pumpkin Buttes are visible from all locations in the proposed project and from most areas in the Powder River Basin (PRB). The Buttes rise over 700 feet above the surrounding prairie and dominate the landscape. The highest point in the area is west of the unit boundary at 6,052 feet above sea level at the top of the North Butte. The lowest point in the area is located to the north along a tributary to Pumpkin Creek at 4,800 feet above sea level. The proposal is to explore by drilling for, and possibly developing, oil and natural gas reserves in the Shannon formation at approximately 9,300 feet depth leased by Denbury.

Much of the project area has dissected uplands with eroded channels, created predominately by summer thunderstorms and spring runoff in ephemeral drainages with steep gradients and fine sediment substrate, which lead to the Powder River. Pumpkin Creek and numerous intermittent tributaries of the Powder River drain to the north and west, while Fourmile and Mud Spring Creeks drain the area to the east to the Belle Fourche River drainage. Tree and shrub species which consist mainly of sparse cottonwood trees with scattered juniper and dense sagebrush dominate the riparian areas. Rangeland livestock grazing and recreational hunting are the predominant surface uses. Dry land hay production fields are found in the southeast of the area. This area experienced historic conventional oil and gas exploration and production, and recent CBNG development, documented with environmental assessments (EAs). The area is in a 10-14 inch precipitation zone, with most of the precipitation falling during late winter and spring. Surface owners are Robert Christensen, Gilbertz Enterprises, and the Camblin Family Trust.

Denbury Onshore, LLC submitted the Denbury HD 2015 POD as notices of staking (NOSs) on June 18, 2014 to the BLM. After an onsite on July 22, 2014 the NOSs were converted to applications for permit to drill (APDs) on September 25, 2014. At the onsite, the area of the proposal was evaluated and modified as necessary to mitigate environmental impacts. The BLM sent a post-onsite letter to Denbury Onshore, LLC on July 23, 2014. The following Table 1.1 lists the people attending the onsite.

Table 1.1. Onsite Attendants

NAME	TITLE	AGENCY
Christi Haswell	Office Director/Project Manager	SWCA
Larry Bridger	Professional Engineer	Bridger Field Services
John Kluz	Production Foreman	Denbury
Kevin Anderson	Landman	Denbury
Teel Jensen	Drilling Denbury	Denbury Onshore, LLC
Mike Friend	Construction	Top Grade Excavation
Robert Christensen	Landowner	

NAME	TITLE	AGENCY
Tut Camblin	Landowner	
Chris Sheets	Wildlife Biologist	BLM
Kathy Brus	Sup. Natural Resource Specialist	BLM

BLM notified the operator of APD deficiencies October 10, 2014. Denbury resolved the deficiencies and the APDs were considered complete as of December 19, 2014.

The Denbury HD 2015 POD has 4 APDs to develop and produce oil and gas from the Shannon formation. All wells are horizontal bores. A list of proposed wells is in Table 1.2. All new wells will be included in the Hartzog Draw Unit WYW106544X.

Table 1.2. Proposed Wells

#	Well Name	Well #	Qtr	Sec	Twp	Rng	Surface Ownership	Vertical Lease	Lateral Leases
1	Denbury HD 2015	3126H	SENE	12	43N	75W	Fee	Federal	Federal
2	Denbury HD 2015	4303H	SWSW	30	44N	74W	Fee	Federal	Federal and Fee
3	Denbury HD 2015	5106H	SENE	10	45N	76W	Fee	Fee	Fee and Federal
4	Denbury HD 2015	6294H	NWSE	29	46N	76W	Fee	Federal	Federal and Fee

The fluid mineral leasing programs fall under the authority of the Mineral Leasing Act, the Federal Land Policy Management Act (FLPMA), and other laws and regulations. Appendices A and B contain required Conditions of Approval (COAs).

Appendix C contains Recommended Conditions of Approval (COAs), for 5106H well, as instructed in IM No. 2009-078. The jurisdiction for the 5106H well is fee surface with underlying fee minerals with the lateral producing from Federal minerals. BLM consults Instruction Memorandum (IM) No. 2009-078 entitled Processing Oil and Gas Applications for Permit to Drill for Directional Drilling into Federal Mineral Estate from Multiple-Well Pads on Non-Federal Surface and Mineral Estate Locations for processing applied to the Denbury HD 2015 5106H APD.

Table 1.3. Environmental Documents

#	Well Name	Well #	Qtr	Sec	Twp	Rng	Lease	CX Number
1	Denbury HD 2015	3126H	SENE	12	43N	75W	WYW66408	WY-070-390CX3-14-390
2	Denbury HD 2015	4303H	SWSW	30	44N	74W	WYW42595	WY-070-390CX3-14-391
3	Denbury HD 2015	5106H	SENE	10	45N	76W	WYW51703	WY-070-390CX3-14-392
4	Denbury HD 2015	6294H	NWSE	29	46N	76W	WYW18925A	WY-070-390CX3-14-393

Drilling, Construction & Production design features include:

- Denbury anticipates completing drilling and construction in 2 years. Drilling and construction is year-round in the region. Weather may cause delays, but delays rarely last multiple weeks. Timing limitations in the form of COAs and/or agreements with surface owners may impose longer temporal restrictions. The operator anticipates that estimated drilling duration will be approximately 40 days per well.

- A road network that will consist of existing improved all-weather roads, existing roads to be upgraded to all-weather improved roads, and proposed improved well access roads. The operator will use existing Hartzog Draw roads and private surface roads.
- There will be a closed loop mud system at the proposed wells during drilling and completion. Drill cuttings will be dried, solidified and buried at least 3 feet below surface in a cuttings pit on location.
- Hydraulic fracturing (HF) operations are planned. Completion flowback water will be held in tanks on location and trucked offsite to a disposal facility permitted for Denbury by the Wyoming Oil and Gas Conservation Commission (WOGCC).
- No off-site ancillary facilities are planned for this project. No staging areas, man camps/housing facilities are anticipated to be used off-site. Working trailers and sleeping trailers will be placed on the well pad during the drilling and completion of the well.
- If a well becomes a producer, production facilities at the well site will include a pumping unit. All storage tanks, buildings, oil-water separator (heater-treater) are existing and located at centralized facilities. There will be no production pits at producing oil well locations.
- Existing and proposed above ground power lines will be used if a well becomes a producer. Power will be provided by a combination of 3rd party contractor as well as Denbury owned infrastructure. It is anticipated that new construction of power will begin at the existing 3-phase overhead lines and continue adjacent to the well pads.
- Well pad disturbance during construction and drilling will total 20.42 acres (see disturbance summary table 1.4 below). Once a well is complete, Denbury will reclaim any area of the well pad not needed for production as interim reclamation.
- Typically, a Poseidon tank holding 10,000 barrels of water taking 2 weeks to fill, is constructed on location prior to pumping the stimulation. All HF water, including excess, is present before starting.
- Flowback equipment and tanks are spotted 2-3 days before pumping. Sand silos are spotted and filled 2-3 days prior to pumping.
- Sand is continuously brought on site in semi-truck loads during pumping. It is necessary to have a safe turning radius available for these trucks. Pumping water may require heating in the winter months.
- The average daily traffic (ADT) for the well construction is listed in Table 1.5 below

All locations require earthwork for creating sufficient area to complete the well. Denbury will then reduce the initial well site with interim reclamation. Individual well designs are in the individual APDs. The proposed size is necessary to safely accommodate the equipment necessary for an effective well completion.

Denbury HD 2015 POD wells will use existing infrastructure for Hartzog Draw Unit wells. For a detailed description of design features and construction practices associated with the proposed project, refer to the surface use plan (SUP) and drilling plan included with the APDs. Also see the subject APDs for maps showing the proposed well location and associated facilities described above. Total surface disturbance for the proposal is 32.07 acres.

Table 1.4. Disturbance Summary Denbury HD2015 POD:

Facility	Number or Miles	Factor	Disturbance
Engineered Pad	4 @ 450 ft x 350 ft	varies	20.42 acres
Improved Template Roads with Corridor	0.25 mile	50 ft width	1.54acres
Pipeline not in Corridor	1.54 miles	30 ft width	5.49 acres
Proposed Overhead Power-3rd Party	1.27 miles	30 ft width	4.63 acres
Total Short Term Surface Disturbance			32.07 acres
Engineered Pads	4 (~375 ft x 300 ft)	varies	9.50 acres
Improved Roads	0.25 miles	25 ft width	0.92 acres
Pipelines	Reclaimed	Pipelines	Reclaimed

Facility	Number or Miles	Factor	Disturbance
Proposed Overhead Power	1.27 miles	30 ft width	4.63 acres
Total Long Term (Interim) Surface Disturbance			15.05 acres

Table 1.5. Anticipated Drilling and Completion Sequence and Timing (per well)

Drilling and Completion Step	Approximate Duration	Daily Truck Traffic
Build location (roads, pad, and other initial infrastructure)	9 days	20 Semi, 15 pickup
Mobilize rig	8 days	30 semi, 20 pickup
Drilling (24/7)	38 days	20 semi, 15 pickup
Schedule/logistics for completion	5 days	
Completion (setup, completion, demobilization)	28days	15 semi, 15 pickup
Continuous Production Operations		2 pickup

Off Well Pad

Denbury will install buried pipelines to transport produced fluids from the well to a gathering trunkline and on to a centralized separation facility.

Denbury requires minimal overhead power installation from existing utility lines for the proposed wells. Denbury will propose any alternate to the power route via sundry application and BLM will analyze such proposal in a separate NEPA document. Denbury does not anticipate requiring the use of generators for this project.

Plan Conformance, Compliance, and Justification with the Energy Policy Act of 2005

The Energy Policy Act of 2005, Section 390(a) subjects oil or gas exploration or development to a rebuttable presumption that the use of a categorical exclusion under the National Environmental Policy Act (NEPA) applies. Thus BLM must use an Energy Policy Act, Section 390(b), CX unless BLM rebuts the presumption. While this CX analysis is categorically excluded from an EA or EIS or their analysis; it is not an exclusion from all analysis. (40 CFR 1508.4 and BLM H-1790, p. 17.) The proposal conforms with the terms and conditions of the approved Resource Management Plan (RMP) for the public lands administered by the BLM, BFO, (1985); it's amendments (2001, 2003, 2011) and the PRB FEIS Record of Decision (ROD) (2003) as required by 43 CFR 1610.5, 40 CFR 1508.4, and 43 CFR 46.215. The Denbury HD 2015 POD and area are clearly lacking in wilderness characteristics as they lack federal surface and are amidst an oil and gas secondary recovery unit. BLM finds that the conditions and environmental effects found in the senior EA (Denbury HD 2014 POD, WY-070-14-188) and PRB FEIS remain valid. The applicable categorical exclusion from the Energy Policy Act of 2005, Section 390, 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.*

BLM has 3 requirements to use a Section 390 CX3, (BLM H-1790, Appendix 2, #3, p. 143):

- 1) The proposed APD is in a developed oil or gas field (any field with a completed confirmation well).

Table 1.6 is a list of NEPA analysis that are within or adjacent to the Denbury HD 2015 POD project area. This information shows that BLM conducted analysis and BLM incorporates these here by reference.

Table 1.6. Overlapping NEPA Analyses by Decision Date

#	POD / Well Name	NEPA Analysis #	#/ Type Wells	Mo/Yr
1	Denbury HD 2014 POD	WY-070-14-188	5 Oil Wells	05-22-14

See also: SDR WY-2013-005, particularly noting pp. 2-3, incorporating the entirety here by reference.

- 2) Reasonably foreseeable activity (RFA) is found in the Denbury HD 2014 POD Environmental Assessment (EA) WY-070-14-188, May 22, 2014. The Denbury HD 2015 POD will fill-in to approved unit spacing. BLM also notes from Table 1.3, above, that of the 5 analyzed APDs, none are drilled; thus the undrilled, analyzed APDs contribute to the available RFA for this CX3 analysis. The RFA for this analysis area includes the Hartzog Draw Secondary Unit spacing and possible infill drilling for horizontal. (This does not preclude the spacing analysis in the PRB FEIS further reducing the surface disturbance per well.) The Denbury HD 2014 POD analysis area is within 4 miles of the proposed wells.
- 3) The tiered NEPA document was finalized or supplemented within 5 years of spudding (drilling) the proposed wells. This Denbury HD 2015 POD CX3 tiers to the NEPA analyses in the Denbury HD 2014 POD, WY-070-14-188.

In summary, the analysis in Table 1.6, analyzed in detail the anticipated direct, indirect, residual, and cumulative effects that would result from the approval of these APDs and associated support structure. The current action is similar to both the qualitative and quantitative analysis in the tiered-to and incorporated NEPA analysis. The BLM reviewed the analysis and found that the analysis considered potential environmental effects associated with the proposal at a site specific level. The Denbury HD 2014 POD APDs' surface use and drilling plans are incorporated here by reference and show adequate protection of surface lands and ground water, including the Fox Hills Formation. The proposal's acres of surface disturbances are within the analysis parameters of the PRB FEIS.

Plan of Operations

The proposal conforms to all Bureau standards and incorporates appropriate best management practices, required and designed mitigation measures determined to reduce the effects on the environment. BLM reviewed and approved a surface use plan of operations describing all proposed surface-disturbing activities pursuant to Section 17 of the Mineral Leasing Act, as amended. This CX3 analysis also incorporates and analyzes the implementation of committed mitigation measures contained in the SUP, drilling plan, in addition to the Standard COAs found in the PRB FEIS ROD, Appendix A.

Soils/ Vegetation

Impacts anticipated and mitigation considered with the implementation of the proposals will be similar to those analyzed in the following EA which is adjacent to or overlapping to this proposal, is substantially similar, and is incorporated here by reference: Denbury HD 2014 POD, WY-070-14-188 Section 3.2 and 4.2.

Water Resources

The historical use for groundwater in this area is stock or domestic water. A search of the WSEO Ground Water Rights Database showed 16 registered stock and domestic water wells within 1 mile of the proposed wells in the project area with depths ranging from 20 to 1,925 feet. For additional information on groundwater, refer to the PRB FEIS, pp. 3-1 to 3-36. Adherence to the drilling COAs, the setting of casing at appropriate depths, following safe remedial procedures in the event of casing failure, and using proper cementing procedures should protect any fresh water aquifers above the target coal zone. This will ensure that ground water will not be adversely impacted by well drilling and completion operations. The Fox Hills, the deepest penetrated fresh water zone in the PRB at depths ranging from 6,797 to 7,123 feet, lies well above the target formation (Shannon at 9,300 ft). The operator will verify that there is competent cement across the aquifer, from 100 feet above to 100 feet below the Fox Hills Formation.

At the time of permitting, the volume of water that will be produced in association with these federal minerals is unknown. The operator will have to produce a well for a time to be able to estimate the water production. In order to comply with the requirements of Onshore Oil and Gas Order #7, Disposal of Produced Water, the operator will submit a Sundry to the BLM within 90 days of first production which includes a representative water analysis as well as the proposal for water management.

Historically, the quality of water produced in association with conventional oil and gas has been such that surface discharge would not be possible without treatment. Initial water production is quite low in most cases. There are three common alternatives for water management: Re-injection, deep disposal or disposal into pits. All alternatives would be protective of groundwater resources when performed in compliance with state and federal regulations.

Wetlands/ Riparian

No wetlands/ riparian areas in the project area will be impacted by the development of these wells.

Other Leasable and Locatable Minerals

The project area is over and amidst uranium mineral leases. The Fort Union and the Wasatch Formations are the most important uranium-bearing formations in the PRB and are less than 800 feet deep. Uranium recovery has surface disturbance for the construction of surface facilities, roads, well fields, utilities, and pipelines, and include top soil removal, land grading, and interim reclamation. Presently there is no active uranium development within the unit boundary. However, adjacent to the west there are several existing and proposed insitu recovery mines. Direct and indirect effects, cumulative effects, mitigation measures, and residual effects are found in the HD2014 POD EA, WY-070-EA14-188, pg. 14-16, incorporated here by reference – and BLM anticipates similar effects for this proposal.

Invasive Species

Impacts anticipated and mitigation considered with the implementation of the proposals will be similar to those analyzed in the EA which are adjacent or overlapping to this proposal, has substantially similar characteristics, and is incorporated here by reference: HD2014 POD EA, WY-070-EA14-188, pp 1-2, 16.

Wildlife

BLM reviewed the proposals and determined that the proposed APDs, combined with the COAs (and design features), are: (1) consistent with the PRB FEIS, the RMP, and the HD2014 POD EA; and (2) consistent with the programmatic biological opinion (ES-6-WY-02-F006), from the PRB FEIS, Appendix K. A formal wildlife survey was performed by Wildlife Resources LLC (Wildlife Resources LLC July 16, 2014) which identified potential wildlife impacts. The affected environment and environmental consequences for wildlife are discussed in, and anticipated to be similar to, the documents listed in Table 1.6 above. Rationale for species not discussed here is found in Wildlife Effect Table in the administrative record.

Raptors

Impacts to raptors from surface disturbing and disruptive activities associated with development of conventional oil wells were analyzed in the Denbury HD 2014 POD, WY-070-14-188 and is incorporated here by reference. Activities associated with development of the proposed wells listed in Table 1.1 are anticipated to be similar in nature, with the following additional site-specific information. Most raptor species nest in a variety of habitats including (but not limited to): native and non-native grasslands, agricultural lands, live and dead trees, cliff faces, rock outcrops, and tree cavities. Suitable nesting habitat is present in the project area. Raptor species known or suspected to occur in the area include golden eagle, northern harrier, Swainson's hawk, American kestrel, short-eared owl, great horned owl, red-tailed hawk, western burrowing owl (SSS), ferruginous hawk (SSS), and rough-legged hawk (winter resident).

According to the BLM raptor database, there are 11 documented raptor nests of importance within 0.5 miles of the POD boundary, 4 of which have been active in the last 3 years.

The proposal area is currently experiencing elevated levels of anthropogenic activity due to the presence of existing oil and gas developments. In addition to this, the implementation of the proposal would have additive impacts to raptors, especially where no biological buffering is present and/or where multiple proposed wells and their associated infrastructure would be within 0.5 miles of documented nesting habitats. The presence of existing activities and future developments in the area may act synergistically and compound the negative impacts to raptors. This is interdependent on the species, nest histories, timing of activities and location of existing and future oil and gas infrastructures.

Site-specific analyses for wells and infrastructure that will impact nesting raptors are discussed below.

Site Specific Analysis for the Proposed Wells:

Denbury HD 2015 5106H - The proposed location resides within 0.5 miles of nest numbers 10611, and 8382. These nests are in an area currently experiencing elevated levels of anthropogenic disturbances due to ranching and oil and gas activities. Both nests are also out of line of sight of the proposed location. The two identified nests are documented as red-tailed hawk nests and have been observed as active intermittently in the past. A COA for to protect nesting raptors will not be applied due to lack of surface jurisdiction by the BLM although a timing restriction will be recommended. If the restriction is honored, impacts may only be marginal due to the identified species and presence of adequate biological buffering.

Cultural

In accordance with section 106 of the National Historic Preservation Act, BLM must consider impacts to historic properties (sites that are eligible for or listed on the National Register of Historic Places (NRHP)). For an overview of cultural resources that are generally found within BFO the reader is referred to the *Draft Cultural Class I Regional Overview, Buffalo Field Office* (BLM, 2010). Class III (intensive) cultural resource inventory (BFO project no. 7070150002, 70150003, 70150030) was performed in order to locate specific historic properties which may be impacted by the proposed project. Previously accepted Class III inventory (70050202, 70070018) covered the remainder of the project area. The following resources are located in or near the proposed project area.

Cultural Resources Located In or Near the Project Area

Site Number	Site Type	NRHP Eligibility
48CA2300	Prehistoric	NE
48CA268	Prehistoric	E

The Pumpkin Buttes (48CA268) are a series of four prominent buttes which are eligible for the National Register, and have also been determined by the Bureau (in consultation with 15 tribes and the Wyoming SHPO) to be a Traditional Cultural Property (TCP). A TCP is a historic property that is directly associated with cultural practices or beliefs of a community that are rooted in that community's history and are important in maintaining their continuing cultural identity. The Bureau determined that the buttes are a TCP and established a boundary for the site in consultation with the tribes and SHPO. The site boundary is based on topographic lines, varying in elevation from butte to butte.

BLM policy states that a decision maker’s first choice should be avoidance of historic properties (BLM Manual 8140.06(C)). If historic properties cannot be avoided, mitigation measures must be applied to

resolve the adverse effect. No historic properties will be impacted by the proposed HDU #4303H, HDU #5106H and the HDU #6294H projects. Following the *State Protocol Between the Wyoming Bureau of Land Management State Director and The Wyoming State Historic Preservation Officer*, Section V(E)(iv), the Bureau of Land Management electronically notified the Wyoming State Historic Preservation Officer (SHPO) on 12/29/14 that no historic properties exist within the area of potential effect (APE). If any cultural values (sites, features or artifacts) are observed during operation, they will be left intact and the Buffalo Field Manager notified. If human remains are noted, the procedures described in Appendix L of the PRB FEIS must be followed. Further discovery procedures are explained in Standard COA (General)(A)(1) and in Appendix K of the Wyoming Protocol.

BLM defers its decision on the HDU #3126H APD since the compliance with Section 106 of the National Historic Preservation Act (NHPA) and the NEPA analysis is not complete and BLM cannot issue a final decision on the application. The proposed HDU #3126H well has the potential to adversely impact the setting of the Pumpkin Buttes Traditional Cultural Property (TCP). BLM must continue the ongoing consultation with the Wyoming State Historic Preservation Officer (WYSHPO) and interested tribes to determine what steps may be necessary to resolve potential adverse effects to the Pumpkin Buttes TCP. Additional preparation for the analysis and consultation to determine how the project can proceed is necessary before BLM can issue a final decision.

List of Preparers: Persons and Agencies Consulted (BFO unless otherwise noted)

Position/Organization	Name	Position/Organization	Name
NRS/Team Lead	Kathy Brus	Archaeologist	Seth Lambert
Supr NRS	Casey Freise	Wildlife Biologist	Chris Sheets
Petroleum Engineer	Matt Warren	Geologist	Kerry Aggen
LIE	Sharon Soule	Assistant Field Manager	Chris Durham
LA	Lois Jenkins	NEPA Coordinator	Tom Bills
Assistant Field Manager	Clark Bennett		

Decision and Rationale on the Proposal.

The COAs provide mitigation and further the justification for this decision and may not be segregated from project implementation without further NEPA review. I reviewed the plan conformance statement and determined that the proposed Denbury HD 2015 POD CX3 APD and infrastructure conform to the applicable land use plan, 43 CFR 1610.5, 40 CFR 1508.4, and 43 CFR 46.215. I reviewed the proposal to ensure the appropriate exclusion category as described in Section 390 of the Energy Policy Act of 2005 is correct. I determined that there is no requirement for further environmental analysis.

/s/ Duane W. Spencer
Field Manager

2/3/15
Signature Date

Contact Person, Kathy Brus, Supervisory Natural Resource Specialist, Buffalo Field Office, 1425 Fort Street, Buffalo WY 82834, 307-684-1100.