

DECISION RECORD
Devon Energy Production Company, L.P., Little Buffalo 3 POD
Categorical Exclusion 3 (CX3), WY-070-390CX3-14-265 to WY-070-390CX3-14-268
Bureau of Land Management, Buffalo Field Office, Wyoming

DECISION. BLM approves applications for permit to drill (APDs) from Devon Energy Production Co, LP (Devon) to drill, complete, and equip 4 horizontal oil and gas wells to develop federal minerals in the Devon Little Buffalo 3 Plan of Development (POD) on 8 federal leases (WYW120439, WYW107239, WYW0197388, WYW0143820, WYW134882, WYW0316906, WYW0241794, WYW0241798); see Table 1 – Devon Little Buffalo 3 POD Well List, below). The Minnelusa Formation is targeted at an average depth of 12,800 feet below surface and the Turner Formation is targeted at an average depth of 10, 600 feet below the surface.

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).
- Buffalo and Powder River Basin Final Environmental Impact Statements (FEIS), 1985, 2003 (2011).
- Buffalo Resource Management Plan (RMP) 1985, Amendments 2001, 2003, 2011.

Consultation.

- BLM Washington Office Instruction Memorandum No. 2009-078, Processing Oil and Gas Application for Permit to Drill for Directional Drilling into Federal Mineral Estate from Multiple-Well Pads on Non-Federal Surface and Mineral Locations, 2009.
- Wyoming BLM State Director Review, SDR No. WY-2011-010, EOG Resources, Inc. v. Pinedale Field Office, 2011.

A summary of the details of the approval follows. The consolidated CX3 analysis, WY-070-390CX3-14-265 to WY-070-390CX3-14-268, includes the project description, including site-specific mitigation measures. Mitigation measures include the conditions of approval (COAs).

Approvals. BLM approves 4 APDs, their infrastructure, at surface hole (SHL) & bottom hole (BHL).

#	Well Name, #, & Pad	SHL Qtr Sec Twn Rng	Mineral Ownership			CX3 #: WY-070-390CX3-
			@ SHL	@ Lateral	@ BHL	
1	Little Buffalo Ranch Fed 28-214473-1XTH (Pad A)	SWSW 28 44N 73W	Fee	Fee; WYW107239 WYW0197388	WYW0197388	14-267
2	Marquiss Fed 214473-1MNV (Pad B)	NWNE 21 44N 73W	WYW0143820			14-265
3	State Marquiss Fed 21-284473-3XTH (Pad C)	SESE 16 44N 73W	State	WYW0143820; Fee; WYW120439 WYW134882	WYW120439	14-268
4	Marquiss Fed 27-224473-3XTH (Pad D)	SWSE 27 44N 73W	WYW0316906	WYW0316906; Fee; WYW0241794; WYW0241798	Fee	14-266

Limitations. See COAs and recommended mitigation measures (RMMs).

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 analysis process and its limiting parameters. Thus a FONSI and an EIS is not required.

NEW INFORMATION SUMMARY. Since the filing of this CX3 proposal BFO received no new or clarified BLM and BLM WY policies appropriate to processing these APDs.

DECISION RATIONALE. The approval of this project is because:

1. Mitigation measures and COAs, analyzed in the consolidated CX3, in environmental impact statements or environmental analysis to which the CX3 analysis tiers or incorporates by reference, will reduce environmental impacts while meeting the BLM's need.
2. 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 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 Little Buffalo 3 POD complies with the Energy Policy Act of 2005, Section 390, 43 CFR 1610.5, 40 CFR 1508.4, and 43 CFR 46.215.
3. Approval of this project conforms to the terms and the conditions of the 1985 Buffalo RMP (BLM 1985) and 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.
4. The selected alternative will help meet the nation's energy need, revenues, and stimulate local economies by maintaining workforces.
5. The operator, in their POD, shall:
 - Comply with all applicable federal, state, and local laws and regulations.
 - Offer 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).
6. The project is clearly lacking in wilderness characteristics because it lacks federal surface.
7. Devon certified there is a surface use access agreement with the landowners. Applicable to the Little Buffalo Ranch Fed 28-214473-1XTH and State Marquiss Fed 21-284473-3XTH: The operator provided the BLM a true and complete copy of a document in which the owner of the surface authorizes the operator to drill a federal well from non-federal lands, and in which the surface owner or representative guarantees the Department of the Interior, including BLM, access to the non-federal lands to perform all necessary surveys and inspections. (See BLM WO Instruction Memorandum No. 2009-078, p. 2, para 6).
8. 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: 5/28/14

Categorical Exclusion 3 (CX3), WY-070-390CX3-14-265 to WY-070-390CX3-14-268
Applications for Permit to Drill (APDs)
Devon Energy Production Company, L.P., Little Buffalo 3 POD
Bureau of Land Management, Buffalo Field Office, Wyoming

Description of the Proposed Action.

Devon Energy Production Co, LP (Devon) proposes to drill, complete, and equip 4 horizontal oil and gas wells to develop federal minerals in the Devon Little Buffalo 3 Plan of Development (POD) draining 8 federal leases; see Table 1, below). The Minnelusa Formation is targeted at an average depth of 12,800 feet below surface and the Turner Formation is targeted at an average depth of 10, 600 feet below the surface. Devon planned this project with input from the landowners and BLM to minimize surface disturbance and the environmental impacts.

Table 1. Well, Pad, and Lease Jurisdiction (Surface hole (SHL), Bottom hole Lease (BHL))

#	Well Name, #, & Pad	SHL Qtr Sec Twn Rng	Mineral Ownership			CX3 #: WY-070-390CX3-
			@ SHL	@ Lateral	@ BHL	
1	Little Buffalo Ranch Fed 28-214473-1XTH (Pad A)	SWSW 28 44N 73W	Fee	Fee; WYW107239 WYW0197388	WYW0197388	14-267
2	Marquiss Fed 214473-1MNV (Pad B)	NWNE 21 44N 73W	WYW0143820			14-265
3	State Marquiss Fed 21-284473-3XTH (Pad C)	SESE 16 44N 73W	State	WYW0143820; Fee; WYW120439 WYW134882	WYW120439	14-268
4	Marquiss Fed 27-224473-3XTH (Pad D)	SWSE 27 44N 73W	WYW0316906	WYW0316906; Fee; WYW0241794; WYW0241798	Fee	14-266

Two wells on two of the pads, administrative numbers 2 and 4 in Table 1, above, have spilt jurisdiction – fee surface overlying federal minerals. The remaining 2 wells are subject to reduced jurisdiction – fee / fee/ (or precisely, non-federal / non-federal) then horizontally draining federal minerals. BLM performed onsite inspections through November 25, 2013.

The proposal is in the semiarid Powder River Basin (PRB); characterized by rolling hills divided by ephemeral drainages. Oil and gas development and livestock production are the primary area land uses. In addition, to the active oil and gas field, the area in and surrounding the POD is a working livestock operation with cattle and bison grazing. Wildlife is also managed on the properties for sporting purposes. According to the Wyoming Oil and Gas Conservation Commission (WOGCC) webpage in November of 2013, there were 76 well permits (not including the proposed permits) within a 1-mile radius of the POD.

To access the Little Buffalo 3 POD from Gillette, Wyoming, travel 42 miles south on WY Highway 50, turning east onto Moore Road (Campbell County Road (CCR) 78).

1. Turn south onto Clarkelen Road (CCR 22) and travel 0.8 mile to an existing improved access in Lot 13 (NWSW) of Section 30 T44N-R73W
2. Turn east onto the existing improved access and follow it to the Little Buffalo 3 POD locations.

Proposal area elevations range from 4,979 feet to 5,209 feet. The average maximum temperature is 34.2 degrees Fahrenheit in January and 85.5 degrees Fahrenheit in July. Mean annual precipitation is 13.67 inches at the Wright 12 W Weather Station (WRCC, 2012).

Location and Types of Water Supply:

Fresh water used for drilling and cementing will be obtained from outside the POD and hauled to location

by transport truck using the existing and proposed roads or by the 12 inch surface polyline shown in Maps A and C of the Little Buffalo 3 POD, Surface Use Plan of Operations (SUPO); see administrative record (AR). Devon plans to obtain fresh water from the House Creek Middle Plant Industrial Water Well (SEO Permit # P119587W) drilled to the Fox Hills Formation and located in the SESE, Section 22, Township 44 North, Range 73 West. A water analysis from the House Creek Middle Plant Water Well is shown as Attachment E (AR). The House Creek Middle Plant Water Supply well is 3,440-6,000 feet deep; whereas the domestic and stock water wells in the area are 50-700 feet deep.

Devon plans an estimated 10,000 bbls of water will be required for drilling the vertical well and 30,000 bbls of water will be required for drilling each extended reach lateral. Devon estimates 30,000 to 70,000 barrels of water will be required to hydraulically fracture (HF) the Little Buffalo 3 POD extended reach lateral wells. See below. (Using extended reach laterals greatly reduces surface disturbance in reducing the number of wells to achieve the same or similar mineral drainage.)

Extended Reach Laterals

1. Little Buffalo Ranch Fed 28-214473-1XTH
2. State Marquiss Fed 21-284473-3XTH
3. Marquiss Fed 27-224473-3XTH

Hydraulic Stimulation- Little Buffalo 3 POD:

Devon will use an existing earthen fresh water supply pit (Little Buffalo Frac Pit) that was built to service the Little Buffalo Ranch 304473-3TH fee well and used in the Little Buffalo 2 POD and Oedekoven Brown Fed 124474-3TH project. Devon's Little Buffalo Frac Pit has an approved Sundry Notice Form 3160-5 allowing Devon to use the Little Buffalo Frac Pit to service the wells in the Little Buffalo 2 POD and Oedekoven Brown Fed 124474-3TH projects. Devon plans using the Little Buffalo Frac Pit to service the Little Buffalo 3 POD wells and store the fresh water used in the HF of the Little Buffalo 3 POD.

Devon permitted the Little Buffalo Frac Pit with the WOGCC. The permit for the Little Buffalo Frac Pit, including the earthen pit cut and fill design and layout, is in Figure 5; and the approved permit and reclamation bond posted with the WOGCC, is Attachment E of the Little Buffalo 3 POD books; (AR).

By using a central fresh water storage pit for all well drilled in the area, Devon will avoid unnecessary additional disturbance and will not have to construct multiple fresh water storage pits in the future. Thus, the fresh water supply pit may be open for as long as 3 years prior to beginning reclamation operations. The Little Buffalo Frac Pit, and the proposed surface lines are on maps A, C, and D in the Little Buffalo 3 POD books; (AR).

Devon will use 30,670 feet of 12 inch surface poly line to supply Little Buffalo 3 POD well locations. Devon will use an existing fresh water supply pit to store the fresh water used in the HF of the Little Buffalo 3 POD wells. The existing fresh water supply pit is shown on Maps A and C in the Little Buffalo 3 POD. Devon plans using this arrangement in all 4 APDs.

The 12 inch polyline will only be in place for about 3 months in order to facilitate completion operations of Little Buffalo 3 POD wells. Per Surface Use Plan of Operations p. 10; AR: Devon will construct dirt berms across the polyline, or lift the line several inches at the interval designated by the BLM, in order to facilitate movement of small mammals over the line. There is no feasible way to secure the line so that it does not move across the landscape. When the pipe is empty, it will move slightly, but will straighten again when water is pushed through it. To compensate for the slight movement of the line, Devon is estimating a large width of disturbance on the surface of 30 feet.

In addition to the fresh water storage pit, Devon will require 12-20 500 bbl HF masters on location during well completions. The frac masters lay lengthwise on location and are used for the storage and mixing of chemicals, storage of flow back water, and they are used as a storage vessel to heat the water just prior to pumping it downhole. Devon employs a third party contractor to manage and dispose of all flow back water and fluids produced as a result of well completion activities. All fluids are disposed in one of the WY Department of Environmental Quality (WDEQ) permitted and authorized facilities listed on pp. 7-8 of the Little Buffalo 3 POD SUPO; (AR). The alternative to an earthen pit is hauling in 80-100, 400 bbls tanks to set on the location. The disadvantages to tanks is that most of the locations would have to be constructed larger in order to accommodate the tanks and the well pads would have to be completely graveled in order to keep the tanks leveled, increasing the cost, the surface disturbance, difficulty of interim reclamation, the average daily traffic (ADT), and dust.

Table 2. Proposed Disturbance for Little Buffalo 3 POD

Proposed Disturbance	#	Length (ft)	Surface Disturbance Width (ft)	Interim Disturbance Width (ft)	Surface Disturbance Area	Interim Disturbance Area
Proposed Improved Roads – no utility corridor		4,610	70	24	7.41 acres	2.54 acres
Proposed Pipeline not within a corridor (Surface Water Line)		30,670	30	0	21.12 acres	0.00 acres
Proposed Overhead Power		3,290	15	15	1.13 acres	1.13 acres
Number of Proposed Central Gathering/Metering Facilities	0					
Other (Specify):						
Power Drops	4	75	75	75	0.52 acres	0.52 acres
Well Pad A	1	Varies	Varies	Varies	6.98 acres	2.72 acres
Well Pad B	1	Varies	Varies	Varies	7.04 acres	2.03 acres
Well Pad C	1	Varies	Varies	Varies	9.04 acres	2.26 acres
Well Pad D	1	Varies	Varies	Varies	7.26 acres	1.93 acres
Total Disturbance:					60.50 acres	13.13 acres

Table 3. Existing Disturbance for Little Buffalo 3 POD

Existing Disturbance	#	Length (ft)	Surface Disturbance Width (ft)	Interim Disturbance Width (ft)	Surface Disturbance Area	Interim Disturbance Area
Existing Improved Roads no utility corridor		71,260	24			39.26 acres
Existing Unimproved Roads (within POD boundary)		1,640	12			0.45 acres
Existing Overhead Power		193,500	15			66.63 acres
Number of Existing Central Gathering/Metering Facilities	0					0.00 acres
Total Existing Disturbance:						106.34 acres

Little Buffalo 3 POD Disturbance Summary:

- Drilling/Completion Disturbance (Acres) = **60.50acres**; Interim Disturbance (Acres) = **13.13 Acres**

Methods for Handling Waste.

The Little Buffalo 3 POD wells will be drilled using a semi-closed loop and a water based mud system. A third party service company will be contracted to manage, treat, and dispose of all drilling related wastes

associated with the Little Buffalo 3 POD. As the drill cuttings move off the shaker; they will be screened, treated with Eco-Sponge to break down any hydrocarbons, and stored on location in a lined and bermed area. Once drilling is complete, cuttings will be tested for Diesel Range Organics (DRO), Total Extractable Hydrocarbons, and Sodium Absorption Ratio (SAR). If the above listed analysts are within tolerance, and Devon obtains WOGCC approval, the cuttings will be buried on location. The cuttings disposal pit be approximately 67 x 177 x 12 ft and will be lined with a 12 mil synthetic liner (BLM IM WY-2012-007). Cuttings will be buried at least 6 feet below re-contoured grade, a depth exceeding the minimum BLM requirements (BLM IM WY-2012-007). Soils that are moisture laden and saturated, partially or completely frozen will not be used for backfill or cover. The pit may require mounding to allow for settling. The cuttings disposal pit will be closed within 6 months of well completion. The BLM Authorized Officer may allow for an extension of that time under a written request describing reasonable circumstances. Additional cover will be placed over the pit during interim reclamation. In addition, Devon may want to construct a small 15 x 25 x 10 foot unlined cement pit. This small pit would only be used to test the cement used in drilling. Wet cement would be discharged to the pit, allowed to harden, and then broken up and hauled off location. The cement pit would then be backfilled following use.

Well Site Layout.

The sites will be fenced with 32 inch woven wire with 2 strand barbed wire. The fence will encompass a larger area than is required for surface disturbance for safe movement of equipment and personnel.

For specific disturbance for the Little Buffalo 3 POD; see the applications for permit to drill (APDs) (incorporated here be reference) in the Little Buffalo 3 POD, notably: Drilling/Completion Design (Cut and Fill Sheets); Interim Design (Figure 3a, Well Site Layout). The proposed surface disturbances are within the PRB FEIS analysis parameters.

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. This CX analysis is NEPA compliance 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, the PRB FEIS, 2003, and the Record of Decision (ROD) and Resource Management Amendments for the Powder River Oil and Gas Project, Amendments of 2001, 2011 as required by 43 CFR 1610.5, 40 CFR 1508.4, and 43 CFR 46.215. The Little Buffalo 3 POD is clearly lacking in wilderness characteristics as it lacks federal surface. BLM finds that the conditions and environmental effects found in the senior EA 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 APDs are in a developed oil or gas field (any field with a completed confirmation well). BLM determined that over 115 townships from Montana to the Converse County border comprise the PRB developed field. The proposed wells in the Little Buffalo 3 POD are inside the analysis area of the recent NEPA analyses in Table 1.2 and 1.3. This information shows the reader that BLM conducted analysis.

Table 1.2. BLM Tiers this CX3 to these Overlapping NEPA Analyses, by Decision Date:

POD Name / Wells Name	NEPA Analysis	#/ Type Well/ Drilled	Mo/Yr
Rocky Butte Fed Com #31H	WY-070-390CX3-14-189	1/ Oil / 0	4/2014
Monte Fed #60H	WY-070-390CX3-14-160	1/ Oil / 0	3/2014
Chime Com #1H, etc.	WY-070-390CX3-13-306 to 308	3/ Oil / 1	12/2013
Little Buffalo 2 POD	WY-070-390CX3-14-125 to 130	6/ Oil / 3	11/2013
Pastry Fed 1H, etc.	WY-070-390CX3-13-247 to 249	3/ Oil / 2	9/2013
Seven Wright Area Wells	WY-070-390CX3-13-46 to 48, 75 to 75, 77	7/ Oil / 2	6/2013
Little Buffalo 1 POD	CX:WY-070-390CX3-124 to 126	3/ Oil / 1	3/2013
Little Buffalo 294473-1TH Well	CX:WY-070-390CX1-13-7	1/ Oil / 1	11/2012
Valerie	WY-070-EA12-68	9/ Oil / 1	3/2012
House Creek Sandy	WY-070-EA11-144	5/ Oil / 0	2/2011
Sunrise Federal #32	WY-070-EA11-287	1/ Oil / 0	8/2011

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

Table 1.3. BLM Incorporates by Reference the Overlapping Surface & Water NEPA Analyses

POD Name	NEPA Analysis	#/ Type Well/ Drilled	Mo/Yr
House Creek POD North	WY-070-EA08-89, EA06-013	20/CBNG/18	5/2008 9/2006
House Creek G	WY-070-EA04-109, EA03-103	22/CBNG/20	8/2003 2/2003

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

- 2) Reasonably foreseeable activity is found in the Valerie and House Creek Sandy Environmental Assessments (EAs), WY-070-EA12-68, 2012, and WY-070-EA11-144, 2011. This locality includes but is not limited to the approved wells in Tables 1.2 and 1.3, above, and will fill-in to 640 acre spacing. BLM also notes from Table 1.2, above, that of the 40 analyzed APDs, only 11 are drilled; thus 29 undrilled, analyzed APDs contribute to the available reasonably foreseeable activity for this CX3 analysis. The reasonably foreseeable activity (RFA) for this analysis area includes 9 sections, oil/gas exploration on 1280 acre, 640 acre spacing and possible 320 acre spacing for horizontal wells and 80 acre spacing for vertical wells. (This does not preclude the spacing analysis in the PRB FEIS further reducing the surface disturbance per well.) The project analysis area is the area within 4 miles of the proposed well and includes only those federal projects approved within 5 years, as of May 2014. The reasonably foreseeable activity includes that Devon intends to submit additional APDs if these wells produce. Devon likely will also put up to 4 wells on a pad so the 4 proposed pads with their current 1 APD yields 9 reasonably foreseeable wells. BLM also notes that the Little Buffalo Ranch Fed 28-214473-1XTH was initially submitted as a notice of staking with the Valerie POD.
- 3) The tiered NEPA document was finalized or supplemented within 5 years of spudding (drilling) the proposed well. The Little Buffalo POD CX3 and its APDs tiers to the NEPA analyses in Table 1.2, above.

In summary, the NEPA analyses in Tables 1.2 and 1.3, analyzed in detail the anticipated direct, indirect, residual, and cumulative effects that would result from the approval of these APDs and associated support structure in the Little Buffalo 3 POD APDs is similar to both the qualitative and quantitative analysis in the above 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 Little Buffalo 3 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 in the PRB FEIS ROD, Appendix B, C, and D.

Water Resources.

The area's historical use for groundwater was for stock or domestic water. A search of the WY State Engineer's Office (WSEO) Ground Water Rights Database showed 8 water wells total within 1-mile radius of the 4 proposed wells: 3 for IND (industrial use) – from 741 to 6405 feet deep (all to oil/gas companies), 1 for IND/MIS (industrial/miscellaneous use) – 8410 feet deep (oil/gas company), and 4 for STO (stock use): from 205 to 376 feet deep, with 1 of unknown depth. There are no domestic wells identified within 1 mile of the proposed wells. Refer to the PRB FEIS, pp. 3-1 to 3-36, for more information. 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 such as the Fox Hills which varies in depth from 6,180 feet- 6,391 feet with average formation thickness from 52 feet – 82 feet above the target zone. Surface casing will be set at 2,250 feet of the total vertical (TV) depth. This will ensure that ground water will not be adversely impacted by well drilling and completion operations. Please refer to the Little Buffalo 3 POD Drilling Plan for further detail.

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 the wells 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 3 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.

Wildlife

BLM reviewed the proposals and determined that the proposed APDs, combined with the COAs (and design features), are: (1) consistent with the FEIS and its supplements, the RMP and the above tiered EAs; and (2) consistent with the programmatic biological opinion (ES-6-WY-02-F006), from the PRB FEIS, Appendix K. The affected environment and environmental effects for wildlife are discussed in, and anticipated to be similar to, the documents listed in Table 1.2 above. Rationale for species not discussed here is found in the AR.

Greater Sage-Grouse (GSG)

BLM analyzed impacts to GSG from surface disturbing and disruptive activities associated with development of conventional oil and gas wells in the Sahara EA, WY-070-EA13-072, pp. 34-37 and are incorporated here by reference. Activities associated with development of the proposed wells are anticipated to be similar in nature, with the following additional site-specific information. Portions of the proposed project are within 2 miles of one occupied GSG lek (Billie Creek Leks) and suitable habitats are present. The area is not in any identified designated Wyoming GSG Core areas.

Devon proposed to use 30,670 feet of surface water line in order to mitigate impacts associated with hauling water for drilling activities. Although, the proposed 12 inch surface line would potentially propose a barrier to GSG chicks, and may increase chick mortality due increasing susceptibility to predation and separation from their cohorts. A COA would be applied to mitigate these negative impacts by placing passages ramps and raising portions of the pipeline at specified intervals if the proposed lines are used from March 15 – June 30.

Site Specific Analysis for the Proposed Wells:

Marquiss Fed 27-224473-3XTH - The proposed well is within 0.88 miles of the occupied Billie Creek Lek. Suitable habitat would be both directly and indirectly impacted by the implementation of the proposal. A condition of approval (COA) for no surface disturbance starting March 15 - June 30 would be applied to lessen impacts from construction and drilling during the breeding and nesting season.

Raptors

Impacts to raptors from surface disturbing and disruptive activities associated with development of conventional oil wells were analyzed in the Sahara EA, WY-070-EA13-072, pp. 28-31 and are incorporated here by reference. Activities associated with development of the 4 proposed wells listed 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 are known or suspected to occur in the area, some of which are also a BLM special status (sensitive) species (SSS), 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, and ICF surveys, there are 2 documented raptor nests of importance within 0.5 miles of two of the proposed well pads; these nests are in Table 1.4, below.

The proposal area is currently experiencing elevated levels of anthropogenic activity due to the presence of existing oil and gas developments. In addition, 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.

Table 1.4. Raptor Nests within 0.5 miles of the Proposed Wells.

BLM Nest ID #	Species	2013 Nest Status
10830	Ferruginous Hawk	Inactive
5509	Ferruginous Hawk	Inactive

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

Site Specific Analysis for the Proposed Wells:

Marquiss Fed 214473-1MNV - The proposed location is within 0.5 miles of nest 3422 (0.42 mi.) and is out of line of sight the nest. A COA would be applied to mitigate impacts to nesting raptors.

Marquiss Fed 27-224473-3XTH - The proposed location is within 0.5 miles of nest 2006 (0.49 mi.) and is out of line of sight the nest. A COA would be applied to mitigate impacts to nesting raptors.

Migratory Birds

Impacts to migratory birds from surface disturbing and disruptive activities associated with development of oil and gas wells were analyzed in the Sahara EA, WY-070-EA13-072, pp. 31-33 incorporated here by reference. Activities associated with development of these 4 proposed wells are anticipated to be similar in nature, with the following additional site-specific information. Site-specific analyses for wells and infrastructure that will directly impact migratory birds via habitat removal will be discussed below.

Site Specific Analysis for the Proposed Wells:

Suitable habitat for migratory birds (sagebrush obligates) is present on all of the proposed well locations and would be directly impacted by vegetation removal. Mitigation would be applied to prevent direct mortalities of nesting passerines that may be result during pad construction if habitat removal occurs during the nesting period for the proposed Marquiss Fed 27-224473-3XTH, and the Marquiss Fed 214473-1MNV. Similar mitigation is recommended - due to lack of surface jurisdiction for the Little Buffalo Ranch Fed 28-214473-1XTH and the State Marquiss Fed 21-284473-3XTH.

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 found in area, refer to the Draft Cultural Class I Regional Overview, Buffalo Field Office (BLM, 2010). A Class III (intensive) cultural resource inventory (BFO project no. 70140070) was performed to locate specific historic properties which may be impacted by the proposal. No cultural resources are in or near the proposal area.

No historic properties will be impacted by the proposal. Following the State Protocol Between the Wyoming Bureau of Land Management State Director and The Wyoming State Historic Preservation Officer 2006, Section VI(A)(1), the BLM notified the Wyoming State Historic Preservation Officer (SHPO) on May 23, 2014, that no historic properties exist in 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 and ROD must be followed. Further discovery procedures are in Standard COA (General)(A)(1).

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

Name	Agency	Title	Name	Agency	Title
Andy Perez	BLM	NRS	Will Robbie	BLM	PE
Chris Sheets	BLM	Wildlife Biologist	Sharon Soule	BLM	LIE
Clinton Crago	BLM	Archaeologist	Kerry Aggen	BLM	Geologist
John Kelley	BLM	Planning	Mary Hopkins	WYSHPO	SHPO Officer
Callie Burch	Devon	Regulatory/Permitting	Gary Marquiss	Little Buffalo Ranch	Landowner
Brody Erickson	Devon	Construction Sprvsr	Walter Harvey	Devon	Land-man
Preston Farnsworth	Sr. Landman	Devon	Bob Reiling	Surveyor	LSI

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 Little Buffalo 3 POD APDs 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.

The project will not adversely affect public safety and does not involve any unique or unknown risks. The project will not result in a violation of any federal or known state or local law, statute or ordinance, or other requirement imposed for the protection of the environment. If a dry hole, all rehabilitation work, including seeding, will be initiated within 30 days after plugging operations are completed (pending seasonal conditions). Please refer to the Little Buffalo 3 POD COAs Appendix B for further detail. The operator will comply with all the COAs identified in the original Valerie POD, those COAs in the Valerie POD EA, or contact the BLM BFO to secure a copy.

/s/ Duane W. Spencer
Field Manager

5/28/14
Date

Contact Person, Andy Perez, Natural Resource Specialist, Buffalo Field Office, 1425 Fort Street, Buffalo WY 82834, 307-684-1100.

