

**DECISION RECORD
FOR
J.M. Huber Corporation
Westway Federal POD
ENVIRONMENTAL ASSESSMENT –WY-070-10-234**

DECISION:

BLM’s decision is to approve two wells previously onsite in J.M. Huber Corporation’s Westway Federal Coal Bed Natural Gas (CBNG) POD.

Details of the approval are summarized below. The project description, including specific changes made is included in the well Applications for Permit to Drill (APDs) files and maps submitted on September 16, 2010.

Well Sites:

The following two Applications for Permit to Drill (APDs) and associated infrastructure are authorized:

	Well Name	Well #	Qtr/Qtr	Section	TWP	RNG	Lease #
1	GIBBS FEDERAL	03-01	NENW	1	55N	77W	WYW146329
2	GIBBS FEDERAL	11-01	NESW	1	55N	77W	WYW146329

Operator Committed Measures:

The operator has agreed to abide by all conditions of approval (COAs) in the Westway Federal POD approved on July 28, 2010, Westway Federal EA # WY-070-EA-10-234. These COAs will reduce resource impacts. See Westway Federal POD Master Surface Use Plan (MSUP), submitted on June 29, 2009, revised April 27, 2010.

Site-Specific Mitigation Measures:

Site-specific Conditions of Approval have been applied to this project, in addition to the programmatic and standard COAs identified in the PRB FEIS, to mitigate the site-specific impacts described in the Environmental Consequences section of the attached EA. For a complete description of all site-specific COA’s associated with this approval, see section 2.2.2 Westway Federal EA # WY-070-EA-10-234.

COMPLIANCE WITH LAWS, REGULATIONS, LAND USE PLANS, AND POLICIES:

This approval is in compliance with all Federal laws, regulations, and policies. This includes, but is not limited to, the Federal Land Policy and Management Act, the National Historic Preservation Act, the Threatened and Endangered Species Act, the Migratory Bird Treaty Act, the Clean Water Act, the Clean Air Act, and the National Environmental Policy Act.

Approval of this alternative is in conformance with the *Powder River Basin Oil and Gas Project Environmental Impact Statement and Proposed Plan Amendment* (PRB FEIS), *Record of Decision and Resource Management Plan Amendments for the Powder River Basin Oil and Gas Project* (PRB FEIS ROD), and the Approved Resource Management Plan (RMP) for the Public Lands Administered by the Bureau of Land Management, Buffalo Field Office (BFO), (1985/2001).

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. 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 two additional wells is based on the following:

1. The well location and proposed road route to access the Gibbs Fed Well 03-01 and Gibbs Fed Well 11-01 does meet the minimum road standards as outlined in the BLM Manual 9113, BLM Manual 9113 WYSO Supplement, the Gold Book, or the Buffalo Field Office Oil and Gas Road Guidelines for APD's.
2. The Operator, in their POD, has committed to:
 - Comply with all applicable Federal, State and Local laws and regulations.
 - Obtain the necessary permits from other agencies for the drilling, completion and production of these wells including water rights appropriations, the installation of water management facilities, water discharge permits, and relevant air quality permits.
 - Offer water well agreements to the owners of record for permitted water wells within ½ mile of a federal CBNG producing well in the POD.
 - Provide water analysis from a designated reference well in each coal zone.
3. The Operator has certified that a Surface Use Agreement has been reached with the Landowners.
4. The selected alternative will not result in any undue or unnecessary environmental degradation.
5. It is in the public interest to approve these wells, as this development will help meet the nation's energy needs, and will help to stimulate local economies by maintaining workforce stability.
6. The selected alternative incorporates appropriate local greater sage-grouse research and the best available science from across the species' range in development of the attached conditions of approval.
7. Mitigation measures were selected to alleviate environmental impacts and meet the project's purpose and need. Mitigation is discussed in the environmental consequences section of the attached EA. For a complete description of all site-specific COA's associated with this approval, see section 2.2.2 in the attached EA.
8. The selected alternative incorporates components of the Wyoming Governor's Sage Grouse Implementation Team's "core population area" strategy, the Governor's executive order, and local research to provide mitigation for sage-grouse, while meeting the purpose and need for the Westway Federal POD Project.

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.

ACTING

Field Office Manager: Paul Beels Date: 9/17/10

**FINDING OF NO SIGNIFICANT IMPACT
FOR
J.M. Huber Corporation
Westway Federal POD
ENVIRONMENTAL ASSESSMENT –WY-070-10-234**

FINDING OF NO SIGNIFICANT IMPACT:

On the basis of the information contained in the EA, and all other information available to me, it is my determination that: (1) The decision to approve two wells previously onsited in J.M. Huber Corporation's Westway Federal Coal Bed Natural Gas (CBNG) POD will not have significant environmental impacts beyond those already addressed in PRB EIS to which the EA is tiered; (2) The decision to authorize two previously onsited wells is in conformance with the Buffalo Field Office Resource Management Plan (1985, 2001); and (3) The decision to authorize two previously onsited wells does not constitute a major federal action having a significant effect on the human environment. Therefore, an environmental impact statement or a supplement to the existing environmental impact statement is not necessary and will not be prepared.

This finding is based on my consideration of the Council on Environmental Quality's (CEQ) criteria for significance (40 CFR '1508.27), both with regard to the context and to the intensity of the impacts described in the EA.

CONTEXT:

Mineral development (coal, oil and gas, bentonite, and uranium) is a long-standing and common land use within the Powder River Basin. More than one fourth of the nation's coal production comes from the Powder River Basin. The PRB FEIS reasonably foreseeable development predicted and analyzed the development of 51,000 CBNG wells and 3,200 oil wells. The additional CBNG development described in Alternative C is insignificant within the national, regional, and local context.

INTENSITY:

The implementation of Alternative C will result in beneficial effects in the forms of energy and revenue production however; there will also be adverse effects to the environment. Design features and mitigation measures have been included within Alternative C to prevent significant adverse environmental effects.

The preferred alternative does not pose a significant risk to public health and safety. The geographic area of the POD does not contain unique characteristics identified within the 1985 RMP, 2003 PRB FEIS, or other legislative or regulatory processes.

Relevant scientific literature and professional expertise were used in preparing the EA. The scientific community is reasonably consistent with their conclusions on environmental effects relative to oil and gas development. Research findings on the nature of the environmental effects are not highly controversial, highly uncertain, or involve unique or unknown risks.

CBNG development of the nature proposed with this POD and similar PODs was predicted and analyzed in the PRB FEIS; the selected alternative does not establish a precedent for future actions with significant effects.

There are no cultural or historical resources present that will be adversely affected by the selected alternative. No species listed under the Endangered Species Act or their designated critical habitat will be adversely affected. The selected alternative will not have any anticipated effects that would threaten a violation of Federal, State, or local law or requirements imposed for the protection of the environment.

ACTING
Field Office Manager: Paul Beels

Date: 9/17/10