

**MODIFIED DECISION RECORD
FOR
Lance Oil and Gas Company Inc.
Whiskey Drawn POD
ENVIRONMENTAL ASSESSMENT –WY-070-09-048**

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 three wells previously onsited in the Lance Oil and Gas Inc's Whiskey Drawn 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 three previously onsited wells is in conformance with the Buffalo Field Office Resource Management Plan (1985, 2001); and (3) The decision to authorize three 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 B is insignificant within the national, regional, and local context.

INTENSITY:

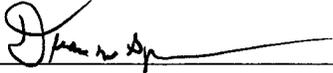
The implementation of a combination of Alternative C and D will result in beneficial effects in the forms of energy and revenue production however; there will also be adverse effects to the environment. Design features and mitigation measures have been included within Alternative C and D to prevent significant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

Field Manager:  Date: 10/26/10