

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Buffalo Field Office
Buffalo, Wyoming**

**SURFACE USE
CONDITIONS OF APPROVAL**

POD Name: Camp John & Augusta Unit

Operator: Lance Oil & Gas Company, Inc.

List of Wells:

	WELL NAME	WELL #	QTR	SEC	TWP	RNG	LEASE #
1	AUGUSTA UNIT	14-22BG	SWSW	22	51N	76W	WYW162029
2	AUGUSTA UNIT	14-22WA	SWSW	22	51N	76W	WYW162029
3	CAMP JOHN UNIT	14-23BG	SWSW	23	51N	76W	WYW147337
4	CAMP JOHN UNIT	14-23WA	SWSW	23	51N	76W	WYW147337
5	CAMP JOHN UNIT	12-26BG	SWNW	26	51N	76W	WYW129043
6	CAMP JOHN UNIT	12-26WA	SWNW	26	51N	76W	WYW129043
7	CAMP JOHN UNIT	21-26BG	NENW	26	51N	76W	WYW129043
8	CAMP JOHN UNIT	21-26WA	NENW	26	51N	76W	WYW129043
9	CAMP JOHN UNIT	32-26BG	SWNE	26	51N	76W	WYW129043
10	CAMP JOHN UNIT	32-26WA	SWNE	26	51N	76W	WYW129043
11	AUGUSTA UNIT	12-27BG	SWNW	27	51N	76W	WYW162027
12	AUGUSTA UNIT	12-27WA	SWNW	27	51N	76W	WYW162027
13	AUGUSTA UNIT	21-27BG	NENW	27	51N	76W	WYW162027
14	AUGUSTA UNIT	21-27WA	NENW	27	51N	76W	WYW162027
15	AUGUSTA UNIT	41-27BG	NENE	27	51N	76W	WYW162027
16	AUGUSTA UNIT	41-27WA	NENE	27	51N	76W	WYW162027
17	AUGUSTA UNIT	32-27BG	SWNE	27	51N	76W	WYW162027
18	AUGUSTA UNIT	32-27WA	SWNE	27	51N	76W	WYW162027

I Applicable PRB FEIS ROD Programmatic Mitigation Measures

Programmatic mitigation measures are those, determined through analysis, which may be appropriate to apply at the time of APD approval if site specific conditions warrant. These mitigation measures can be applied by BLM, as determined necessary at the site-specific NEPA APD stage, as *Conditions of Approval* (COAs) and will be in addition to stipulations applied at the time of lease issuance and any standard conditions of approval.

Groundwater

In order to address the potential impacts from infiltration on shallow ground water, the Wyoming DEQ has developed a guidance document, "Compliance Monitoring for Ground Water Protection Beneath Unlined Coalbed Methane Produced Water Impoundments" (June 14, 2004) which can be accessed on their website. This guidance document became effective August 1, 2004. The Wyoming DEQ has established an Impoundment Task Force which is in the process of drafting

an "Impoundment Monitoring Plan" to investigate the potential for existing impoundments to have impacted shallow ground water. NPDES permits received by DEQ prior to August 1st for discharging to impoundments will be assessed through the "Impoundment Monitoring Plan". For NPDES permits received by DEQ after the August 1st effective date, the BLM will require that operators comply with the requirements outlined in the DEQ compliance monitoring guidance document (June 14, 2004) prior to discharge of federally-produced water into newly constructed or upgraded impoundments.

Surface Water

1. Locate discharge points in areas that will minimize erosion and impacts to the receiving channel, existing improvements, and downstream users.
2. Locate discharge points in stable, low gradient drainage systems and below active head cuts, when possible. If discharge is located above a head cut, mitigation measures will be required by the BLM Authorized Officer on a site specific basis. Some mitigation measures will require engineering design.
3. All discharge points will require energy dissipation measures.
4. Discharge points may not be authorized by BLM regardless of WYPDES status or previous use. Sites may be moved or otherwise mitigated by the BLM Authorized Officer during onsite inspections where environmental issues exist.
5. Cumulative produced water discharge must not exceed the naturally occurring 2 year peak flow of the receiving channel.
6. Discharge Points will not be located in playas or enclosed basins unless it can be demonstrated that it can be done without resulting in adverse impacts. Discharges into valley bottoms with no defined low-flow channel will generally not be allowed, but will be reviewed on a site-specific basis. Channel modification may be required. Plans will be reviewed with the BLM authorizing officer prior to installation.
7. Channel Crossings:
 - Minimize channel disturbance as much as possible by limiting pipeline and road crossings.
 - Avoid running pipelines and access roads within floodplains or parallel to a stream channel.
 - Channel crossings by road and pipelines will be constructed perpendicular to flow. Culverts will be installed at appropriate locations for streams and channels crossed by roads as specified in the BLM Manual 9112-Bridges and Major Culverts and Manual 9113-Roads. Streams will be crossed perpendicular to flow, where possible, and all stream crossing structures will be designed to carry the 25-year discharge event or other capacities as directed by the BLM.
 - Channel crossings by pipelines will be constructed so that the pipe is buried at least four feet below the channel bottom.
8. Low water crossings will be constructed at original streambed elevation in a manner that will prevent any blockage or restriction of the existing channel. Material removed will be stockpiled for use in reclamation of the crossings.

9. Concerns regarding the quality of the discharged CBM water on downstream irrigation use may require operators to increase the amount of storage of CBM water during the irrigation months and allow more surface discharge during the non-irrigation months.
10. The BLM will consult with appropriate state agencies regarding West Nile Virus. If determined to be necessary, a condition of approval will be applied at the time of APD approval to treat mosquitoes for any CBM discharge waters that become stagnant.
11. The operator will be required to provide reclamation bonds in the amount specified by a qualified Professional Engineer for the impoundments to be used for the management of CBNG water. The bond amount will be submitted within 90 days after POD approval and will be approved by the BLM prior to commencing construction.
12. The operator will supply a copy of the complete approved SW-4, SW-3, or SW-CBNG permits to BLM as they are issued by WSEO for these impoundments.
13. The operator will provide copies of the complete approved WYPDES permit to the BLM, when it is issued by the WDEQ, prior to commencing construction of treatment/storage facilities.

Soils

1. The Companies, on a case by case basis depending upon water and soil characteristics, will test sediments deposited in impoundments before reclaiming the impoundments. Tests will include the standard suite of cations, ions, and nutrients that will be monitored in surface water testing and any trace metals found in the CBM discharges at concentrations exceeding detectable limits.

Wetland/Riparian

1. To protect the biological and hydrologic features of riparian areas, woody draws, wetlands, and floodplains, all well pads, compressors, and other non-linear facilities will be located outside of these areas.
2. To reduce adverse effects on existing wetlands and riparian areas, water discharge should not be allowed if increased discharge volumes or subsequent recharge of shallow aquifers will inundate and kill woody species, such as willows or cottonwoods. If discharge is allowed into wetland/riparian areas, the flow will be confined to as narrow an area as possible to reduce impacts to soils and vegetation.
3. For any jurisdictional wetlands identified that may be impacted, a detailed mitigation plan will be developed during the APD/POD or sundry notice approval process. Federal requirements to replace all impacted wetlands will mitigate this loss, so environmental impacts will occur only during the life of the project (including reclamation).
4. Any fences used in wetland areas should be placed well back from the wetlands to prevent waterfowl mortalities and should be constructed to standards that allow big game movement.
5. Crossings of wetland/riparian areas by linear features, such as pipelines, roads, and power lines will be avoided to the extent practicable. Where crossings cannot be avoided, impacts will be minimized through use of the following measures:

- Site-specific mitigation plans will be developed during the APD, POD, or Sundry Notice approval process for all proposed disturbance to wetland/riparian areas.
- Crossings will be constructed perpendicular to wetland/riparian areas, where practical.
- Power line corridors will avoid wetlands, to the extent possible, in order to reduce the chance of waterfowl hitting the lines. Where avoidance can't occur, the minimum number of poles necessary to cross the area will be used.
- Wetland areas will be disturbed only during dry conditions (that is, during late summer or fall), or when the ground is frozen during the winter.
- No waste material will be deposited below high water lines in riparian areas, flood plains, or in natural drainage ways.
- The lower edge of soil or other material stockpiles will be located outside the active floodplain.
- Drilling mud pits will be located outside of riparian areas, wetlands, and floodplains, where practical.
- Disturbed channels will be re-shaped to their approximate original configuration or stable geo-morphological configuration and properly stabilized.
- Reclamation of disturbed wetland/riparian areas will begin immediately after project activities are complete.

Wildlife

1. For any surface-disturbing activities proposed in sagebrush shrublands, the Companies will conduct clearance surveys for sage grouse breeding activity during the sage grouse's breeding season before initiating the activities. The surveys must encompass all sagebrush shrublands within 0.5 mile of the proposed activities.
2. The Companies will locate facilities so that noise from the facilities at any nearby sage grouse or sharp-tailed grouse display grounds does not exceed 49 decibels (10 dBA above background noise) at the display ground.
3. The Companies will construct power lines to minimize the potential for raptor collisions with the lines. Potential modifications include burying the lines, avoiding areas of high avian use (for example, wetlands, prairie dog towns, and grouse leks), and increasing the visibility of the individual conductors.
4. The Companies will locate aboveground power lines, where practical, at least 0.5 mile from any sage grouse breeding or nesting grounds to prevent raptor predation and sage grouse collision with the conductors. Power poles within 0.5 mile of any sage grouse breeding ground will be raptor-proofed to prevent raptors from perching on the poles.
5. The Companies will locate impoundments to avoid sagebrush shrublands, where practical.
6. Containment impoundments will be fenced to exclude wildlife and livestock. If they are not fenced, they will be designed and constructed to prevent entrapment and drowning.
7. The Companies will limit the construction of aboveground power lines near streams, water bodies, and wetlands to minimize the potential for waterfowl colliding with power lines.

8. All stock tanks shall include a ramp to enable trapped small birds and mammals to escape. See Idaho BLM Technical Bulletin 89-4 entitled Wildlife Watering and Escape Ramps on Livestock Water Developments: Suggestions and Recommendations.

Threatened, Endangered, or Sensitive Species

Bald Eagle

1. Site-specific project areas will be evaluated for suitable bald eagle nesting and roosting habitat prior to permit approval. Suitable nesting habitat is any mature stand of conifer or cottonwood trees in association with rivers, streams, reservoirs, lakes or any significant body of water. Suitable roosting habitat is defined as any mature stands of conifer or cottonwood trees.
2. The BLM will monitor all take of bald eagle habitat associated with the preferred alternative. The actual measurement of disturbed habitat is the responsibility of BLM but can be delegated to BLM agent (consultant, contractor, etc.). A written summary will be provided to the USFWS' Wyoming Field Office semi-annually. The semi-annual report will include field survey reports for endangered, threatened, proposed and candidate species for all actions covered under the *Environmental Impact Statement (EIS) for the Powder River Basin Oil and Gas Project* and ROD. The semi-annual reports will include all actions completed up to 30 days prior to the reporting dates. The first report will be due 6 months after the signing of the ROD and on the anniversary date of the signing of the ROD. Reporting will continue for the life of the project.
3. The BLM will monitor all road-associated carcasses, jackrabbit sized and larger, along project (operator-maintained) roads.
4. Special habitats for raptors, including wintering bald eagles, will be identified and considered during the review of the APD/POD or Sundry Notices.
5. Surveys for active bald eagle nests and winter roost sites will be conducted within suitable habitat by a BLM approved biologist. Surface disturbing activities will not be permitted within one mile of suitable habitat prior to survey completion.
6. A minimum disturbance-free buffer zone of 0.5 mile (i.e., no surface occupancy) will be established year-round for all bald eagle nest sites. A seasonal minimum disturbance-free buffer zone of one mile will be established for all bald eagle nest sites (February 15 – August 15).
7. A seasonal minimum disturbance-free buffer zone of 1 mile will be established for all bald eagle winter roost sites (November 1 – April 1). These buffer zones and timing may be adjusted based on site-specific information through coordination with, and written approval from, the USFWS.
8. Within ½ mile of bald eagle winter roost sites additional measures such as remote monitoring and restricting maintenance visitation to between 9:00 and 3:00 may be necessary to prevent disturbance (November 1 – April 1).
9. Additional mitigation measures may be necessary if the site-specific project is determined by a BLM biologist to have adverse effects to bald eagles or their habitat.

Visual Resources

1. The Companies will mount lights at compressor stations on a pole or building and direct them downward to illuminate key areas within the facility while minimizing the amount of light projected outside the facility.

Noise

1. Noise mufflers will be installed on the exhaust of compressor engines to reduce the exhaust noise. Where noise impacts to existing sensitive receptors are an issue, noise levels will be required to be no greater than 55 decibels measured at a distance of one-quarter mile from the appropriate booster (field) compressor. When background noise exceeds 55dBA, noise levels will be no greater than 5dBA above background. This may require the installation of electrical compressor motors at these locations.

II Site specific mitigation measures

1. All contractors will have a copy of the pod map and conditions of approval with them at all times. If operators/contractors are found without the information mentioned above, they will be shut down immediately as ordered by the authorized officer.
2. All changes made at the onsite will be followed. They have all been incorporated into the operator's plan of development.
3. No construction activities are approved for the access road, water pipelines and buried power lines related to Rights-of-Way Serial Number WYW-161617, Sec. 12-15, Sec. 22, Lots 4, 5, T51N R76, until the Rights-of-Way has been authorized.
4. No construction activities are approved for the polymer gas pipelines related to Rights-of-Way Serial Number WYW-163668, Sec. 15: Lots 12, 13, Sec. 22: Lots 4, 5, T51N, R76W, until the Rights-of-Way has been authorized.
5. Water Treatment Facility: No construction or surface disturbing activities related to the Water Treatment Facility can take place before the operator has an approved Chapter 3 permit from the WDEQ. Lance Oil & Gas will notify the BLM prior to commencement of construction and provide requisite reclamation bonding for the water treatment facility in the amount specified by a Wyoming registered qualified professional engineer's estimate of reclamation including costs to remove pipes, concrete and other structural components, for any structures and impoundments to be used for the management of CBNG water.
6. Proposed Reservoirs: If reservoirs are chosen for water storage/disposal as opposed to a Water Treatment Facility, Lance Oil & Gas will notify the BLM and provide requisite reclamation bonding for the reservoirs in the amount specified by a Wyoming registered qualified professional engineer's estimate of reclamation including costs to remove pipes, concrete and other structural components, for the impoundments to be used for the management of CBNG water. The bond amount will be submitted for approval by the BLM prior to commencing construction.
7. Roads into crucial elk winter range will be signed and closed to the general public, during the period December 1 to April 1. Areas for placement of signage and closure will be designated by the Wildlife Biologist. Please contact Larry Gerard, Wildlife Biologist @ 307.684.1142. Access to wells or infrastructure within the CJA POD will only be to by authorized personnel and the landowner. This COA affects the following wells:

14-23 WA, BG; 12-26 WA,BG; 41-27 WA, BG; 32-27 WA,BG; 21-27 WA,BG; 12-27WA,BG; and 14-22 WA,BG.

8. Wells located within crucial elk winter range will be equipped with radio-telemetry to reduce traffic and maintenance service. Individual well access roads will be immediately reclaimed back to a 2 track road.
9. No surface disturbing activities are permitted within two miles of active leks between March 1 and June 15, prior to completion of a greater sage grouse lek survey. This condition will be implemented on an annual basis for the duration of surface disturbing activities. **This timing stipulation affects all the wells in the project except for the 11-22 well.**

If an active lek is identified during the survey, the two mile timing restriction (March 1-June 15) will be applied and surface disturbing activities will not be permitted until after the nesting season. If surveys indicate that the identified lek is inactive during the current breeding season, surface disturbing activities will be permitted within the 2 mile buffer until the following breeding season (March 1). The required sage grouse survey will be conducted by a biologist following BLM and WGFD protocol. All survey results shall be submitted in writing to a Buffalo BLM biologist prior to surface disturbing activities.

10. Sagebrush shall be re-established, seedlings present, within three years for all sagebrush areas disturbed, (Northeastern Wyoming Sage Grouse Working Group. 2004).
11. No drilling pads are authorized for the following well locations: Augusta Federal 14-22, Augusta Federal 12-27, ~~Augusta Federal 21-27~~, Augusta Federal 32-27 and the Augusta Federal 41-27.
*Pad needed, line pit.
11/7/05 dgs*
12. All permanent above-ground structures (e.g., production equipment, tanks, etc.) not subject to safety requirements will be painted to blend with the natural color of the landscape. The paint used will be a color which simulates "Standard Environmental Colors." The color selected for the Camp John & Augusta POD is Covert Green (18-0617 TPX).
13. The culvert locations will be staked prior to construction. The culvert invert grade and finished road grade will be clearly indicated on the stakes. Culverts will be installed on natural ground, or on a designed flow line of a ditch. The minimum cover over culverts will be 12" or one-half the diameter whichever is greater. Drainage laterals in the form of culverts or waterbars shall be placed according to the following spacing:

<u>Grade</u>	<u>Drainage Spacing</u>
2-4%	310 ft
5-8%	260 ft
9-12%	200 ft
12-16%	100 ft

14. The operator is responsible for having the licensed professional engineer(s) certify that the actual construction of the road meets the design criteria and is constructed to Bureau standards.
15. Provide 4" of aggregate where grades exceed 8%.
16. The operator will drill seed on the contour to a depth of 0.5 inch, followed by cultipaction to

compact the seedbed, preventing soil and seed losses. To maintain quality and purity, the current years tested, certified seed with a minimum germination rate of 80% and a minimum purity of 90% will be used. On BLM surface or in lieu of a different specific mix desired by the surface owner, use the following:

Species - <i>Cultivar</i>	Full Seeding (lbs/ac PLS*)
Western Wheatgrass – <i>Rosana</i>	3
Bluebunch Wheatgrass – <i>Secar or P-7</i>	3
Needle-and-Thread	1
Green Needlegrass	2
Prairie Sandreed - Goshen	1
Prairie coneflower	1
Purple Prairie Clover	1
Fourwing saltbrush	.5
Totals	12.5

Slopes too steep for machinery may be hand broadcast and raked with twice the specified amount of seed. Complete fall seeding after September 15 and prior to prolonged ground frost. To be effective, complete spring seeding after the frost has left the ground and prior to May 15.

III Standard Conditions of Approval

A. General

1. If any cultural values [sites, artifacts, human remains (Appendix L FEIS)] are observed during operation of this lease/permit/right-of-way, they will be left intact and the Buffalo Field Manager notified. The authorized officer will conduct an evaluation of the cultural values to establish appropriate mitigation, salvage or treatment. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized BLM officer (AO). Within five working days the AO will inform the operator as to:

- whether the materials appear eligible for the National Register of Historic Places;
- the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and,
- a time-frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate. The AO will provide technical and procedural guidelines for the conduct of

mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction measures.

2. If paleontological resources, either large or conspicuous, and/or a significant scientific value are discovered during construction, the find will be reported to the Authorized Officer immediately. Construction will be suspended within 250 feet of said find. An evaluation of the paleontological discovery will be made by a BLM approved professional paleontologist within five (5) working days, weather permitting, to determine the appropriate action(s) to prevent the potential loss of any significant paleontological values. Operations within 250 feet of such a discovery will not be resumed until written authorization to proceed is issued by the Authorized Officer. The applicant will bear the cost of any required paleontological appraisals, surface collection of fossils, or salvage of any large conspicuous fossils of significant scientific interest discovered during the operation.
3. The operator shall restrict travel on unimproved two-track roads during periods of inclement weather or spring thaw when the possibility exists for excessive surface resource damage (e.g., rutting in excess of 4-inches, travel outside two-track roadway, etc.).
4. The first well drilled to each targeted coal zone will be designated as the POD reference well. Designated reference wells must have the ability to be sampled at the wellhead. Water quality samples will be collected by the operator and submitted for analysis using WDEQ NPDES criteria within 30-60 days of initial water production. Results of the analysis will be submitted to the BFO-BLM Authorized Officer as they become available.
5. The Companies will provide geo-referenced spatial data depicting as-built locations of all facilities, wells, roads, pipelines, power lines, reservoirs, discharge points, and other related facilities to the BLM upon completion of POD construction and development.
6. If any dead or injured threatened, endangered, proposed, or candidate species is located during construction or operation, the U.S. Fish and Wildlife Service's Wyoming Field Office (307-772-2374), their law enforcement office (307-261-6365), and the BLM Buffalo Field Office (307-684-1100) shall be notified within 24 hours. If any dead or injured sensitive species is located during construction or operation, the BLM Buffalo Field Office (307-684-1100) shall be notified within 24 hours.
7. Wildlife species are dynamic and new individuals may have moved into the NW Kingsbury POD area after the initial wildlife surveys were completed. The Record of Decision for the PRB FEIS includes a programmatic mitigation measure that states, "The companies will conduct clearance surveys for threatened and endangered or other special-concern species at the optimum time". The measure requires companies to coordinate with the BLM before November 1 annually to review the potential for disturbance and to agree on inventory parameters. Should this project not be completed by January 15, and surface disturbance is planned for that year, a Williams Production RMT Company representative will coordinate with the BLM to discuss required surveys.

B. Construction

1. A pre-construction field meeting shall be conducted prior to beginning any dirt work approved under this POD. The operator shall contact the BLM Authorized Officer David

G. Seward @ 307-684-1043 at least 4-days prior to beginning operations so that the meeting can be scheduled. The operator is responsible for having all contractors present (dirt contractors, drilling contractor, pipeline contractor, project oversight personnel, etc.) including the overall field operations superintendent, and for providing all contractors copies of the approved POD, project map and BLM Conditions of Approval pertinent to the work that each will be doing.

2. The operator will limit vegetation removal and the degree of surface disturbance wherever possible. Where surface disturbance cannot be avoided, all practicable measures will be utilized to minimize erosion and stabilize disturbed soils.
3. Construction and drilling activity will not be conducted using frozen or saturated soil material during periods when watershed damage or excessive rutting is likely to occur.
4. Remove all available topsoil (depths vary from 4 inches on ridges to 12+ inches in bottoms) from constructed well locations including areas of cut and fill, and stockpile at the site. Topsoil will also be salvaged for use in reclamation on all other areas of surface disturbance (roads, pipelines, etc.). Clearly segregate topsoil from excess spoil material. Any topsoil stockpiled for one year or longer will be sown and stabilized with annual ryegrass or other suitable cover crop.
5. The operator will not push soil material and overburden over side slopes or into drainages. All soil material disturbed will be placed in an area where it can be retrieved without creating additional undue surface disturbance and where it does not impede watershed and drainage flows.
6. Construct the backslope no steeper than 1½:1, and construct the foreslope no steeper than 2:1, unless otherwise directed by the BLM Authorized Officer.
7. Maintain a minimum 20-foot undisturbed vegetative border between toe-of-fill of pad and/or pit areas and the edge of adjacent drainages, unless otherwise directed by the BLM Authorized Officer.
8. With the overall objective of minimizing surface disturbance and retaining land stability and productivity, the operator shall utilize equipment that is appropriate to the scope and scale of work being done for roads and well pads (utilize equipment no larger than needed for the job).
9. To minimize electrocution potential to raptors, all overhead electrical power lines will be constructed to Avian Power Line Interaction Committee (1996) standards and additional standards identified in the PRB FEIS Biological Opinion (Volume 3, Appendix K, page 43).
10. The operator shall utilize wheel trenchers or ditchers to construct all pipeline trenches, except where extreme topography or other environmental factors preclude their use.
11. Reserve pits will be adequately fenced during and after drilling operations until pit is reclaimed so as to effectively keep out wildlife and livestock. Adequate fencing, in lieu of more stringent requirements by the surface owner, is defined as follows:
 - Construction materials will consist of steel or wood posts. Three or four strand wire (smooth or barbed) fence or hog panel (16-foot length by 50-inch height) or plastic snow fence must be used with connectors such as fence staples, quick-connect clips, hog rings, hose clamps, twisted wire, etc. Electric fences will not be allowed.
 - Construction standards: Posts shall be firmly set in ground. If wire is used, it must be taut and evenly spaced, from ground level to top wire, to effectively keep out

animals. Hog panels must be tied securely into posts and one another using fence staples, clamps, etc. Plastic snow fencing must be taut and sturdy. Fence must be at least 2-feet from edge of pit. 3 sides fenced before beginning drilling, the fourth side fenced immediately upon completion of drilling and prior to rig release. Fence must be left up and maintained in adequate condition until pit is closed.

12. The reserve pit will be oriented to prevent collection of surface runoff. After the drilling rig is removed, the operator may need to construct a trench on the uphill side of the reserve pit to divert surface drainage around it. If constructed, the trench will be left intact until the pit is closed.
13. The reserve pit will be lined with an impermeable liner if permeable subsurface material is encountered. An impermeable liner is any liner having permeability less than 10-7 cm/sec. The liner will be installed so that it will not leak and will be chemically compatible with all substances that may be put in the pit. Liners made of any man-made synthetic material will be of sufficient strength and thickness to withstand normal installation and pit use. In gravelly or rocky soils, a suitable bedding material such as sand will be used prior to installing the liner.
14. The reserve pit will be constructed so that at least half of its total volume is in solid cut material (below natural ground level).
15. Culverts will be placed on channel bottoms on firm, uniform beds, which have been shaped to accept them, and aligned parallel to the channel to minimize erosion. Backfill will be thoroughly compacted.
16. The minimum diameter for culverts will be 18 inches. However, all culverts will be appropriately sized in accordance with standards in BLM Manual 9113.
17. Construction and other project-related traffic will be restricted to approved routes. Cross-country vehicle travel will not be allowed.
18. Maximum design speed on all operator-constructed and maintained roads will not exceed 25 miles per hour.
19. Pipeline construction shall not block nor change the natural course of any drainage. Pipelines shall cross perpendicular to drainages. Pipelines shall not be run parallel in drainage bottoms. Suspended pipelines shall provide adequate clearance for maximum runoff.
20. Pipeline trenches shall be compacted during backfilling. Pipeline trenches shall be routinely inspected and maintained to ensure proper settling, stabilization and reclamation.
21. During construction, emissions of particulate matter from well pad and road construction would be minimized by application of water or other non-saline dust suppressants with at least 50 percent control efficiency. Dust inhibitors (surfacing materials, non-saline dust suppressants, and water) will be used as necessary on unpaved roads that present a fugitive dust problem. The use of chemical dust suppressants on public surface will require prior approval from the BLM Authorized Officer.
22. Operators are required to obtain a National Pollution Discharge Elimination System (NPDES) Storm Water Permit from the Wyoming DEQ for any projects that disturb five or more acres (changing to one acre in March 2005). This general construction storm water permit must be obtained from WDEQ prior to any surface disturbing activities and can be obtained by following directions on the WDEQ website at <http://deq.state.wy.us>. Further information can be obtained by contacting Barb Sahl at (307) 777-7570.

23. The operator shall submit a Sundry Notice (Form 3160-5) to BLM for approval prior to construction of any new surface disturbing activities that are not specifically addressed in the approved APD or POD Surface Use Plan.
24. Weed educational material will be reviewed with operators during pre-construction on-site meetings with operators, subcontractors, and landowners and will also be attached to approved APDs and PODs.
25. Companies will contact the counties to pursue development of maintenance agreements to ensure county roads are adequately maintained for the projected increase in use.

C. Operations/Maintenance

1. The operator shall complete coal bed natural gas wells (case, cement and under ream) as soon as possible, but no later than 30 days after drilling operations, unless an extension is given by the BLM Authorized Officer.
2. If in the process of air drilling the wells there is a need to utilize mud, all circulating fluids will be contained either in an approved pit or in an aboveground containment tank. The pit or containment tank will be large enough to safely contain the capacity of all expected fluids without danger of overflow. Fluid and cuttings will not be squeezed out of the pit, and the pit will be reclaimed in an expedient manner.
3. Confine all equipment and vehicles to the access road(s), pad(s), and area(s) specified in the approved APD or POD.
4. All waste, other than human waste and drilling fluids, will be contained in a portable trash cage. This waste will be transported to a State approved waste disposal site immediately upon completion of drilling operations. No trash or empty barrels will be placed in the reserve pit or buried on location. All state and local laws and regulations pertaining to disposal of human and solid waste will be complied with.
5. Rat and mouse holes shall be filled and compacted from the bottom to the top immediately upon release of the drilling rig from the location.
6. The operator will be responsible for prevention and control of noxious weeds and weeds of concern on all areas of surface disturbance associated with this project (well locations, roads, water management facilities, etc.) Use of pesticides shall comply with the applicable Federal and State laws. Pesticides shall be used only in accordance with their registered uses and within limitations imposed by the Secretary of Interior. Prior to the use of pesticides on public land, the holder shall obtain from the BLM authorized officer written approval of a plan showing the type and quantity of material to be used, pest(s) to be controlled, method of application, location of storage and disposal of containers, and any other information deemed necessary by the authorized officer to such use.
7. Sewage shall be placed in a self-contained, chemically treated porta-potty on location.
8. The operator and their contractors shall ensure that all use, production, storage, transport and disposal of hazardous and extremely hazardous materials associated with the drilling, completion and production of these wells will be in accordance with all applicable existing or hereafter promulgated federal, state and local government rules, regulations and guidelines. All project-related activities involving hazardous materials will be conducted in a manner to minimize potential environmental impacts. In accordance with OSHA requirements, a file will be maintained onsite containing current Material Safety

Data Sheets (MSDS) for all chemicals, compounds and/or substances which are used in the course of construction, drilling, completion and production operations.

9. Produced fluids shall be put in test tanks on location during completion work. Produced water will be put in the reserve pit during completion work per Onshore Order #7.
10. The only fluids/waste materials which are authorized to go into the reserve pit are RCRA exempt exploration and production wastes. These include:
 - drilling muds & cuttings
 - rigwash
 - excess cement and certain completion & stimulation fluids defined by EPA as exempt

It does not include drilling rig waste, such as:

- spent hydraulic fluids
- used engine oil
- used oil filter
- empty cement, drilling mud, or other product sacks
- empty paint, pipe dope, chemical or other product containers
- excess chemicals or chemical rinsate

Any evidence of non-exempt wastes being put into the reserve pit may result in the BLM Authorized Officer requiring specific testing and closure requirements.

11. Reserve pits will be closed as soon as possible, but no later than 90 days from time of drilling/well completion, unless the BLM Authorized Officer gives an extension. Squeezing of pit fluids and cuttings is prohibited. Pits must be dry of fluids or they must be removed via vac-truck or other environmentally acceptable method prior to backfilling, re-contouring and replacement of topsoil. Mud and cuttings left in pit must be buried at least 3-feet below re-contoured grade. The operator will be responsible for re-contouring any subsidence areas that develop from closing a pit before it is sufficiently dry.
12. Operators are advised that prior to installation of any oil and gas well production equipment which has the potential to emit air contaminants, the owner or operator of the equipment must notify the Wyoming Department of Environmental Quality, Air Quality Division (phone 307-777-7391) to determine permit requirements. Examples of pertinent well production equipment include fuel-fired equipment (e.g., diesel generators), separators, storage tanks, engines and dehydrators.
13. If this well is drilled during the fire season (June-October), the operator shall institute all necessary precautions to ensure that fire hazard is minimized, including but not limited to mowing vegetation on the access route(s) and well location(s), keeping fire fighting equipment readily available when drilling, etc.

D. Dry Hole/Reclamation

1. All disturbed lands associated with this project, including the pipelines, access roads, water management facilities, etc., will be expediently reclaimed and reseeded in accordance with the surface use plan and any pertinent site-specific COAs.

2. Disturbed lands will be re-contoured back to conform with existing undisturbed topography. No depressions will be left that trap water or form ponds.
3. The fluids and mud must be dry in the reserve pit before re-contouring pit area. The operator will be responsible for re-contouring of any subsidence areas that develop from closing a pit before it is completely dry. The plastic pit liner (if any) will be cut off below grade and properly disposed of at a state authorized landfill before beginning to re-contour the site.
4. Before the location has been reshaped and prior to redistributing the topsoil, the operator will rip or scarify the drilling platform and access road on the contour, to a depth of at least 12 inches. The rippers are to be no farther than 24 inches apart.
5. Distribute the topsoil evenly over the entire location and other disturbed areas. Prepare the seedbed by disking to a depth of 4-to-6 inches following the contour.
6. Phased reclamation plans will be submitted to BLM for approval prior to individual POD facility abandonment via a Notice of Intent (NOI) Sundry Notice. Individual facilities, such as well locations, pipelines, discharge points, impoundments, etc. need to be addressed in these plans as they are no longer needed. Individual items that will need to be addressed in reclamation plans include:
 - Pit closure (Close ASAP after suitably dry, but no later than 90 days from time of drilling unless an extension is given by BLM Authorized Officer.) BLM may require closure prior to 90 days in some cases due to land use or environmental concerns.
 - Configuration of reshaped topography, drainage systems, and other surface manipulations
 - Waste disposal
 - Re-vegetation methods, including specific seed mix (pounds pure live seed/acre) and soil treatments (seedbed preparation, fertilization, mulching, etc.). On private surface, the landowner should be consulted for the specific seed mix.
 - Other practices that will be used to reclaim and stabilize all disturbed areas, such as water bars, erosion fabric, hydro-mulching, etc.
 - An estimate of the timetables for beginning and completing various reclamation operations relative to weather and local land uses.
 - Methods and measures that will be used to control noxious weeds, addressing both ingress and egress to the individual well or POD.
 - Decommissioning/removal of all surface facilities
 - Closure and reclamation of areas utilized or impacted by produced CBM water, including discharge points, reservoirs, off-channel pits, land application areas, livestock/wildlife watering facilities, surface discharge stream channels, etc
7. BLM will not release the performance bond until all disturbed areas associated with the APD/POD have been successfully re-vegetated (evaluation will be made after the second complete growing season) and has met all other reclamation goals of the surface owner and surface management agency.
8. A Notice of Intent to Abandon and a Subsequent Report of Abandonment must be submitted for abandonment approval.

9. For performance bond release approval, a Final Abandonment Notice (with a surface owner release letter on split-estate) must be submitted prior to a final abandonment evaluation by BLM.
10. Soil fertility testing and the addition of soil amendments may be required to stabilize some disturbed lands.
11. Any mulch utilized for reclamation needs to be certified weed free.
12. Waterbars are to be constructed at least one (1) foot deep, on the contour with approximately two (2) feet of drop per 100 feet of waterbar to ensure drainage, and extended into established vegetation. All waterbars are to be constructed with the berm on the downhill side to prevent the soft material from silting in the trench. The initial waterbar should be constructed at the top of the backslope. Subsequent waterbars should follow the following general spacing guidelines:

Slope (percent)	Spacing Interval (feet)
≤ 2	200
2 - 4	100
4 - 5	75
≥ 5	50

E. Producing Well

1. Landscape those areas not required for production to the surrounding topography as soon as possible. The fluids and mud must be dry in the reserve pit before re-contouring pit area. The operator will be responsible for re-contouring and reseeding of any subsidence areas that develop from closing a pit before it is completely dry.
2. Reduce the backslope to 2:1 and the foreslope to 3:1, unless otherwise directed by the BLM Authorized Officer. Reduce slopes by pulling fill material up from foreslope into the toe of cut slopes.
3. Production facilities (including dikes) must be placed on the cut portion of the location and a minimum of 15 feet from the toe of the back cut unless otherwise approved by the BLM Authorized Officer.
4. Any spilled or leaked oil, produced water or treatment chemicals must be reported in accordance with NTL-3A and immediately cleaned up in accordance with BLM requirements. This includes clean-up and proper disposition of soils contaminated as a result of such spills/leaks.
5. Distribute stockpiled topsoil evenly over those areas not required for production and reseed as recommended.
6. Upgrade and maintain access roads and drainage control (e.g., culverts, drainage dips, ditching, crowning, surfacing, etc.) as necessary and as directed by the BLM Authorized Officer to prevent soil erosion and accommodate safe, environmentally-sound access.
7. Prior to construction of production facilities not specifically addressed in the APD/POD, the operator shall submit a Sundry Notice to the BLM Authorized Officer for approval.
8. If not already required prior to constructing and drilling the well location, the operator shall immediately upgrade the entire access road to BLM standards (including topsoiling,

crowning, ditching, drainage culverts, surfacing, etc.) to ensure safe, environmentally-sound, year-round access. This requirement does not supercede or apply where specific road requirements are addressed in the APD/POD surface use plan (e.g., two track road, spot upgrade, etc.)

9. Waterbars shall be installed on all reclaimed pipeline corridors per the guidelines in D #12.