

**DECISION RECORD**  
**Categorical Exclusion 3 (CX3), WY- WY-070-390CX3-15-2**  
**Section 390, Energy Policy Act of 2005**  
**Roff Operating Company, LLC;**  
**Anderson Federal #1-11 Application for Permit to Drill (APD)**  
**Bureau of Land Management, Buffalo Field Office, Wyoming**

**DECISION.** BLM approves Roff Operating Company, LLC (Roff), Anderson Federal #1-11 gas and oil well application for permit to drill (APD) as described in, WY-070-390CX3-15-2 and incorporated by reference environmental assessment, (EA) WY-070-EA14-60 for Roff Operating Company, LLC Boardman Federal 1-30 well. This approval includes the well’s support facilities.

**Compliance.** This decision complies with:

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

BLM summarizes the details of the approval of WY-070-390CX3-15-2, below. The Boardman EA includes the project description, including specific changes made at the onsites, and site-specific mitigation measures.

**Approvals.** BLM approves the following APD and associated infrastructure:

#	Well Name & #	Qtr	Sec	Twp	Rng	Lease	CX #
1	Anderson Federal #1-11	NENW	11	56	70	WYW178716	WY-070-390CX3-15-2

**List of Approved Rights-of-Way on Public Surface:**

ROW Grant	ROW Action	SEC.	T.	R.	Lengths	Width
WYW-168480	Road	11,14,26	56N	70W	3,996’	NTE 40’
					<b>Area of Disturbance</b>	
					3.7 acres	

**Limitations.** There are no denials or deferrals. Also see the conditions of approval (COAs).

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

**COMMENT OR NEW INFORMATION SUMMARY.** BLM publically posted the proposed APD for 30 days, received no comments, and then internally scoped it. BLM experience in the PRB (outside of the Fortification Creek Planning Area) revealed little public input or new issue discovery other than those revealed after public scoping during development of the PRB FEIS. BLM received no new policies or clarifications since receipt of this APD.

**DECISION RATIONALE.** The approval of this project is because:

1. BLM and Roff included mitigation measures to reduce environmental impacts while meeting the BLM’s need. For a complete description of all site-specific COAs see the COAs. The PRB FEIS

analyzed and predicted that the PRB oil and gas development would have significant impacts to the region's Greater Sage-Grouse (GSG) population. 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 and ROD and current BLM and Wyoming GSG conservation strategies.

2. Roff will conduct operations to minimize adverse effects to surface and subsurface resources, prevent unnecessary surface disturbance, and conform to currently available technology and practice.
3. The selected alternative will help meet the nation's energy needs, and help stimulate local economies by maintaining workforce stability.
4. The Operator committed to:
  - Comply with the approved APD, applicable laws, regulations, orders, and notices to lessees.
  - Obtain necessary permits from agencies.
  - Offer water well agreements to the owners of record for permitted wells.
  - Incorporate several measures to alleviate resource impacts into their submitted surface use plan and drilling plan.
5. The Operator certified that a surface access agreement is in place.
6. The project is clearly lacking in wilderness characteristics as it is amidst historical mineral development.
7. The approved project conditioned by its design features and COAs, will not result in any undue or unnecessary environmental degradation. There are no conflicts anticipated or demonstrated with current uses in the area. This decision approving the Anderson #1-11 well complies with the Energy Policy Act of 2005, Section 390, 43 CFR 1610.5, 40 CFR 1508.4, and 43 CFR 46.215.

**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: \_\_\_\_\_12/9/14\_\_\_\_\_

**Categorical Exclusion 3 (CX3), WY- WY-070-390CX3-15-2**  
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**Description of the Proposed Action:**

Roff Operating Company, LLC (Roff) proposes to drill 1 vertical bore oil/gas well to the Minnelusa formation to a depth of approximately 7,100 feet and construct associated infrastructure as follows:

**Table 1.1. Proposed Wells**

#	Well Name & #	Qtr	Sec	Twp	Rng	Lease	CX #
1	Anderson Federal #1-11	NENW	11	56	70	WYW178716	WY-070-390CX3-15-2

Anderson Federal #1-11 Notice of Staking was received on April 1, 2014 and was posted on April 7, 2014. The above-referenced Project Plan of Development (POD or APD) was received on August 26, 2014.

**List of Approved Rights-of-Way on Public Surface:**

ROW Grant	ROW Action	SEC.	T.	R.	Lengths	Width
WYW-168480	Road	11,14,26	56N	70W	3,996'	NTE 40'
					<b>Area of Disturbance</b>	
					3.7 acres	

The pre-approval Notice of Staking (NOS submitted 4/1/2014) onsite was conducted by the following personnel:

Date	Name	Title	Company
June 17 and July 15, 2014	Andy Perez	NRS	BLM
October 23, 2014	Scott Jawors	Wildlife Biologist	BLM
June 17 and July 15, 2014	Jeremy Moyle	Consultant	Milestone Consulting
June 17 and July 15, 2014	Jeff Bean	Operations Manager	Roff
July 15, 2014	Al Ryan	Landowner	Ryan Ranch
July 15, 2014	Duane Anderson	Ryan Ranch Lessee	Ranch Lessee
June 17 and July 15, 2014	Chris Kaschmitter	Surveyor	CEPI

To access the Anderson#1-11 location proceed northwest out of Gillette, Wyoming on Highway #14-16 for approximately 4.1 miles. Turn right and travel Northeasterly on Highway #59 for approximately 26.5 miles. Turn right and travel Easterly on Rocky Point/Heald Road for 2 miles. Turn north onto Rocky Point Road and travel approximately 12.5 miles to the turn off for Ryan Land & Livestock. Access to the location is North on this road.

Approximately 3.96 miles of new access will be required to reach the location. See Exhibit III for location of the access within the project well file (available for review at the BLM Buffalo Field Office (BFO)). This new access road is following existing two-track roads where possible to minimize surface disturbance. It will be improved as a template design road as per the BLM Gold Book standards:

- a) Length - 3.96 miles
- b) Width – 16' running surface

- c) Maximum Grades – Less than 6°
- d) Major Cuts or Fills – No major cuts or fills will be required.
- e) Turnouts – 6 (100ft X 20ft) and will be within the approved 40ft construction corridor.
- f) Drainage Design – Proper drainage will be accounted for by constructing the road utilizing either outsloping or crowning and ditching depending on terrain. The drainage design will be determined at the discretion of the dirt contractor at the time of construction to best fit the local conditions. Operator will also work with the dirt contractor to utilize Best Management Practices for storm water management.
- g) Location & size of culverts – 18" culverts will be added as necessary to provide proper drainage. Approximate locations for the culverts are marked on Exhibit IV within the project well file.
- h) Gates cattle guards, or fence cuts &/or changes to existing facilities – A cattle guard will be placed going through the fencing at the entrance to the location. Operator may install additional cattle guards as necessary for fence crossings. Marked on Exhibit IV are the fences that will be crossed for the access road. This will include one cut through and three existing gates. The gates will be widened and upgraded to accommodate the rig.

During the production phase it is anticipated that the total disturbance of the location will be 0.81 acres. During the drilling phase the total disturbance is expected to be 3.20 acres. Operator anticipates reclaiming 2.39 acres or 74.68% of total disturbance during the interim reclamation phase.

Surface Owners:

Location:

Alice Marie Anderson, Trustee of the Alice Marie  
Anderson Revocable Family Trust

Access Road:

Ryan Land & Livestock, LLC

**Table 1.2. Disturbance Summary Anderson Federal #1-11:**

	<u>Construction/Drilling</u>						<u>Interim/Production</u>					
	New Construction			Existing			Interim			Existing		
	Length (Mi)	Width (ft)	Total Acres	Length (Mi)	Width (ft)	Total Acres	Length (Mi)	Width (ft)	Total Acres	Length (Mi)	Width (ft)	Total Acres
Existing Crowned & Ditched Access Road				0.50	20.00	1.21				0.50	20.00	1.21
Overhead power (OHP)	3.96	30	14.40				3.96	15	7.20			
New Access Road Construction Parameters	3.96	40.00	19.20				3.96	16.00	7.68			
New Access Road Safety Turnouts (6 Total)	100.00'	20.00'	0.28				100.00'	20.00'	0.28			
Well Pad			3.20						0.81			
<b>Totals:</b>			<b>37.08</b>			<b>1.21</b>			<b>15.97</b>			<b>1.21</b>

<b>Surface Disturbance Summary</b>	
Total New Disturbance During Construction/Drilling	Total New Interim Disturbance
37.08	15.97

**Reasonably Foreseeable Activities:**

The Anderson Federal #1-11 location and associated infrastructure were previously analyzed as Reasonably Foreseeable Activities within the Roff Operating Company, LLC WY-070-EA14-60 EA for Boardman Ranch Federal #1-30 well within section 2.2. Page 4 as follows:

The reasonably foreseeable activities for this and adjacent areas include the operator (Roff) potentially permitting up to 3 more APDs listed below. The following analysis generally includes this foreseeable activity, to the extent capable while lacking site-specific proposals. The possible locations are near:

1. Township 56 North, Range 70 West, Section 11: NW¼NE¼ or NE¼NW¼ (Anderson Federal #1-11 location)
2. Township 56 North, Range 70 West, Section 9: NE¼
3. Township 56 North, Range 70 West, Section 8: NW¼

There is also the potential for other operators to develop lease (s) in the area on 40 acre spacing dependent upon lease sales and existing lease rights in the immediate and surrounding area. Expanded gas and electric ROW infrastructure linking potential future wells are part of reasonably foreseeable activity addition to this proposal (PRB ROD, p. 2). A foreseeable addition may be a request for a ROW to connect roads, gas and utility lines.

**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, and Resource Management Amendments 2001, 2003, 2011 as required by 43 CFR 1610.5, 40 CFR 1508.4, and 43 CFR 46.215. The project area is clearly lacking in wilderness characteristics as it is amidst historical oil and gas development. BLM finds that the conditions and environmental effects found in the senior Boardman 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 APD is in a developed oil or gas field (any field with a completed confirmation well).

Table 1.3 is a list of NEPA analysis that are within or adjacent to the Anderson Federal #1-11 project area. This information shows that BLM conducted analysis and BLM incorporates these here by reference.

**Table 1.3. Overlapping NEPA Analyses by Decision Date**

#	POD / Well Name	NEPA Analysis #	#/ Type Wells / Drilled	Mo/Yr
1	Roff Operating Boardman Federal 1-30	WY-070-EA14-60	1	12/2013

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

\*Approved within 5 years and in the 4 miles analysis area of the Anderson Federal #1-11 (12/20/2013).

- 2) Reasonably foreseeable activity (RFA) is found in the Reasonably Foreseeable Activities within the WY-070-EA14-60 EA for Boardman Ranch Federal #1-30 well within section 2.2. Page 4. This locality includes but is not limited to the approved Boardman Federal 1-30 well and will fill-in to 40

acre spacing. BLM also notes from Table 1.3, above, that the 1 analyzed APD has been drilled. For further detail see the RFA above on Page 3. The tiered NEPA document was finalized or supplemented within 5 years of spudding (drilling) the proposed well. This Anderson Federal #1-11 project CX3 tiers to the NEPA analyses in the Boardman Ranch Federal #1-30 well, WY-070-EA14-60.

In summary, the analyses in Table 1.3, analyzed in detail the anticipated direct, indirect, residual, and cumulative effects that would result from the approval of this APD and associated support structure in that the Anderson Federal #1-11 project is similar to both the qualitative and quantitative analysis in the tiered-to and incorporated NEPA analyses. The BLM reviewed the analyses and found that the analyses considered potential environmental effects associated with the proposal at a site specific level. The Anderson Federal #1-11 project APD surface use and drilling plans are incorporated here by reference and show adequate protection of surface lands and ground water, including the Fox Hills Formation. The proposal's acres of surface disturbances are within the analysis parameters of the PRB FEIS.

### **Plan of Operations.**

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

### **Soils/ Vegetation.**

Impacts anticipated occurring and mitigation considered with the implementation of the proposal will be similar to those analyzed in the following EA which is adjacent or overlapping to this proposal, is substantially similar, and is incorporated here by reference: Roff Operating's Boardman Ranch Federal #1-30 well, WY-070-EA14-60 EA within section 3.2, Pages 5-9 & section 4.3 Pages 14-17.

### **Water Resources.**

The historical use for groundwater in this area was for stock water. A search of the WSEO Ground Water Rights Database showed 4 registered stock and domestic water wells within 1 mile of the proposed wells in the project area with depths ranging from 430 to 800 feet. For additional information on groundwater, refer to the PRB FEIS, pp. 3-1 to 3-36. Adherence to the drilling COAs, the setting of casing at appropriate depths, following safe remedial procedures in the event of casing failure, and using proper cementing procedures should protect any fresh water aquifers above the target zone. This will ensure that ground water will not be adversely impacted by well drilling and completion operations. The surface casing will be cemented back to surface with class "G" cement using 100% excess. The above referenced Boardman 1-30 well was drilled into the Minnelusa. The Surface casing was successfully set at 720'. Any usable water zones encountered will be protected and reported. The production casing will be cemented with a sufficient volume to attempt to bring cement 200' TVD above the top of the Fox Hills formation. The Fox Hills formation is estimated at 1,328-1,564 feet (236 feet thick).

The operator will verify that there is competent cement across the aquifer, from 100 feet above to 100 feet below the Fox Hills Formation. This will ensure that ground water will not be adversely impacted by well drilling and completion operations.

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 well for a time to be able to estimate the water production. In order to comply with the requirements of Onshore Oil and Gas Order #7, Disposal of

Produced Water, the operator will submit a Sundry to the BLM within 90 days of first production which includes a representative water analysis as well as the proposal for water management.

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

### **Wetlands/ Riparian.**

No wetlands/ riparian areas are in the project area.

### **Invasive Species.**

Impacts anticipated occurring and mitigation considered with the implementation of the proposal will be similar to those analyzed in the referenced EA which is adjacent or overlapping to these proposals, have substantially similar characteristics, and is incorporated here by reference: Boardman Ranch Federal #1-30 well, WY-070-EA14-60 EA within section 3.10. Page 10 & section 4.8 Page 19.

### **Wildlife.**

A BLM wildlife biologist reviewed the proposed APD and determined that it, combined with the COAs and design features, are: (1) consistent with the PRB FEIS, the Buffalo RMP and the above tiered NEPA analysis; 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 Roff Operating Boardman Federal 1-30 (WY-070-EA14-60). Additional information is discussed below.

Land uses and disturbances occurring within the proposed project include wildlife habitat, livestock grazing, overhead power lines, conventional oil and gas, and improved and unimproved roads. Habitats within the proposal are comprised of sagebrush grassland and mixed-grass prairie. The dominant vegetation is Wyoming big sagebrush and the understory is a mix of pasture grasses (needleandthread, prairie junegrass, blue gramma, Sandberg bluegrass, threadleaf sedge, and cheatgrass).

### **Candidate Species – Greater Sage-Grouse (GSG)**

Nesting GSG habitat exists within the proposal area. One occupied lek (Tuttle Draw) is within two miles of the proposal. The sage-grouse affected environment for this proposal is similar in geography, ecology and impacts to a recently approved project (Roff Operating Boardman Federal 1-30 (WY-070-EA14-60) BLM analyzed. Therefore, Roff Operating Boardman Federal 1-30 (WY-070-EA14-60) analysis is incorporated here by reference: Affected Environment (Section 3.11.5, p.12-13). 4.2.1.1. Direct and Indirect Effects, Cumulative Effects, Mitigation Measures, and Residual Effects (Sections 4.10.2-4.10.2.5, p. 23-24). The BLM IM WY-2012-019 establishes interim management policies for proposed activities on BLM-administered lands, including federal mineral estate, until RMP updates are complete. To mitigate impacts to sage-grouse, no surface disturbing activities are permitted between March 15 and June 30.

### **Migratory Birds**

The PRB FEIS discussed direct and indirect effects to migratory birds on pp. 4-231 to 4-235. The affected environment for this proposal is similar to a recently approved project (Roff Operating Boardman Federal 1-30 (WY-070-EA14-60) that BLM analyzed. Therefore, Roff Operating Boardman Federal 1-30 (WY-070-EA14-60) analysis is incorporated here by reference: Affected Environment (Section 3.11.3, p.11-12). 4.2.1.1. Direct and Indirect Effects, Cumulative Effects, Mitigation Measures, and Residual Effects (Sections 4.9.2.2-4.9.2.2.3, p. 20-21). Effects and mitigation associated with this project are

similar in nature. To mitigate impacts to sagebrush obligate BLM sensitive species, habitat removal is prohibited during the migratory bird nesting season (May 1 – Aug 1) unless a nesting survey performed by a biologist confirms an absence of nesting birds in the disturbance area.

**Cultural.**

In accordance with section 106 of the National Historic Preservation Act, BLM must consider impacts to historic properties (sites that are eligible for or listed on the National Register of Historic Places (NRHP)). For an overview of cultural resources that are generally found within BFO the reader is referred to the *Draft Cultural Class I Regional Overview, Buffalo Field Office* (BLM, 2010). A Class III (intensive) cultural resource inventory (BFO project no. 70140122) was performed in order to locate specific historic properties which may be impacted by the proposed project. The following resources are located in or near the proposed project area.

**Cultural Resources Located In or Near the Project Area**

Site Number	Site Type	NRHP Eligibility
48CA7209	Prehistoric	NE

BLM policy states that a decision maker’s first choice should be avoidance of historic properties (BLM Manual 8140.06(C)). If historic properties cannot be avoided, mitigation measures must be applied to resolve the adverse effect. No historic properties will be impacted by the proposed project. Following the 2006 *State Protocol Between the Wyoming Bureau of Land Management State Director and The Wyoming State Historic Preservation Officer* Section VI(A)(1), the Bureau of Land Management electronically notified the Wyoming State Historic Preservation Officer (SHPO) on 11/12/14 that no historic properties exist within the area of potential effect (APE). If any cultural values (sites, features or artifacts) are observed during operation, they will be left intact and the Buffalo Field Manager notified. If human remains are noted, the procedures described in Appendix L of the PRB FEIS must be followed. Further discovery procedures are explained in Standard COA (General) (A) (1) and in Appendix K of the Wyoming Protocol.

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

Position/Organization	Name	Position/Organization	Name
NRS/Team Lead	Andy Perez	Archaeologist	Seth Lambert
Supr NRS	Casey Freise	Wildlife Biologist	Scott Jawors
Petroleum Engineer	Will Robbie	Geologist	Kerry Aggen
LIE	Karen Klaahsen	Grazing Management	Kay Medder
Soils	Arnie Irwin	Supr NRS	Arnie Irwin
Hydrologist	N/A	Assistant Field Manager	Clark Bennet
Assistant Field Manager	Chris Durham	NEPA Coordinator	Tom Bills

**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 Anderson Federal #1-11 well CX3 APD and infrastructure conform to the applicable land use plan, 43 CFR 1610.5, 40 CFR 1508.4, and 43 CFR 46.215. I reviewed the proposal to ensure the appropriate exclusion category as described in Section 390 of the Energy Policy Act of 2005 is correct. I determined that there is no requirement for further environmental analysis.

Field Manager: \_\_\_\_\_ /s/ Duane W. Spencer \_\_\_\_\_ Date: \_\_\_\_\_ 12/9/14 \_\_\_\_\_

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