

DECISION RECORD
True Oil, LLC, Challenger POD, Plan of Development (POD)
Determination of NEPA Adequacy (DNA), WY-070-DNA14-384
Buffalo Field Office, Bureau of Land Management

DECISION. BLM approves True Oil, LLC (True) Challenger POD, Skyline Fed 44-23-23P1H, 1 oil well application for permit to drill (APD) via the DNA worksheet, WY-070-DNA14-384, both incorporated here by reference. The DNA tiers to Trues Challenger POD, WY-070-390CX3-14-101 to 14-105, Categorical Exclusion 3. The DNA proposal is the result of collaboration between the BLM and True. 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.
- Mineral Leasing Act of 1920 (MLA) (30 U.S.C. 181); to include Onshore Order No. 1.
- National Environmental Policy Act of 1969 (NEPA) (42 USC 4321).
- National Historic Preservation Act of 1966 (NHPA) (16 USC 470).
- Buffalo Resource Management Plan (RMP) 1985, and Amendments.

Details of the approval are summarized below. The project description is in the DNA worksheet, and in Trues Challenger POD, WY-070-390CX3-14-101 to 14-105.

Well Site. BLM approves the following APD and support facilities:

#	Well Name & Number	TWN	RNG	SEC	QQ	PAD NAME	LEASE
1	Skyline Fed 44-23-23P1H	43N	73W	23	SESE	Skyline Fed 44-23 23	WYW5331, Fee

SHL – Surface Hole Lease; BHL – Bottom Hole ends in Fee Minerals.

Limitations. See the conditions of approval (COAs).

THE FINDING OF NO SIGNIFICANT IMPACT (FONSI). The APD analyzed in the DNA worksheet was found to have no significant impacts on the human environment, beyond those described in the Powder River Basin Final Environmental Impact Statement (PRB FEIS), thus an EIS or EA is not required. The FONSI for CXs, WY-070-390CX3-14-101 to 14-105, covers this proposal since the effects received analysis and there is no new surface disturbance.

This Project Tiers to and Incorporates by Reference these NEPA Documents:

- Buffalo FEIS, 1985
- Final Environmental Impact Statement (FEIS) and Proposed Plan Amendments for the Powder River Basin Oil and Gas Project, 2003
- Lone Moose, Groves, Citrine et al; WY-070-EA14-194, 3/2014,
- Cosner-Wright 2 POD; WY-070-EA14-191, 2/2014,
- Porsche #3H & #4H; WY-070-EA14-85, 2/2014,
- Green Federal Com 9H & 10H; WY-070-390CX3-13-176 etc., 12/2013,
- Seven Wright Area Wells: Thrush, etc.; WY-070-390CX3-13-46, etc., 6/2013,
- Quill Federal #5H; WY070-EA13-3, 6/2012,
- Raging Bull Com #2H; WY-070-EA12-207, 9/2012,
- Valerie POD; WY-070-EA12-68, 3/2012,
- Wilkinson POD; WY-070-EA11-34, 11/2010.

COMMENT OR NEW INFORMATION SUMMARY. BLM publically posted the proposed APDs for 30 days, received no comments, and then internally scoped them. 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.

DECISION RATIONALE. BLM bases the decision authorizing the selected project on:

1. BLM and True 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. True will conduct operations to minimize adverse effects to surface and subsurface resources, prevent unnecessary surface disturbance, and conform with currently available technology and practice. All disturbances are on existing infrastructure, no new disturbance is anticipated. BLM's analysis, finding (FONSI), and rationale are ground in Trues Challenger POD CX's, WY-070-390CX3-14-101 to 14-105.
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 it has a surface access agreement or posted a 43 CFR 3814.1 bond.
6. The project is clearly lacking in wilderness characteristics as there is no federally owned surface.
7. This APD is pursuant to the Mineral Leasing Act for the purpose of exploring or developing oil or gas and does not satisfy the categorical exclusion directive of the Energy Policy Act of 2005, Section 390 because BLM and True anticipate no new surface disturbance.

ADMINISTRATIVE REVIEW AND APPEAL. This decision is subject to administrative review according to 43 CFR 3165. 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. Parties 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: _____ 9/26/14 _____

**Determination of NEPA Adequacy (DNA) Worksheet, WY-070-DNA14-384
Bureau of Land Management, Buffalo, WY**

OFFICE: BLM, Buffalo Field Office (BFO), 1425 Fort Street, Buffalo, WY 82834

CASEFILE/PROJECT NUMBERS: Challenger POD/ WY-070-DNA14-384

PROPOSED ACTION TITLE: Challenger POD, Skyline Fed 44-23-23P1H

LOCATION/LEGAL DESCRIPTION: See Below

APPLICANT : True Oil, LLC

A. Description of the Proposed Activity and any applicable mitigation measures

The proposal is 1 application for permit to drill (APD), the Skyline Fed 44-23-23P1H, located in the SESE of Section 23, T43N, R73W. True Oil, LLC (True) proposes to explore for and develop oil and natural gas reserves underlying 1 federal oil and gas lease, surface hole lease, WYW5331 and bottom hole ends in fee minerals, leased by True in southern Campbell County, approximately 13 miles south-west of Wright, Wyoming. True proposes to drill, complete, produce, and eventually reclaim bores to the Parkman Formation. Associated infrastructure would include access roads, gathering lines and possible future power lines required for access to the well pad and transport of oil and gas from the well sites. This well will be on an existing well pad, Skyline Fed 44-23 23 pad, identified in the approved Challenger POD, WY-070-390CX3-14-105, with the Skyline Fed 44-23 23T1H well. Disturbance is on existing infrastructure; no new disturbance is anticipated. True anticipates the life of a productive well to be up to 40 years. Federal lands split jurisdiction rules apply for the surface is non-federal overlying federal mineral lease.

Well List:

#	Well Name & Number	TWN	RNG	SEC	QQ	PAD NAME	LEASE
1	Skyline Fed 44-23-23P1H	43N	73W	23	SESE	Skyline Fed 44-23 23	WYW5331, Fee

SHL – Surface Hole Lease; BHL – Bottom Hole ends in Fee Minerals.

The Challenger POD and this APD are in an existing coalbed natural gas and more recently oil production area on lands owned by private landowners. Mineral ownership is a combination of federal and private. The BLM has previously completed a NEPA document and issued a Decision Record (DR) covering 5 wells on 3 pads, with the intent of drilling up to 16 total wells from 4 pads, in the project area for True. The Wyoming Oil and Gas Conservation Commission have approved APDs for wells in the project area on fee leases. Some of the previously approved wells are in the process of being drilled and completed. Others are planned for drilling and completion in 2014 and 2015.

True submitted this well as notice of staking (NOS) at the time of the analysis occurred for Categorical Exclusion (CX3), WY-070-390CX3-14-105. True subsequently converted the NOS to an APD. The conditions and environmental effects found in the CX3 are substantially unchanged and remain valid. The APD was posted for the required 30 days and now can be approved.

For complete details of surface disturbance see Trues Challenger POD Surface Use Plan of Operations (SUPO), drilling plan and the associated Challenger POD CX3, WY-070-390CX3-14-105.

B. Conformance with the Land Use Plan (LUP) and Consistency with Related Subordinate Implementation Plans

This proposal conforms to the applicable LUPs because it is specifically provided for in the following LUP decisions:

LUP: Buffalo Resource Management Plan (RMP), 1985, and Amendments; DOI Order 3310

The Buffalo RMP, 1985, and as amended in 2001 provides to “Continue to lease and allow development of federal oil and gas in the Buffalo Resource Area” (MM-7: 1985 Buffalo RMP ROD at pg.16, 2001 RMP update at p. 9).

The 2003 supplement to the Buffalo RMP provided goals and objectives for “future management of oil and gas operations....within the Buffalo...RMP areas” 2003 PRB FEIS ROD p. 6.

C. Identify applicable National Environmental Policy Act (NEPA) documents and other related documents that cover the proposed action.

List by name and date all applicable NEPA documents that cover the proposed action.

- Buffalo FEIS, 1985
- Final Environmental Impact Statement (FEIS) and Proposed Plan Amendments for the Powder River Basin Oil and Gas Project, 2003
- Lone Moose, Groves, Citrine et al; WY-070-EA14-194, 3/2014,
- Cosner-Wright 2 POD; WY-070-EA14-191, 2/2014,
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- Quill Federal #5H; WY070-EA13-3, 6/2012,
- Raging Bull Com #2H; WY-070-EA12-207, 9/2012,
- Valerie POD; WY-070-EA12-68, 3/2012,
- Wilkinson POD; WY-070-EA11-34, 11/2010 incorporated here by reference.

D. NEPA Adequacy Criteria

1. **Is the new proposed activity a feature of, or essentially similar to, an alternative analyzed in the existing NEPA document(s)? Is the project within the same analysis area, or if the project location is different, are the geographic and resource conditions sufficiently similar to those analyzed in the existing NEPA document(s)? If there are differences, can you explain why they are not substantial?**

Yes, the action is similar to the actions proposed in the approved project and the Skyline Fed 44-23-23P1H well fall within disturbed areas which were approved for use in True Challenger POD.

The Skyline Fed 44-23-23P1H well was analyzed in the True Challenger POD CX3, WY-070-390CX3-14-105, which BLM tiers to and incorporates here by reference.

True submitted this well as a NOS at the time the analysis occurred for CX3s, WY-070-390CX3-14-101 to 14-105. As a NOS it was intermingled with proposed APDs and on the same well pad with proposed APDs – thus received BLM’s analysis. True subsequently converted the NOS to an APD. The conditions and environmental effect found in the CX3s are substantially unchanged and remain valid.

A 30 day posting is required prior to approval. The APD was posted for the required 30 days and now can be approved.

