

DECISION RECORD
Categorical Exclusion 3 (CX3), WY-070-390CX3-14-101 to 14-105
Section 390, Energy Policy Act of 2005
True Oil, LLC, Challenger Plan of Development (POD)
Bureau of Land Management, Buffalo Field Office, Wyoming

DECISION. The BLM approves the applications for permit to drill (APDs) from True Oil, LLC (True) to horizontally drill 5 oil and gas wells, from 3 pad locations, and construct their associated infrastructure as described in the consolidated CX3 analysis, WY-070-390CX3-14-101 to -105, all of which the BLM incorporates here by reference.

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).
- Buffalo and Powder River Basin Final Environmental Impact Statements (FEISs), 1985, 2003, (2011).
- Buffalo Resource Management Plan (RMP) 1985, Amendments 2001, 2003, 2011.

A summary of the details of the approval follows. The CX3 analysis, WY-070-390CX3-14-101 to -105, includes the project description, including site-specific mitigation measures which are incorporated by reference into this CX3 from earlier analysis. The proposed wells are approximately 13 miles southwest of Wright, Campbell County, Wyoming. The Challenger POD proposal had 5 APDs to develop and produce oil from formations of the PRB. All wells are horizontal bores proposed on 320 acre spacing pattern with the potential for multiple wells per location.

Approvals. BLM approves the following 5 APDs and associated infrastructure:

#	Well Name/ Well #	Qtr	Sec	Twp	Rng	Lease	CX Number
1	*Skyline Fed 44-22 22P1H	SESE	22	43N	73W	WYW5331	WY-070-390CX3-14-101
2	*Skyline Fed 44-22 22T1H	SESE	22	43N	73W	WYW5331	WY-070-390CX3-14-102
3	*Skyline Fed 14-23 23P1H	SWSW	23	43N	73W	WYW5331	WY-070-390CX3-14-103
4	*Skyline Fed 14-23 23T1H	SWSW	23	43N	73W	WYW5331	WY-070-390CX3-14-104
5	Skyline Fed 44-23 23T1H	SESE	23	43N	73W	WYW5331	WY-070-390CX3-14-105

*Indicates (2) wells drilled from one pad location. (P)arkman or (T)urner Formations.

Limitations. 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 posted the APDs for 30 days and received no public comments. Since BLM received these APDs it also received clarified policies on bond adequacy.

DECISION RATIONALE. The approval of this project is because:

1. Mitigation measures and COAs, analyzed in the CX3, in environmental impact statements or environmental analysis to which the CX3 tiers or incorporates by reference, will reduce environmental impacts while meeting the BLM's need.

2. The approved project conditioned by its design features and COAs, will not result in any undue or unnecessary environmental degradation. 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 Powder River Basin (PRB) FEIS/ROD and current BLM and Wyoming GSG conservation strategies. There are no conflicts anticipated or demonstrated with current uses in the area. This decision approving the Challenger POD complies with the Energy Policy Act of 2005, Section 390, 43 CFR 1610.5, 40 CFR 1508.4, and 43 CFR 46.215.
3. Approval of this project conforms to the terms and the conditions of the 1985 Buffalo RMP (BLM 1985) and subsequent update (BLM 2001) and amendments (BLM 2003, 2011). This project complies with the breadth and constraints of CX3, Energy Policy Act of 2005, and subsequent policy.
4. The selected alternative will help meet the nation's energy need, revenues, and stimulate local economies by maintaining workforces.
5. The operator, in their POD, shall:
 - Comply with all applicable federal, state, and local laws and regulations.
 - Offer water well agreements to the owners of record for permitted water wells within 0.5 mile of a federal producing well in the POD (PRB FEIS ROD, p. 7).
6. The project is clearly lacking in wilderness characteristics because there is no federal surface.
7. This decision does not foreclose the lessee or operator to propose a new or supplementary plan for developing the federal oil and gas lease(s) in this project area, including submission of additional APDs to drain minerals in accord with lease rights and law. This decision does not foreclose the lessee or operator to propose using external pumping units via a sundry application process.
8. True certified there is a surface access agreement with the landowners or it posted a bond.
9. 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.

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.

Acting Field Manager:  Date: 4/16/14

Categorical Exclusion 3 (CX3), WY-070-390CX3-14-101 to 14-105
Section 390, Energy Policy Act of 2005
True Oil, LLC, Challenger Plan of Development (POD)
Bureau of Land Management, Buffalo Field Office, Wyoming

Description of the Proposed Action.

True Oil, LLC (True) proposes to horizontally drill 5 oil and gas wells, from 3 pad locations, and construct associated infrastructure as follows:

Table 1.1. Proposed Well (SHL)

#	Well Name & #	Qtr	Sec	Twp	Rng	Pad Name	Lease	CX #: WY-070-
1	*Skyline Fed 44-22 22P1H	SESE	22	43N	73W	Skyline Fed	WYW5331	390CX3-14-101
2	*Skyline Fed 44-22 22T1H	SESE	22	43N	73W	44-22 22	WYW5331	390CX3-14-102
3	*Skyline Fed 14-23 23P1H	SWSW	23	43N	73W	Skyline Fed	WYW5331	390CX3-14-103
4	*Skyline Fed 14-23 23T1H	SWSW	23	43N	73W	14-23 23	WYW5331	390CX3-14-104
5	Skyline Fed 44-23 23T1H	SESE	23	43N	73W	Skyline Fed 44-23 23	WYW5331	390CX3-14-105

*Indicates (2) wells drilled from one pad location. (P)arkman or (T)urner Formations.

Trues' Challenger POD proposes to construct 3 pad locations and, if proven, produce up to 4 horizontal wells per pad, drilled to the Parkman and/or Turner Formations (Fms.), leased by True, at depths from 7,592 feet to 10,395 feet total vertical depth (TVD), see Table 1.4 below. This document is for the approval of 5 applications for permit to drill (APDs), however; additional wells may be drilled from locations and associated infrastructure analyzed in this document at a later time. The proposed locations are 13 miles south-west of Wright, Wyoming, in Campbell County. The BLM's jurisdiction is standard split jurisdiction, as the fee surface pad overlies federal minerals (federal lands per the Federal Land Policy Management Act (FLPMA)).

BLM's need for this project is supporting the management goals of the Buffalo Resource Management Plan (RMP) determining whether, and if so, under what conditions to balance natural resource conservation with allowing the operator to exercise conditional lease rights to develop fluid minerals by drilling the 5 horizontal wells, as described in their APDs, surface use, and drilling plans, all incorporated here by reference. The fluid mineral leasing programs fall under the authority of the Mineral Leasing Act of 1920, the Federal Land Policy Management Act (FLPMA), and other laws and regulations.

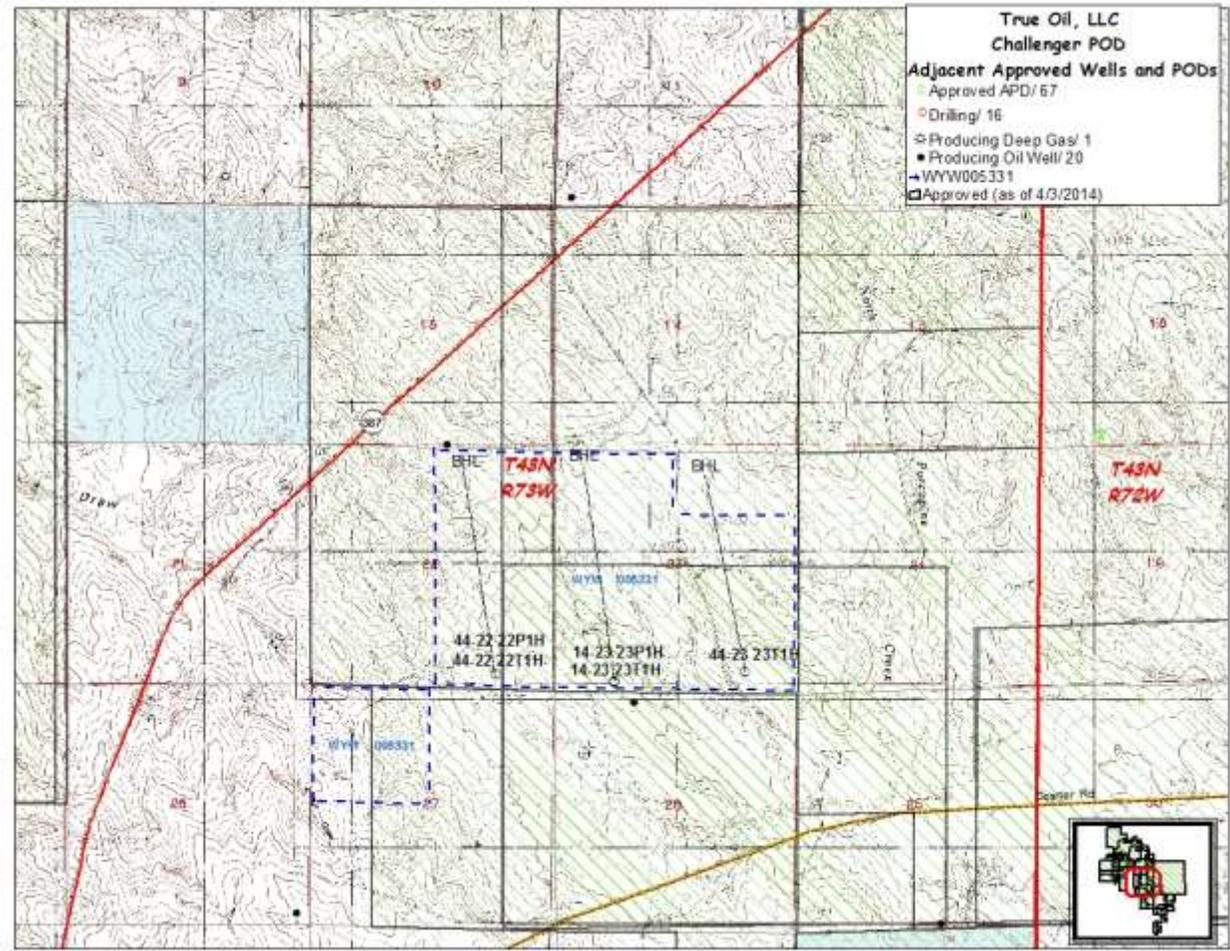
The project area is in the Powder River Basin (PRB) geographic area (Wyoming Geographic Landforms Map). Topography is gently sloped terrain along ephemeral dendritic drainages. Elevations at the well sites are about 5,000 to 5,100 feet above sea level. The land is a combination of bedrock residuum and slope-wash deposits. Land use is for livestock grazing and oil and gas development. The surface for these APDs is owned by Bernice Groves Revocable Trust and Richard W. Leavitt Trust.

Reasonably foreseeable activity is found in the Cosner-Wright 2 POD Environmental Assessment (EA), WY-070-EA14-191, 2014, and the Wilkinson POD EA, WY-070-EA11-34, 2010. This locality includes but is not limited to the approved Cosner-Wright 2 POD and Wilkinson POD wells and will fill-in to 320 acre spacing. This supports the development anticipated in the PRB FEIS, (see narrative in Section 2, No Action Alternative and Appendix A).

True submitted 16 notices of staking (NOSs) in December, 2012, to the BFO. True and BFO completed onsite inspections, on October 24, 2013. True converted 5 NOSs to APDs which BLM received on

August 27 and November, 7, 2013. The onsites evaluated the proposal and modified it to mitigate environmental impacts. The BLM sent a post-onsite deficiency letter to True on December 5, 2013. Correspondence concluded and deficiencies were met on March 4, 2014.

Figure 1.1. Challenger POD Within and Adjacent Approved POD Boundaries (as of 4/3/2014)



Drilling, Construction & Production design features include:

- True anticipates completing drilling and construction in 2 years. Drilling and construction is year-round in the region. Weather may cause delays, but delays rarely last multiple weeks. Timing limitations in the form of COAs and/or agreements with surface owners may impose longer temporal restrictions. The estimated drilling duration will be 35 days and 30 days for completion, per well.
- A road network that will consist of existing improved all-weather roads; existing primitive (2-track) roads to be upgraded to all-weather improved roads; and proposed improved well access roads. Total road disturbance for the proposed POD is approximately 1.5 acres, or 0.41 miles.
- There will be a reserve pit or closed loop system at the wells location during drilling and completion.
- Hydraulic fracturing (HF) operations are planned as a 'plug & perf' operation done in stages. All water used for HF will be hauled in from a privately owned water well, Pumpkin Buttes WSW #1. It is anticipated that 53,000 barrels of water will be needed for drilling and 18,000 barrels for completion, per well. All fresh water will be contained in 400-500 bbl rental HF tanks and no surface pits will be used to hold this water. No additional well pad disturbance is anticipated for HF operations. Completion flowback water will be held in tanks on location and trucked offsite to a disposal facility permitted by Wyoming Department of Environmental Quality (WDEQ).

- No off-site ancillary facilities are planned for this project. No staging areas, man camps/housing facilities are anticipated to be used off-site. Working trailers and sleeping trailers will be placed on the well pad during the drilling and completion of the well.
- If the well becomes a producer, production facilities will be located at the well site and will include a pumping unit, storage tanks, buildings, oil-water separator (heater-treater). There will be no pits at this producing oil well location.
- Overhead power does exist in the area and may be utilized if the well becomes a producer. Power will be provided by 3rd party contactor. Gas produced from these wells would temporarily be used on location to power equipment and generators. Propane may also be trucked in from a local supplier and would require an estimated 4 trips per month for these locations.
- Well pad disturbances during construction and drilling will be 28.05 acres. Once the well is completed, any area of the well pad not needed for production will be reclaimed for interim reclamation.
- Typically 170 500-bbl fracturing tanks are spotted, taking 2 weeks to fill, prior to pumping the stimulation. All fracturing water, including excess, is present before starting.
- Flowback equipment and tanks are spotted 2-3 days before pumping. Sand silos are spotted and filled 2-3 days prior to pumping.
- Next pump trucks and chemical mixing equipment arrives and, when ready, operations continue for 36-48 hours or 3-5 days depending on the type of stimulation stage isolation (i.e. packers/sleeves or plug/perf respectively).
- Sand is continuously brought on site in semi-truck loads during pumping. It is necessary to have a safe turning radius available for these trucks. Pumping water may require heating in the winter months.

The following narrative explains why the operator requests approximately 28 acres for the engineered pads, including cuts and fills in the fenced area. Multi-stage horizontal completions require all equipment and materials to be present before beginning operations. Necessary space must be available to work safely around all the equipment. The proposed well pad surface disturbances are within the PRB FEIS analysis parameters; see description and analysis in Crazy Cat East EA, WY-070-EA13-028, incorporated here by reference, along with its analysis of HF, its effects on water, and traffic. For a detailed description of design features and construction practices associated with this proposal, refer to the surface use plan (SUP) and drilling plans included with the APDs. Also see the subject APDs for maps showing the proposed well locations and associated facilities described above. Total surface disturbance for the proposed action is 29.5 acres. Once the wells are completed, any area of the well pad not needed for production will be reclaimed for interim reclamation, which will reduce the total disturbance to 6.9 acres.

Table 1.2. Disturbance Summary Challenger POD:

Facility	Number or Miles	Factor	Disturbance
Engineered Pads Cut & Fill (fenced)	3 @ 500 ft. x 500 ft		
Skyline Fed 44-22 22 PAD	8.48 acres	varies	28.05 acres
Skyline Fed 14-23 23 PAD	8.77 acres		
Skyline Fed 44-23 23 PAD	10.80 acres		
Proposed Access Road – no utilities	0.41 miles		
Skyline Fed 44-22 22 PAD	0.05 mi.	2165 ft. x 30 ft.	1.5 acres
Skyline Fed 14-23 23 PAD	0.28 mi.		
Skyline Fed 44-23 23 PAD	0.08 mi.		
Total Surface Disturbance			29.5 acres

Off Well Pad

Fresh water for drilling and completion will be obtained from the permitted water well, Pumpkin Buttes WSW #1, located in SWSW Section 36, T44N R76W. Water will be truck hauled following existing

routes. Disposal fluids will be transported to one of two permitted disposal pits; Waste Water Energy, Section 17 T46N R74W and/or McBeth Disposal Facility, NE Section 19 & NW Section 20 T46N R74W.

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, the PRB FEIS, 2003 (2011), and the Record of Decision (ROD) and Resource Management Amendments for the Powder River Oil and Gas Project, Amendments of 2001, 2011 as required by 43 CFR 1610.5, 40 CFR 1508.4, and 43 CFR 46.215. The Challenger POD and area are clearly lacking in wilderness characteristics as they lack federal surface. BLM finds that the conditions and environmental effects found in the senior NEPA analyses 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 APDs are in a developed oil or gas field (any field with a completed confirmation well). BLM determined that over 115 townships from Montana to the Converse County border comprise the PRB developed field.

The proposed Challenger POD is inside, immediately adjacent to or in the 4-mile analysis area of the recent NEPA analyses in Table 1.3, which includes an area of approximately 40,200 acres, see also Figure 1.1. This information shows the reader that BLM conducted analysis.

Table 1.3. * Overlapping NEPA Analyses by Decision Date:

#	POD / Well Name	NEPA Analyses #	#/ Type Well/ Drilled	Mo/Yr
1	Lone Moose, Groves, Citrine et al	WY-070-EA14-194	4**/ Oil/ 0	3/2014
2	Cosner-Wright 2	WY-070-EA14-191	18/ Oil/ 10	2/2014
3	Porsche #3H & #4H	WY-070-EA14-85	2/ Oil/ 0	2/2014
4	Green Federal Com 9H & 10H	WY-070-390CX3-13-176 etc	2/ Oil/ 0	12/2013
5	Seven Wright Area Wells: Thrush, etc	WY-070-390CX3-13-46, etc	7/ Oil/ 2	6/2013
6	Quill Federal #5H	WY070-EA13-3	1/ Oil / 0	12/2012
7	Raging Bull Com #2H	WY-070-EA12-207	1/ Oil/ 0	9/2012
8	Valerie	WY-070-EA12-68	9/ Oil/ 1	3/2012
9	Wilkinson	WY-070-EA11-34	28/ CBNG/ 0	11/2010

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 Challenger POD (as of 4/3/2014).

**Approved as part of a consolidated analysis. BLM only included the wells in the Challenger 4-mile analysis area.

*Well Status within these PODs: 16 Drilling, 1 Deep Producing Gas, 20 Producing Oil (as of 4/3/2014).

- 2) Reasonably foreseeable activity is found in the Cosner-Wright 2 POD Environmental Assessment (EA), WY-070-EA14-191, 2014. This locality includes but is not limited to the approved Cosner-Wright 2 POD and will fill-in to 320 acre spacing. BLM also notes from Table 1.3, above, that of the 72 analyzed APDs, only 13 are drilled; thus 59 undrilled, analyzed APDs contribute to the available reasonably foreseeable activity for this CX3 analysis. The reasonably foreseeable activity (RFA) for

this analysis area includes 73 sections, oil/gas exploration on 1280 acre, 640 acre spacing and possible 320 acre spacing for horizontal wells and 80 acre spacing for vertical wells. (This does not preclude the spacing analysis in the PRB FEIS further reducing the surface disturbance per well.) The project analysis area is the area within 4 miles of the proposed well and includes only those federal projects approved within 5 years, as of March 2014. The reasonably foreseeable activity includes that True intends to submit additional APDs for the 11 NOSs that received field onsite and analysis but have yet to be submitted as APDs. True also intends to put 4 wells on a pad so the 3 proposed pads with their current 5 APDs yields 7 reasonably foreseeable wells [3 pads have potential for 12 wells, minus 5 APDs results in 7 RFA wells]. Thus True's proposal yields a minimum reasonably foreseeable activity of 18 wells on 3 to 4 more pads.

- 3) The tiered NEPA document was finalized or supplemented within 5 years of spudding (drilling) the proposed well. The Challenger POD CX3 tiers to the NEPA analyses in the Cosner-Wright 2 EA, WY-070-EA14-191 and the Valerie EA, WY-070-EA12-68.

In summary, the analyses in Tables 1.3, analyzed in detail the anticipated direct, indirect, residual, and cumulative effects that would result from the approval of these APDs and associated support structure in the Challenger POD is similar to both the qualitative and quantitative analysis in the above 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 Challenger POD APDs' 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.

Water Resources.

The historical use for groundwater in this area was for stock or domestic water. A search of the WSEO Ground Water Rights Database showed 3 registered stock and domestic water wells within 1 mile of the proposed wells in the project area with depths ranging from not reported to 413 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 coal zone. This will ensure that ground water will not be adversely impacted by well drilling and completion. The operator will run surface casing to 2,000 feet, total vertical depth to protect shallow aquifers.

The Fox Hills, the deepest penetrated fresh water zone in the PRB lies well above the target formation. Table 1.4 shows the depth where casing will be set and cemented in place. The operator will verify that there is competent cement across the zone, 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.

Table 1.4. Casing Set and Cementing Depths in Relation to the Fox Hills (depths in feet)

#	Well Name/ Well #	Depth to Formation	Total Depth of Surface Casing	Total Depth of Intermediate Casing	Depth to Fox Hills
1	*Skyline Fed 44-22 22P1H	7,599	2000	8,000	6,345
2	*Skyline Fed 44-22 22T1H	10,482	2000	12,500	6,345
3	*Skyline Fed 14-23 23P1H	7,512	2000	8,000	6,258
4	*Skyline Fed 14-23 23T1H	10,395	2000	12,500	6,258
5	Skyline Fed 44-23 23T1H	10,330	2000	12,500	6,193

*Indicates (2) wells drilled from one pad location. (P)arkman or (T)urner Formations.

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.

Soils/ Vegetation.

Impacts anticipated occurring and mitigation considered with the implementation of the proposal will be similar to those analyzed in the following EAs which are adjacent or overlapping to the Challenger POD and are incorporated here by reference: Cosner-Wright 2, WY-070-EA14-191, Section 3.2 and 4.2.; and Valerie POD, WY-070-EA12-68, Section 3.3.1 to 3.3.3 and 4.3 to 4.3.2.3.

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 following EAs which are adjacent or overlapping to the Challenger POD and are incorporated here by reference: Cosner-Wright 2, WY-070-EA14-191, Section 3.4 and 4.4.; and Valerie POD, WY-070-EA12-68, Section 3.2.1 to 3.4.

Other Leasable and Locatable Minerals.

The project area is amidst uranium mineral leases. The Fort Union Formation and the Wasatch Formation are the most important uranium-bearing formations in the PRB. These formations are at depths of less than 800 feet. Uranium recovery has surface disturbance for construction of roads, facilities, and wells. These activities are similar to those required for oil and gas projects, including construction of surface facilities, access roads, well fields, utilities, and pipelines, as well as top soil removal, land grading, and interim reclamation. Presently there is no active uranium development in the Challenger POD area. Direct and indirect effects, cumulative effects, mitigation measures, and residual effects are found in the Iberlin 1-9H and Iberlin 1-9TH EA, WY-070-EA13-224, pp. 28-29, incorporated here by reference.

Wildlife.

BLM reviewed the proposed APDs and determined that they, combined with the COAs (and design features), are: (1) consistent with the FEIS and its supplements, the RMP and the above tiered EAs; and (2) consistent with the programmatic biological opinion (ES-6-WY-02-F006), which is an update from the PRB FEIS, Appendix K. The affected environment and environmental effects for wildlife are discussed in, and anticipated to be similar to the Cosner-Wright 2 POD EA, (WY-070-EA14-191). Site specific information is described below for species suspected to occur in the project area as depicted in Table W.1.(Summary of Sensitive Species Habitat and Project Effects) and Table W.2.(Summary of Threatened and Endangered Species Habitat and Project Effects) located in the administrative record.

Migratory Birds

All of the proposed well pads in Table 1.1 are in migratory bird habitat. To reduce the likelihood of a “take” under the MBTA, the BLM biologist recommends that pad construction (vegetation removal) occur outside of the breeding season for the greatest quantity of BLM sensitive passerines (May 1- July 31) where suitable nesting habitat for sagebrush obligates is present. This restriction would apply to habitat removal, unless a pre-construction nest search (within approximately 10 days of construction planned May 1-July 31) is completed. If surveys will be conducted, the operator will coordinate with BLM biologists to determine protocol. The nest search will consist of in areas where vegetation will be removed or destroyed. The BLM recommends that the proposed well pads in Table 1.1 and associated infrastructure have timing limitations applied for well pad construction during the nesting season for sagebrush obligate passerines (May 1 to July 31).

Effects to migratory birds from surface disturbing and disruptive activities associated with development of the proposed well is similar to the wells previously analyzed in the consolidated CX3, Bonita Federal Com. 11H-WY-070-390CX3-13-41, -73 to -75, on pp. 6-9. The BLM determined that the proposal is in compliance with the MBTA as clarified in Instruction Memorandum No. WY-2013-005 Interim Management Guidance for Migratory Bird Conservation Policy on Wyoming Bureau of Land Management (BLM) Administered Public Lands Including the Federal Mineral Estate.

Greater Sage-Grouse (GSG)

Effects to GSG were analyzed in the Cosner-Wright 2 POD EA, WY-070-EA14-191. The BLM typically applies a controlled surface use buffer of 0.25 miles for GSG leks. The proposed wells are 0.4 miles from the Porcupine Creek Lek in sagebrush grassland habitat. Traffic, light and heavy duty trucks, will increase with approval of the well. Heavy trucks are expected to visit the well every 1 to 2 days to haul oil or water from the location, in addition to pumper traffic from equipment inspections. To mitigate impacts to GSG at the lek during the breeding season, the BLM will apply a timing limitation restricting use of the road from March 15 – May 15, for the life of the project.

In March, 2012, WY BLM released the report, “Viability analyses for conservation of sage-grouse populations: Buffalo Field Office, Wyoming,” indicating that a viable population of GSG remains in the PRB, but the combined impacts of multiple stressors, including West Nile virus (WNV) and energy development, threaten that viability (Taylor et al 2012). The information in the report identified that the effects of energy development are detectable at a larger spatial scale than analyzed in the documents listed in Table 1.3, above. Additional information regarding the population viability analysis, and its influence on cumulative effects from energy development is found in the affected environment and environmental effects sections (Section 3.7.12 and 4.8.2 – Candidate Species – Greater Sage-grouse (Sage-grouse)) of the Mufasa Fed 11-31H Well EA, WY-070-EA12-062, incorporated here by reference.

Cultural Resources

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. 70140033) was performed to locate specific historic properties which may be impacted by the proposal. The following resources are in the proposal area.

Cultural Resources In the Project Area & National Register of Historic Places (NRHP) Eligibility

Site #	Site Type	NRHP Eligible
48CA6768	Historic Debris Scatter	Not Eligible
48CA66	Prehistoric Lithic Scatter	Unevaluated

No historic properties will be impacted by the proposal. Following the *State Protocol Between the Wyoming Bureau of Land Management State Director and The Wyoming State Historic Preservation Officer*, Section VI(A)(1), the BLM notified the Wyoming State Historic Preservation Officer (SHPO) on February 14, 2014, that no historic properties exist in 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 and ROD must be followed. Further discovery procedures are in Standard COA (General)(A)(1).

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

Position/Organization	Name	Position/Organization	Name
NRS/Team Lead	Raymond Stott	Archaeologist	Clinton Crago
Supervisory NRS	Casey Freise	Wildlife Biologist	Scott Jawors
Petroleum Engineer	Mark Thomason	Geologist	Warren Garrett
Field Manager	Duane Spencer	NEPA Coordinator	John Kelley

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 Challenger CX3 POD 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.

Acting 
 Field Manager

4/16/14
 Signature Date

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