

MODIFIED DECISION RECORD

**Williams Production RMT Company, 8 Deferred Applications for Permit to Drill (APDs)
Culp Draw Federal Plan of Development (POD)/Hartzog Draw Federal POD
ENVIRONMENTAL ASSESSMENT (EA), WY-070-EA10-121**

This is a modified decision record; it is not a new decision record (DR). This modified DR augments the Culp Draw and Hartzog Draw (CH) PODs’ consolidated finding of no significant impact (FONSI) and DR, dated May 27, 2010 to resolve that earlier deferral of 8 APDs, pump station #27, and access road in Section 26 of T45N R76W. The new information, analysis, and rationale here augment and complete the environmental record of review for the CH PODs and their APDs.

Compliance. This decision complies with:

- Federal Land Policy and Management Act of 1976 (FLPMA) (43 USC 1701).
- Mineral Leasing Act of 1920 (30 U.S.C. 181) to include On Shore Order No. 1.
- National Environmental Policy Act of 1969 (NEPA) (42 USC 4321).
- Interior Department Order 3310.
- Buffalo Resource Management Plan 1985, Amendments 2001, 2003, 2011.
- Greater Sage-Grouse Habitat Management Policy on Wyoming BLM Administered Public Lands including the Federal Mineral Estate, (WY-IM-2010-012), Jan 2010.

Deferral Resolution. BLM’s May 27, 2010 decision approved Alternative C as described in the EA. BLM approved Williams Production RMT Company (Williams) CH coalbed natural gas (CBNG) PODs comprised of 53 approved APDs (see EA WY-070-EA10-121) while deferring the following APDs for want of a surface access (use) agreement. I approve the following 8 APDs, pump station #27, and access road in Section 26, T45N R76W due to receipt of Williams’ certification of September 22, 2011 that Williams has a surface access (use) agreement with the landowner.

Approved APDs and Infrastructure

Culp Draw Federal POD

	Well Name	Well #	QTR/QTR	Sec	TWP	RNG	Lease
1	CULP DRAW J CHRISTENSEN	14-19	SWSW	19	45N	76W	WYW147322
2	CULP DRAW J CHRISTENSEN	34-19	SWSE	19	45N	76W	WYW147322
3	CULP DRAW J CHRISTENSEN	43-19	NESE	19	45N	76W	WYW147322
4	CULP DRAW J CHRISTENSEN	14-20	SWSW	20	45N	76W	WYW147322
5	CULP DRAW R CHRISTENSEN	23-20	NESW	20	45N	76W	WYW147322
6	CULP DRAW R CHRISTENSEN	12-28	SWNW	28	45N	76W	WYW89852
7	CULP DRAW R CHRISTENSEN	34-28	SWSE	28	45N	76W	WYW0266653

Hartzog Draw Federal POD

	Well Name or Feature	Well #	QTR/QTR	Sec	TWP	RNG	Lease
1	HARTZOG DRAW R CHRISTENSEN	34-27	SWSE	27	45N	76W	WYW41473
2	Pump Station 27	PS 27	SESE	27	45N	76W	WYW41473
3	Access Road in Sec. 26		SW Corner	26	45N	76W	WYW41473

Limitations. The CH PODs’ conditions of approval (COAs) and those in the DR (May 27, 2010) supported by EA WY-070-EA10-121 remain as limitations on the approved APDs and infrastructure and those COAs are listed below.

The following Conditions of Approval listed below will apply for the Hartzog Draw Federal POD and the Culp Draw Federal POD wells listed below and supporting infrastructure:

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 NRS Andy Perez at 307-684-1166 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 for the following:

Hartzog Draw Federal POD

	Well Name or Feature	Well #	QTR/QTR	Sec	TWP	RNG	Lease
1	HARTZOG DRAW R CHRISTENSEN	34-27	SWSE	27	45N	76W	WYW41473
2	Pump Station 27	PS 27	SESE	27	45N	76W	WYW41473
3	Access Road in Sec. 26		SW Corner	26	45N	76W	WYW41473

Culp Draw Federal POD

	Well Name	Well #	QTR/QTR	Sec	TWP	RNG	Lease
1	CULP DRAW J CHRISTENSEN	14-19	SWSW	19	45N	76W	WYW147322
2	CULP DRAW J CHRISTENSEN	34-19	SWSE	19	45N	76W	WYW147322
3	CULP DRAW J CHRISTENSEN	43-19	NESE	19	45N	76W	WYW147322
4	CULP DRAW J CHRISTENSEN	14-20	SWSW	20	45N	76W	WYW147322
5	CULP DRAW R CHRISTENSEN	23-20	NESW	20	45N	76W	WYW147322
6	CULP DRAW R CHRISTENSEN	12-28	SWNW	28	45N	76W	WYW89852
7	CULP DRAW R CHRISTENSEN	34-28	SWSE	28	45N	76W	WYW0266653

Hartzog Draw Federal POD Surface Use Site-Specific Conditions of Approval

1. A 20' foot vegetated buffer must be maintained on the location for the following well due to slope and the proximity to adjacent drainages: 34-27.
2. 34-27: The access road will be surfaced with road base gravel and will remain primitive with spot upgrade as needed to minimize overall surface disturbance and maintain the integrity of the road.

Culp Draw Federal POD Surface Use Site-Specific Conditions of Approval

1. A 30 Day Stabilization COA will apply to both the road and the location for the following well due to poor reclamation potential: 23-20. ** The disturbance areas identified have poor reclamation suitability that shall be stabilized in a manner which eliminates accelerated erosion until a self-perpetuating native plant community has stabilized the site in accordance with the Wyoming Reclamation Policy. Stabilization efforts shall be finished within 30 days of the initiation of construction activities. Stabilization efforts include mulching, matting, soil amendments, etc. (For further detail reference the Reclamation Management Plan April 30, 2010).*
2. A 30 Day Stabilization COA will apply to only the access road for the following well due to poor reclamation potential: 14-20.
3. A 20' foot vegetated buffer must be maintained on the locations for the following wells due to slope and the proximity to adjacent drainages: 23-20, 34-19, and 14-19.

4. A 20' foot vegetated buffer must be maintained on the access road for the following well due to slope and the proximity to adjacent drainages: 43-19.
5. 12-28: The sandstone outcropping on the east side of the location will serve as the edge of disturbance on the cut side of the pad to minimize overall surface disturbance, avoid poor reclamation, and steep slopes.
6. 43-19: Dirt work will occur on the east side of the location to create a safer approach, the dirt that will be removed will be utilized to enhance the drainage crossing to the NE (Segment 1, attachment H, within the Culp Draw Federal POD Reclamation Management Plan).
7. 14-20: The junction at the beginning of the access road will have a 20' feet cattle guard and will be offset per landowner request and safety purposes.
8. 23-20: No fill material will placed south of the access road per landowner request to avoid snow drifting across his fence that runs parallel to the location/access road.
9. 14-19: The pit spoils will be stock piled to the south side of the location due to the drainage on the west side of the location. The flow for the drainage on the west side of the location will not be altered.

THE MODIFIED FINDING OF NO SIGNIFICANT IMPACT (FONSI). The FONSI, dated May 27, 2010 found no significant impacts, thus an EIS was not required. The Modified FONSI, WY-070-EA10-121, considered the new information, analysis, and rationale and found no significant impact on the human environment aside from those revealed in the PRB FEIS (2003) and the CH projects' EA.

COMMENT OR NEW INFORMATION SUMMARY.

New information became available that addressed the justification and rationale for deferring the aforementioned 8 APDs and infrastructure. The new information was the receipt of a sage-grouse policy, Interior Department Order 3310, and the receipt of Williams' certification that Williams has a surface access (use) agreement with the landowner concerning the 8 APDs the BLM deferred in 2010.

DECISION RATIONALE.

The imperative new information is the information that Williams has a surface access (use) agreement with the surface landowner, Mr. Christensen, for the purpose of developing an oil or gas lease (On Shore Order Number 1, VI.). The receipt of this information allows approval of 8 APDs, pump station #27, and access road in Section 26, T45N R76W. The other new information: the sage-grouse policy in WY-IM-2010-012, Buffalo RMP maintenance action, and Interior Department Order 3310 played no role in the approval decision. The approval of these 8 APDs and infrastructure conforms to the BLM regulation and policy to manage APD processing and is not detrimental to sage-grouse conservation.

RATIONALE: I base the approval of the 8 APDs, pump station #27, and access road in Section 26 T45N R76W, described above and in EA WY-070-EA10-121 on:

1. The evidence that Williams has and filed a written surface access agreement (aka., surface use agreement) with the surface owner dated September 22, 2011 – within the 2-year time frame allowed for resolution of an APD deferral. BLM outlined the deferral condition and action required to cure the information gap so that BLM could make a timely decision in the combined FONSI and DR, dated May 27, 2010, per On Shore Order Number 1, III.E.2.d., and the Buffalo RMP. BLM must approve the APDs in the presence of evidence that the operator fulfilled the deferral condition, On Shore Order Number 1, III.E.2.d.
2. The selected alternative (Alternative C, modified from the previous 53 approved APDs and now with

8 approved APDs and infrastructure) will help meet the nation's energy needs, and help stimulate local economies by maintaining workforce stability.

3. The COAs supporting project EA WY-070-EA10-121 and those COAs the CH projects' DR, both of May 27, 2010, are incorporated here by reference and apply to these 8 APDs, pump station #27, and access road in Section 26 T45N R76W.

ADMINISTRATIVE REVIEW AND APPEAL: This decision is subject to administrative review in accordance with 43 CFR 3165. Any 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. 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: _____

John A. [Signature]

Date: _____

9/25/11

MODIFIED FINDING OF NO SIGNIFICANT IMPACT
Williams Production RMT Company, 8 Deferred Applications for Permit to Drill (APDs)
Culp Draw Federal Plan of Development (POD)/Hartzog Draw Federal POD
ENVIRONMENTAL ASSESSMENT (EA), WY-070-EA10-121

FINDING OF NO SIGNIFICANT IMPACT:

On the basis of the information in the EA and all other subsequent information available to me, I find that: (1) Approving the 8 APDs and their infrastructure previously onsited in the Williams Production RMT Company (Williams), as part of the earlier approved Culp Draw and Hartzog Draw (CH) coalbed natural gas (CBNG) PODs will not have significant environmental impacts beyond those already addressed in Powder River Basin Final Environmental Impact Statement (PRB FEIS) to which the EA tiers; (2) Approving the 8 APDs conforms to the Buffalo Field Office Resource Management Plan (RMP) (1985, 2001, 2003, 2011); and (3) Approving the 8 APDs, cumulative with the approvals for this PODs' other 53 APDs does not constitute a major federal action having a significant effect on the human environment. Thus there is no requirement for an environmental impact statement. I base this finding on consideration of the Council on Environmental Quality's (CEQ) criteria for significance (40 CFR 1508.27), Interior Department Order 3310, with regard to the context, cumulative effects, and to the intensity of the impacts described in the EA, WY-070-EA10-121, which is incorporated here by reference.

CONTEXT:

Mineral development is a long-standing land use in the PRB. More than 42% of the nation's coal comes from the PRB. The PRB FEIS reasonably foreseeable development predicted and analyzed the development of 51,000 CBNG wells and 3,200 oil wells (PRB FEIS ROD p. 2). The additional CBNG development of approving 8 APDs is insignificant in the national, regional, and local context. BLM deferred the 8 APDs in the CH PODs' consolidated FONSI and decision record (DR), on May 27, 2010. The justification for the deferral was - due to lack of a signed surface access agreement (SAA) with the surface owner. Given Williams' certification of a SAA received September 22, 2011 in the APDs'/PODs' file, I find the approval of the above 8 APDs conforms to BLM and On Shore Order Number 1 Policies.

INTENSITY:

The implementation of Alternative C (now modified with approvals of 8 APDs and their infrastructure to include pump station #27 and access road in Section 26 of T45N R76W) results in beneficial effects in the forms of energy and revenue production however; there will also be adverse effects to the environment. Design features and mitigation measures and conditions of approval included in Alternative C (modified) minimize adverse environmental effects.

The preferred alternative does not pose a significant risk to public health and safety. The geographic area of the POD does not contain unique characteristics identified in the 1985 RMP, 2003 PRB FEIS, or other legislative or regulatory processes, including Interior Department Order 3310. This area clearly lacks wilderness characteristics as it is amidst gas field developments.

BLM used relevant scientific literature and professional expertise in preparing the EA. The scientific community is reasonably consistent with their conclusions on environmental effects relative to oil and gas development. Research findings on the nature of the environmental effects are not highly controversial, highly uncertain, or involve unique or unknown risks.

The PRB FEIS predicted and analyzed development of the nature proposed with this POD and similar PODs. The selected alternative does not establish a precedent for future actions with significant effects.

There are no cultural or historical resources present that will be adversely affected by the selected alternative. No species listed under the Endangered Species Act or their designated critical habitat will be adversely affected. The selected alternative will not have any anticipated effects that would threaten a violation of federal, state, or local law or requirements imposed for the protection of the environment.

ADMINISTRATIVE REVIEW AND APPEAL: This finding is subject to administrative review in accordance with 43 CFR 3165. Any 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. Any party who is adversely affected by the State Director's finding may appeal that finding to the Interior Board of Land Appeals, as provided in 43 CFR 3165.4.

Field Manager: *Shawn L. Ap* Date: 9/28/11