

MODIFIED DECISION RECORD
Williams Production RMT Company
Kingsbury Unit 5 POD & West Kingsbury 1 POD
ENVIRONMENTAL ASSESSMENT –WY-070-EA09-96

This is a modified Decision Record; it is not a new Decision Record. This modified Decision Record augments the Decision Record for one specific issue addressed in SDR WY-2011-002. The new information, analysis, and rationale here augments and completes the environmental record of review.

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) and as prescribed in 43 CFR Part 3160 to include On Shore Order No. 1.
- National Environmental Policy Act of 1969 (NEPA) (42 USC 4321).
- Native American Graves Protection and Repatriation Act (NAGPRA) (25 USC 3001).
- National Historic Preservation Act of 1966 (NHPA) (16 USC 470).
- Endangered Species Act of 1973 (ESA) (16 USC 1531).
- Bald and Golden Eagle Protection Act (16 USC 668).
- Migratory Bird Treaty Act (16 USC 703)
- Powder River Basin Final Environmental Impact Statement (FEIS), and Supplement, April 2003.
- Buffalo Resource Management Plan 1985, Amendments 2001, 2003.
- Greater Sage-Grouse Habitat Management Policy on Wyoming Bureau of Land Management (BLM) Administered Public Lands including the Federal Mineral Estate, (WY-IM-2010-012), Jan 2010.
- Wyoming State Director Review No. WY-2011-002, Sep 2010.

The Selected Alternative.

Features. BLM's decision was to approve a combination of alternatives C and D as summarized below, as described in the EA¹ and as augmented here. BLM authorized Williams Production RMT Company Kingsbury Unit 5 and West Kingsbury 1 (KU5/WK1) Coal Bed Natural Gas (CBNG) PODs comprised of 85 Applications for Permit to Drill (APDs) (see EA WY-070-EA09-096).

BLM's modified decision is to approve the 4 wells and their associated infrastructure, listed below, that were previously onsited in the Williams Production RMT Company KU5/WK1 PODs Coal Bed Natural Gas (CBNG) in 2009.

| Well Name | Well # | QTR/QTR | Sec | TWP | RNG | Lease |
|-----------------------|--------|---------|-----|-----|-----|-----------|
| W KINGSBURY 1 FEDERAL | 21-3 | NENW | 3 | 46N | 78W | WYW146873 |
| W KINGSBURY 1 FEDERAL | 12-3 | SWNW | 3 | 46N | 78W | WYW146873 |
| W KINGSBURY 1 FEDERAL | 14-3 | SWSW | 3 | 46N | 78W | WYW146873 |
| W KINGSBURY 1 FEDERAL | 14-34 | SWSW | 34 | 47N | 78W | WYW146900 |

¹ Environmental Assessment, WY-070-09-096, occurred during a period of shifting policy for sage-grouse conservation at federal, department, bureau, and state levels. Subsequent decisions and refined policy provided clarification for updated analysis, findings, and decisions. The BFO considered, approved, and issued the vast bulk of over 1,000 APDs received during that time period. About 90 APDs were denied (two-thirds of which were in two proposed developments).

Limitations.

The following APDs are deferred: none.

The following APDs are denied: none.

THE MODIFIED FINDING OF NO SIGNIFICANT ACTION. The FONSI found no significant impacts, thus an EIS was not required. The Modified FONSI, WY-070-09-096, considered the new information, analysis, and rationale and found no significant impact on the human environment aside from those revealed in the Powder River Basin EIS and Supplement (2003).

COMMENT OR NEW INFORMATION SUMMARY.

Several critical items of new information became available requiring augmenting the EA through this modified Decision Record, in accordance with BLM NEPA Handbook, 8.5.1, Documenting the Decision, and web guide examples (last updated July 29, 2010). The most important new information was receipt of sage-grouse policy¹. We also received updated guidance from a state director review.

Receipt of this new information guided the augmented analysis – an analysis that allowed decisions that approved 4 APDs.

The new information, the analysis, and decision rationale follow.

DECISION RATIONALE.

The imperative new information is the sage-grouse policy in WY-IM-2010-012. This modified Decision Record follows the format of the issue (in bold, below) from the SDR.

1. Deferral of Four APDs

State Director Remanded: APDs

“We remand the BFO’s deferral of the four APDs with instruction to complete environmental record of review and make a final decision no later the January 31, 2011”.

Buffalo Field Office Reply and Rationale:

The Four APDs are approved.

The WY BLM sage-grouse management strategy solidified (BLM Instruction Memorandum WY-2010-012) and aligned with the State of Wyoming’s Greater Sage-grouse Core Area Protection (WY EO 2010-4). As such, the four APDs do not occur within sage-grouse Key habitats (Wyoming Core, BFO Focus, and Connectivity), and their construction is in conformance with the Wyoming BLM policy to manage sage-grouse seasonal habitats and maintain habitat connectivity to support population objectives set by the Wyoming Game and Fish (WGFD).

RATIONALE: The decision to authorize the four APDs, as described in the earlier Environmental Assessment (EA), is based on the following:

1. The additional infrastructure will not result in any undue or unnecessary environmental degradation.
2. The selected alternative will help meet the nation’s energy needs, and help stimulate local economies by maintaining workforce stability.
3. The Operator, in their POD, has committed to:
 - Comply with all applicable Federal, State and Local laws and regulations.
 - Obtain the necessary permits from other agencies for the drilling, completion and production of these wells including water rights appropriations, the installation of water management facilities,

**MODIFIED FONSI FOR
Williams Production RMT Company
Kingsbury Unit 5 POD & West Kingsbury 1 POD
ENVIRONMENTAL ASSESSMENT -WY-070-EA09-96**

FINDING OF NO SIGNIFICANT IMPACT:

On the basis of the information contained in the EA, and all other information available to me, it is my determination that:

- (1) the decision to approve, four APDs previously onsited in the Williams Production RMT Company Kingsbury Unit 5 & West Kingsbury 1 (CBNG) PODs will not have significant environmental impacts beyond those already addressed in PRB EIS to which the EA is tiered;
- (2) The decision to authorize four APDs is in conformance with the Buffalo Field Office Resource Management Plan (1985, 2001, 2003); and
- (3) The decision to authorize four APDs, cumulative with the approvals for the other APDs for these PODs does not constitute a major federal action having a significant effect on the human environment. Therefore, an environmental impact statement or a supplement to the existing environmental impact statement is not necessary and will not be prepared.

This finding is based on my consideration of the Council on Environmental Quality's (CEQ) criteria for significance (40 CFR 1508.27), with regard to the context, cumulative effects, and to the intensity of the impacts described in the EA, WY-070-EA09-096, which is incorporated here by reference.

CONTEXT:

Mineral development (coal, oil and gas, bentonite, and uranium) is a long-standing and common land use within the Powder River Basin. More than one fourth of the nation's coal production comes from the Powder River Basin. The PRB FEIS reasonably foreseeable development predicted and analyzed the development of 51,000 CBNG wells and 3,200 oil wells (PRB FEIS ROD pg. 2). The additional CBNG development described in Alternative B is insignificant within the national, regional, and local context.

INTENSITY:

The implementation of a combination of Alternatives C and D will result 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 have been included within the combination of Alternatives C and D to prevent significant adverse environmental effects.

The preferred alternative does not pose a significant risk to public health and safety. The geographic area of the PODs does not contain unique characteristics identified within the 1985 RMP, 2003 PRB FEIS, or other legislative or regulatory processes.

Relevant scientific literature and professional expertise were used 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.

CBNG development of the nature proposed with this POD and similar PODs was predicted and analyzed in the PRB FEIS; 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 (EA sec 4.2.7). No species listed under the Endangered Species Act or their designated critical habitat will be adversely affected (EA sec 4). 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.

Field Manager: Shawn Aye

Date: 1/11/11