

**Decision on Action and Application for Categorical Exclusion
For Activities Associated with Oil and Gas Development
Section 390, Energy Policy Act of 2005**

HD CBM2 Federal POD
XTO Energy, INC.
CX008-3-011 and 012
Bureau of Land Management
Buffalo Field Office

Description of the Proposed Action

XTO Energy Inc, the operator, has requested that following two Coal Bed Natural Gas (CBNG) well Applications for Permits to Drill (APDs) be approved.

Well Name	Well #	Qtr/Qtr	Sec	T	R	Lease #	CX #
Hartzog Federal	12-06-4475BG	SWNW	6	44	75	WYW51705	011
Hartzog Federal	14-31-4575BG	SWSW	31	45	75	WYW36691	012

The operator wishes to complete these wells to the Big George coal zone, maximum depth of 1670 feet. This action would also include the installation of utility corridors and access routes.

These wells were included in the HD CBM2 Federal Plan Of Development (POD), but excluded from approval due to proximity to Pumpkin Buttes, pending completion of a memorandum of agreement between the BLM, SHPO and several tribes for the nearby Dry Willow POD. The Bureau conducted Native American and SHPO consultation, as well as visual contrast ratings, for impacts of development to the setting of the Pumpkin Buttes traditional cultural property. The Bureau has now completed consultation for the HD CBM #2 wells.

Drilling of these wells and installation of the production infrastructure will disturb the following surface area:

Facility	Number or Miles	Factor	Acreage of Disturbance	Duration of Disturbance
Nonconstructed Pad	2	Site Specific	0.64	Long Term
Improved Roads	0			Long Term
2-Track Roads	0.75			Long Term
No Corridor	0	30' Width	0	
With Corridor	0.75	40' Width	3.6	
Pipelines	0			Short Term
No Corridor	0	30' Width	0	
With Corridor	0	40' Width	0	
Buried Power Cable				Short Term
No Corridor	0	20' Width	0	
Overhead Powerlines	0.0	15' Width	0	Long Term
Additional Disturbance		Site Specific	0	
Total Disturbance				

Facility	Number or Miles	Factor	Acreage of Disturbance	Duration of Disturbance
Short Term			4.24	
Long Term			4.24	

Plan Conformance

The proposed action is in conformance with the terms and the conditions of the Approved Resource Management Plan for the Public Lands Administered by the Bureau of Land Management, Buffalo Field Office (BFO), April 2001 and the PRB FEIS, as required by 43 CFR 1610.5

Plan of Operations

The proposal is designed in conformance with all Bureau standards and incorporates appropriate best management practices, required and designed mitigation measures determined to reduce the effects on the environment.

A surface use plan of operations describing all proposed surface-disturbing activities has been reviewed and is approved pursuant to Section 17 of the Mineral Leasing Act, as amended.

Compliance with the Energy Policy Act of 2005

The proposed activity has been determined to be statutorily categorically excluded from NEPA documentation in accordance with Section 390 of the National Energy Policy Act of 2005.

The applicable Categorical Exclusion reference in Section 390 of the Energy Policy Act of 2005 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.*

The environmental assessment for **HD CBM2 Federal POD, EA# WY-070-07-011** was approved on 02-06-07 and identifies the drilling of these two wells and installation of infrastructure as reasonably foreseeable. This document has been reviewed and it has been determined to consider potential environmental effects associated with the proposed activity at a site specific level.

Persons and Agencies Consulted

Jenny Morton, Wildlife Biologist
 Clint Crago, Archeologist
 Kristine Phillips, Legal Instruments Examiner

Cultural

A previously reviewed and accepted Class III cultural resource inventory (BFO # 70060148) adequately covered the proposed project area. The Pumpkin Buttes traditional cultural property (TCP) - 48CA268 is the only site potentially impacted by the project. It has been determined from a visual contrast rating, that the proposed project will be visible from the Buttes, but only at a weak contrast. On 12/17/07, Clint Crago, BLM Archeologist, electronically notified the

Wyoming State Historic Preservation Office (SHPO), following section VI (B)(5) of the Wyoming State Protocol, of a finding of no adverse effect for the proposed project.

Wildlife

The wildlife biologist has reviewed the proposal and determined that the proposal, combined with the Conditions of Approval from the HD CBM2 POD are (1) consistent with the Final Environmental Impact Statement (WY-070-02-065) and programmatic biological opinion (ES-6-WY-07-F012) for the Powder River Basin Oil and Gas Project; and (2) consistent with the effects analyzed in the site specific Endangered Species Act section 7 consultation (WY07F0076) and does not change the determinations in that consultation.

Decision and Rationale on Action

I have decided to implement the approval of the drilling of the 12-06 and 14-31 wells and installation of associated infrastructure in the HD CBM2 POD with the following Conditions of Approval (COAs):

1. All Conditions of Approval associated with the HD CBM2 POD Environmental Assessment (WY-070-07-011) apply to this project (attached).
2. Please contact Kathy Brus, Supervisory Natural Resource Specialist, @ (307) 684-1087 Bureau of Land Management, Buffalo, if there are any questions concerning these surface use COAs.

The above COAs and/or terms and conditions provide justification for this decision and may not be segregated from project implementation without further NEPA review. In addition, I have reviewed the plan conformance statement and have determined that the proposed activity is in conformance with the applicable land use plan(s). Further, I have reviewed the proposal to ensure the appropriate exclusion category as described in Section 390 of the Energy Policy Act of 2005 has been correctly applied. It is my determination that no further environmental analysis is required.

The above described action must be completed by **01-17-2010**.

Implementation Date

This project will be implemented on or after the below date:

Chris E. Hanson
Field Manager

Date

Administrative Review or Appeal Opportunities

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.

Contact Person

For additional information concerning this decision, contact
Kathy Brus, Supervisory Natural Resource Specialist
1425 Fort Street
Buffalo, WY 82834
(307)684-1087