**DECISION RECORD**
**Categorical Exclusion 3 (CX3), WY-070-390CX3-13-57**
**Section 390, Energy Policy Act of 2005**
**Yates Petroleum Corporation (Yates), Lancer Federal #11H Application for Permit to Drill (APD)**
**Bureau of Land Management, Buffalo Field Office, Wyoming**

**DECISION:** The BLM approves the application for permit to drill (APD) from Yates Petroleum Corporation (Yates) to drill 1 horizontal oil and gas well. Yates proposes to drill the well and construct associated infrastructure, at the locations noted below. The wells will be drilled from a non-federal surface location into underlying federal minerals on lease numbers; WYW128318 (surface hole) and WYW153062 (bottom hole) – standard split jurisdiction.

**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 (PRB) Final Environmental Impact Statement (FEIS), 1985, 2003.
- Buffalo Resource Management Plan (RMP) 1985, Amendments 2001, 2003, 2011.

**A summary of the details of the approval follows.** The CX worksheet, WY-070-390CX3-13-57, includes the project description, including site-specific mitigation measures which are incorporated by reference into that worksheet from earlier analysis. The approved APD is approximately 50 miles southwest of Gillette, Campbell County, Wyoming. The proposed surface hole (drill site) is the NWNW of Section 22 T44N-R76W.

**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 worksheet process and its limiting parameters. Thus a FONSI and an EIS is not required.

**COMMENT OR NEW INFORMATION SUMMARY.** Since implementation of this CX3 proposal BFO received a new Greater Sage-Grouse (GSG) policy and population viability analysis. BLM posted the APD for 30-days and received no public comments on the proposals.

**DECISION RATIONALE.** The approval of this project is because:

1. Mitigation measures and conditions of approval (COAs), analyzed in the CX3 worksheet, in environmental impact statements or environmental analysis to which the CX3 worksheet tiers or incorporates by reference, will reduce environmental impacts while meeting the project's need.
2. The approved project conditioned by its design features and COAs, will not result in any undue or unnecessary environmental degradation.
   A. The impact of this development cumulatively contributes to the potential for local extirpation of the GSG yet its effect is acceptable because it is outside priority habitats and is within the parameters of the PRB FEIS/ROD and current BLM and Wyoming GSG conservation strategies.
   B. Compliance with the COAs should provide adequate protection to the bald eagle winter roost site in SWNE and SENW Section 15 T44N, R76W, within one mile of the proposed Lancer #11H well location.
   C. Compliance with COAs found in Appendices A through G of the Programmatic Agreement Between the Bureau of Land Management and the Wyoming State Historic Preservation Officer Regarding Mitigation of Adverse Effects to the Pumpkin Buttes Traditional Cultural Property

From Anticipated Federal Minerals Development Campbell County, Wyoming; should also conserve the setting of the Pumpkin Buttes Traditional Cultural Property.

D. There are no conflicts anticipated or demonstrated with current uses in the area.

This decision approving the Lancer Federal #11H APD 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 APD, 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 APD (PRB FEIS ROD, p. 7).
   - The operator will collect a water sample representative of the water produced from this well for analysis within 30 to 60 days of initial production.
6. The project is clearly lacking in wilderness characteristics as it is amidst oil and gas development.
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. Yates certified there is a surface use 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 the APD.

**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.

Field Manager: _____ Date: 1/25/13

**Categorical Exclusion 3 (CX3), WY-070-390CX3-13-57**
**Section 390, Energy Policy Act of 2005**
**Yates Petroleum Corporation (Yates), Lancer Federal #11H Application for Permit to Drill (APD)**
**Bureau of Land Management, Buffalo Field Office, Wyoming**

**Description of the Proposed Action.**
Yates Petroleum Corporation (Yates), requests BLM's approval for 1 application for permit to drill (APD); the Lancer Federal #11H (Lancer 11H) horizontal oil well. BLM incorporates the APD here by reference; see the administrative record. Yates proposes to drill the horizontal oil well and construct associated infrastructure, the locations are in Table 1.1. The wells will be drilled from a non-federal surface location into underlying federal minerals on lease numbers; WYW128318 (surface hole) and WYW153062 (bottom hole).

The proposal is to explore by horizontal drilling for, and possibly develop, oil reserves in the Shannon Formation at 9,666 feet, total vertical distance (TVD) and 14,395 Measured Depth (MD) leased by Yates. The surface hole is on private surface located over federal minerals at 250 feet from North leaseline (FNL), 974 feet from West leaseline (FWL), NWNW, Section 22, T44N R76W. The bottom hole location is 460 feet from North leaseline (FSL) and 460 feet from West leaseline (FWL), NWNW, Section 15, T44N R76W. The horizontal section is 4851.9 feet long.

Yates will drill the well with and initial disturbance including; pad disturbance, cuts, fills, spoil piles, top soil piles, access roads, and buried utilities, of approximately 13.68 acres. 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 BLM's need for this project is to meet the management objectives of the Buffalo Resource Management Plan (RMP), 1985, 2001, 2003, and 2011. BLM must determine how and under what conditions to balance natural resource conservation with allowing the operator to exercise lease rights to develop fluid minerals, as described in their APD, surface use plan, and drilling plan, incorporated here by reference. John O. Christensen is the surface owner of the proposed well.

**Table 1.1. Proposed Well**

| # | Well Name/ Well # | QTR | Sec | TWP | RNG | Lease | CX Number |
|---|---|---|---|---|---|---|---|
| 1 | Lancer Federal #11H | NWNW | 22 | 44N | 76W | WYW153062 | WY-070-390CX3-13-57 |

Yates submitted an application for permit to drill on April 5, 2012. The onsite inspection was conducted on September 11, 2012. The onsite inspections evaluated the proposal and modified it to mitigate environmental impacts. The BLM sent a post-onsite deficiency letter to Yates on September 21, 2012. Yates submitted responses to the deficiencies on October 23, 2012. After subsequent correspondence, the BLM considered the deficiencies complete on January 22, 2013.

The project area is approximately 50 miles southwest of Gillette, Campbell County, Wyoming. The proposed surface hole (drill site) is the NWNW of Section 22 T44N-R76W. Elevation at the surface hole location is approximately 4864 feet. The topography has gently sloped draws rising to mixed sagebrush and grassland uplands. The climate in the area is semi-arid, averaging 10-14 inches of precipitation annually, about 60% of which occurs between April and September.

The BLM will decide whether or not to approve the proposed development, and if so, under what terms and conditions agreeing with the Bureau's multiple use mandate, environmental protection, and RMP.

It is the BLM's responsibility and obligation to analyze the full effects of the federal action, and identify mitigation measures, regardless of the BLM's authority to enforce the mitigation. Full effects of the action, design features, and mitigation measures are found in the Lancer Federal #11H APD Surface Use Plan, WY-070-CX3-13-57 and BLM Conditions of Approval (COAs) for Conventional Application for Permit to Drill.

**Drilling, Construction & Production design features include:**

**Roads**

- To access the well location, travel southwest of Gillette, WY on HWY 50 and turn west onto Black and Yellow Road and travel approximately 20 miles to the intersection of the access road.
- 2780 feet of existing road will be upgraded to a crown and ditch template road with a 16 foot running surface and a total disturbance width of approximately 50 feet.
- 3040 of newly constructed planned access roads will be constructed with a 16 foot running surface and a total disturbance width of approximately 50 feet.
- Three sections of the newly constructed planned access have been engineered.
- One of the engineered sections will be constructed partially from borrowed soil, from a location outlined in the engineering designs.
- The maximum grade of the access roads is approximately 9.2% slope.
- The access roads will be upgraded and maintained to prevent soil erosion, BMPs will be installed to facilitate erosion control.
- The roads will be surfaced with a minimum J base grading requirement to an average of 4 inches in depth.
- During interim reclamation the ditches will be seeded with a BLM approved seed mix to prevent erosion and maintain topsoil viability.

**Well Location**

- The pad will be constructed with 1.5:1 slopes during the construction/drilling/completion phases.
- Topsoil and spoil piles will be located on the west and east sides of the pad. The disturbance acreage is outlined in Table 1.3.
- Any area of the well pad not needed for production will be reclaimed for interim reclamation.
- During interim reclamation the cuts and fills will be reduced to 2:1 slopes.
- A reserve pit (150ft x120ft) will be constructed on the location. The pit will contain cuttings, drilling fluids and produced water.
- Drilling fluids including any salts and/or chemicals utilized in the mud system will be contained in the reserve pit.
- An impervious liner will be placed in the reserve pit to prevent contents from seeping into the underlying and surrounding soil.
- Two feet of freeboard will be maintained at all times in the reserve pit.
- The pit will be fenced "sheep tight" with 3 sides constructed during the construction/drilling phase and the 4th side will be constructed during drilling commencement.
- 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.
- Portable generators may be used to provide temporary electrical power. If needed, the generators will be located on the pad with a lined structure able to contain 110% of the liquid fuel capacity.
- 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.
- Dikes will be constructed completely around production facilities, ( i.e. production tanks, water tanks,

and heater/treater). The dikes will be constructed of galvanized steel; the metal containment facilities will be imbedded in compacted subsoil at the base and be designed to hold 110% of the largest capacity tank.

- Approximately 40,000 barrels of water will be hauled to the location for drilling and completion.
- Water will be delivered to the location by surface water lines or water tanker truck and stored in temporary tanks or in the drilling pit.
- Multiple water supply sources are outlined in the SUP.
- The power sources will come from power drops from existing overhead power. The lines will be buried from the power drops to the locations.

**Typical Drilling and Completion Operations**

- Hydraulic fracturing operations are planned as a 'plug & perf' operation done in stages. All fresh water will be contained in 400-500 bbl rental hydraulic fracturing tanks and no surface pits will be used to hold this water. No additional well pad disturbance is anticipated for hydraulic fracturing 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).
- 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.

**Table 1.2**. **Anticipated Drilling and Completion Sequence and Timing (per well)**

| Drilling and Completion Step | Approximate Duration |
|---|---|
| Build Location (roads, pad, and other initial infrastructure) | 30 days |
| Mob Rig | 2-4 days [1] |
| Drilling (24/7) | 30 days [2] |
| Schedule/logistics | 30 days |
| Completion (setup, completion, demobilization) | 5-8 days |

[1] Depending on distance and needed to add supplemental drilling equipment, such as skidding plates.
[2] By comparison, approximately 2 days are required to drill a CBM well. ICF 2012

The following narrative explains why Yates requests approximately 7.00 acres for a bladed and level pad site. 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.

All locations require extensive earthwork for creating sufficient area to complete the well. Yates will then reduce the initial well site with interim reclamation. Individual well designs are in the individual APDs. The totality of the pads contribution to surface disturbance in the upper Powder River remains well within the totality of the surface disturbance envisioned and analyzed in the PRB FEIS. The proposed size is necessary to safely accommodate the equipment necessary for an effective well completion.

**Table 1.3. Disturbance Summary Lancer Federal #11H:**

| Facility | Number or Miles | Square Feet | Disturbance |
|---|---|---|---|
| Engineered Pad Including Cut & Fill and Topsoil/ Spoil Piles | 1 @ 400 ft x 325 ft x 424 ft x 398 ft | 148,270.6 (Pad Surface) | 7.00 acres total (3.4 acres Pad Surface) |
| Improved Existing Template Roads | 2780 ft x 50 ft | 139,000 | 3.19 acres |
| Newly Constructed Template Roads | 3040 ft x 50 ft | 152,000 | 3.49 acres |
| **Total Surface Disturbance** | | | **13.68 acres** |

**Off Well Pad**
If gas or water gathering pipelines are needed, Yates will submit a sundry notice to the BLM Authorized Officer for approval.

**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 worksheet 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, 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 Lancer Federal #11H and area are clearly lacking in wilderness characteristics as they are amidst extensive natural gas development. BLM finds that the conditions and environmental effects found in the senior EA 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 APD is in a developed oil or gas field (any field with a completed confirmation well).

Table 1.4 is a list of existing/approved NEPA analysis within or adjacent to the Lancer Federal #11H project area. This information shows the reader that BLM conducted analysis.

**Table 1.4. Adjacent or Overlapping Fluid Mineral NEPA Analysis, Accounting for Reasonably Foreseeable Development, and Finalized Within Anticipated Spud Date of this Project**

| # | POD / Well Name | NEPA Document # | # / Type Wells | Decision Date |
|---|---|---|---|---|
| 1 | Table Mountain Phase 4 | WYW-070-EA10-258 | 52 CBNG | 8/1/2010 |
| 2 | Lancer 1 | WY-070-EA10-248 | 10 CBNG | 6/25/2010 |
| 3 | Congaree | WY-070-EA10-195 | 30 CBNG | 4/27/2010 |
| 4 | Dry Willow 3 | WY-070-EA08-036 | 43 CBNG | 9/25/2008 |
| 5 | Dry Willow Phase 1 | WY-070-EA07-048 | 32 CBNG | 2/23/2007 |

2) There is an existing NEPA document (and the RMP) containing reasonably foreseeable development scenario for this action. There are several existing NEPA documents that reasonably foresaw development to spud additional wells to fill in 80 acre well-spacing. BLM reviewed these documents and determined they considered the potential environmental effects associated with the proposed

activity at a site specific level. In addition, all approved EAs tier into the PRB FEIS. The PRB EIS analyzed foreseeable development in the PRB. The PRB foreseeable development included 3,200 oil wells and drilling CBNG wells on 80 acre-spacing resulting in about 51,000 CBNG wells and over 3,000 oil wells. The Lancer Federal #11H well is in the foreseeable development scenario of 80 acre well-spacing that was analyzed in EAs in Table 1.4 and in the PRB FEIS's Appendix A. Most of the NEPA analyses in Table 1.4 occurred in adjacent or overlapping portions of the PRB's monoculture of semi-arid short grass and sage brush prairie and used similar drilling, and well infrastructure.

3) The tiered NEPA document was finalized or supplemented within 5 years of spudding (drilling) the proposed well. The Lancer Federal #11H CX3 tiers to the approved EAs listed above in Table 1.4.

In summary the EAs in Table 1.4 analyzed in detail the anticipated direct, indirect, residual, and cumulative effects that would result from the approval of this APD and associated support structure in Lancer Federal #11H well is similar to both the qualitative and quantitative analysis in the above mentioned EAs. The BFO reviewed the EA and found that the EA considered potential environmental effects associated with the proposal at a site specific level. The APD's 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, located at 7057 feet total vertical depth (TVD). The Wyoming Game and Fish Department's (WGFD's) Recommendations for Development of Oil and Gas Resources within Important Wildlife Habitats (2009), make no distinction between surface disturbance impacts per well type or drilling technology. BLM's position is there is a rare lack of distinction in surface disturbance impacts attributable to well type, subject to showing a distinction, not a mere difference, and this tracks to surface disturbance issues as with soils, vegetation, invasive species, wetlands, cultural resources, etc. See, State Director Reviews WY-2010-023, Part 2, p. 3, and fn. 7 and WY-2013-005, pp. 2-3. This supports national policy where no distinction exists in 43 CFR 3160 et. seq, leasing, APD Form 3160-3, and 2005's Energy Policy Act. (Kreckel 2007)

**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 worksheet 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.

**Wildlife.**
A BLM wildlife biologist reviewed the proposed APD. The wildlife biologist determined that the proposed APD, combined with the COAs (and design features), is: (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 biologist performed an onsite visit to the project area on September 11, 2012. The proposed well and infrastructure incorporates recommendations provided to the BLM by the U.S. Fish and Wildlife Service. The affected environment and environmental consequences for wildlife are discussed in, and anticipated to be similar to, the Lancer 1 POD EA, (WY-070-EA-10-248).

**Sensitive Species – Bald Eagle**
A bald eagle winter roost site exists in SWNE and SENW Section 15 T44N, R76W, within one mile of the proposed Lancer 11-H well location. To maintain the survival functions of bald eagle winter roosts, the BLM Buffalo Field Office employs a seasonal minimum disturbance-free buffer zone of one mile from all bald eagle winter roost sites (November 1 to April 1) (PRB FEIS ROD, BLM 2003, p. A-13). Further, a year-round disturbance-free buffer zone of 0.5 mile is required around bald eagle roost sites.

**Raptors**

Effects to raptors were analyzed in the Lancer 1 POD; see Table 1.4. Timing limitations were added to this APD as conditions of approval.

**Greater Sage-Grouse (GSG)**

Effects to GSG were analyzed in the Lancer 1 POD EA. The BLM typically applies a controlled surface use buffer of 0.25 miles for GSG leks. The proposed well is located greater than 2 miles from the nearest lek and is in less than ideal sagebrush habitat. Yates is proposing to use existing and some newly constructed road to access the well. 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.

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. Given that the Lancer 11-H well is a single well, this new information does not substantially change the analysis included in the Lancer 1 POD EA.

**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 6 registered stock and domestic water wells within 1 mile of the proposed well in the project area with depths ranging from 460 to 1540 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 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.

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.

**Cultural.**

A Class III cultural resource inventory was performed for the Lancer 11-H well prior to on-the-ground project work (BFO project no. 70120034). A Class III cultural resource inventory following the Archeology and Historic Preservation, Secretary of the Interior's Standards and Guidelines (48CFR190)

and the *Wyoming State Historic Preservation Office Format, Guidelines, and Standards for Class II and III Reports* was provided to BFO by Yates (operator). Seth Lambert, BLM Archaeologist, reviewed the report for technical adequacy and compliance with BLM standards, and determined it to be adequate. Additionally, the majority of the proposed project area is covered by a previously reviewed and accepted cultural inventory (BFO project no. 70090038).

The Lancer 11-H project lies within 2 miles of the Pumpkin Buttes TCP (48CA268). The proposed project will result in a finding of no adverse effect on the setting of the Pumpkin Buttes TCP. Impacts to the setting are mitigated through application of the Programmatic Agreement Between The Bureau of Land Management and the Wyoming State Historic Preservation Officer Regarding Mitigation of Adverse Effects to the Pumpkin Buttes Traditional Cultural Property From Anticipated Federal Minerals Development Campbell County, Wyoming; Appendices A-G. These mitigation measures incorporate standard BMPs to reduce visual contrast and will be incorporated during all phases (drilling, construction, operation, reclamation, etc.) of all approved well in the Lancer APD and its associated infrastructure (new surface disturbance to junction with existing disturbance).

Following the Wyoming State Protocol Section VI(B)(1) the BLM determined that the project will result in an "No Adverse Effect". The BLM electronically notified the Wyoming State Historic Preservation Officer (SHPO) on January 26, 2013.

If any cultural values [sites, artifacts, human remains (Appendix L PRB FEIS and ROD)] are observed during operation of this lease/permit/right-of-way, they will be left intact and the Buffalo Field Manager notified. Further discovery procedures are in the Standard COA (General)(A)(2).

**List of Preparers: Persons and Agencies Consulted**

| Name | Agency | Title | Name | Agency | Title |
|---|---|---|---|---|---|
| Dustin Hill | BLM | NRS | Dustin Kavitz | BLM | Range Mgmt. Spec. |
| Don Brewer | BLM | Wildlife Biologist | Pauline Schuette | USFWS | Wildlife Biologist |
| Seth Lambert | BLM | Archaeologist | Jeb Tachick | Yates | Permit Agent |
| Warren Garrett | BLM | Geologist | Dennis Camino | Yates | Land Agent |
| Matt Warren | BLM | Petroleum Engineer | | | |

**This CX Worksheet also Tiers to and Incorporated by Reference the following – either as senior NEPA analysis or as substantially similar analysis in the semi-arid sage-brush short grass prairie:**
Buffalo Resource Management Plan (RMP), 1985, and amendments of 2001, 2003, and 2011.

Buffalo Final Environmental Impact Statement (FEIS), 1985 and Powder River Basin FEIS, 2003.

| # | POD / Well Name | NEPA Document # | # / Type Wells | Decision Date |
|---|---|---|---|---|
| 1 | W Pine Tree U-Kokanee | WY-070-EA06-114 | 31 CBNG | 6/2007 |
| 2[a] | Mufasa Fed 11-31H Well | WY-070-EA12-062 | 1 Oil | 3/2012 |
| 3 | Valerie POD | WY-070-EA12-68 | 9 Oil | 3/2012 |
| 4 | Spruce 1 POD | WY-070-CX3-12-95 & -107 | 2 Oil | 5/2012 |
| 5[b] | Samson's Hornbuckle Field | WY-060-EA11-1181 | 48 Oil Well Pads | 8/2011 |

a. Those sections describing and analyzing hydraulic fracturing, its supporting analysis, and the Greater Sage-grouse Section 3.7.12 and 4.8.2.

b. Those sections describing and analyzing hydraulic fracturing and its supporting analysis to include but not limited to traffic, water, and air quality.

**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 Lancer Federal #11H CX3 APD 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.

Field Manager

1/25/13
Signature Date

Contact Person, Dustin Hill, Natural Resource Specialist, Buffalo Field Office, 1425 Fort Street, Buffalo WY 82834,