

DECISION RECORD

Categorical Exclusion 3 (CX3), WY-070-390CX3-13-30, WY-070-390CX3-13-31

Section 390, Energy Policy Act of 2005

Yates Petroleum Corporation (Yates), Gauntlet Federal 5H and Uprising Federal Com 20H Bureau of Land Management, Buffalo Field Office, Wyoming

DECISION: The BLM approves the applications for permit to drill (APDs) from Yates Petroleum Corporation (Yates) to horizontally drill 2 conventional oil wells and construct their associated infrastructure as described in the CX3 worksheet, WY-070-390CX3-13-30 and -31, which 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 (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-070-390CX3-13-30 and -31, includes the project description, including site-specific mitigation measures which are incorporated by reference into that worksheet from earlier analysis. The proposed wells are approximately 15 miles Southwest of Wright, Campbell County, Wyoming. Yates proposed 2 APDs to develop and produce oil from the Turner Formation at 10,320 feet and 10,315 feet total vertical distance (TVD). All wells are horizontal bores proposed with 1 well per location.

Approvals: BLM approves the following 2 conventional APDs and associated infrastructure:

#	Well Name/ Well #	QTR	Sec	TWP	RNG	Lease	CX Number
1	Gauntlet Federal 5H	SESW	34	42N	72W	WYW143525	WY-070-390CX3-13-30
2	Uprising Federal Com 20H	SESE	33	42N	72W	WYW121267	WY-070-390CX3-13-31

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 these APDs 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. 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. There are no conflicts anticipated or demonstrated with current uses in the area. This decision approving the Gauntlet Federal 5H and Uprising Federal Com 20H APDs

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).
 - 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 there is no federal surface.
7. BLM incorporates by reference the portions addressing Reclamation/Dry Hole from SDRs WY-2012-010, WY-2012-009, WY-2012-008, and WY-2011-022.
8. 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.
9. Yates certified there is a surface use access agreement with the landowners or it posted a bond.
10. 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.

Field Manager: _____

 (Gauntlet)

Date: _____

12/21/2012

Categorical Exclusion 3 (CX3), WY-070-390CX3-13-30, WY-070-390CX3-13-31
Section 390, Energy Policy Act of 2005
Yates Petroleum Corporation (Yates), Gauntlet Federal 5H and Uprising Federal Com 20H
Applications for Permit to Drill (APDs)
Bureau of Land Management, Buffalo Field Office, Wyoming

Description of the Proposed Action.

Yates Petroleum Corporation (Yates), requests BLM’s approval for 2 applications for permit to drill (APD); the Gauntlet Federal 5H (Gauntlet 5H) and Uprising Federal Com 20H (Gauntlet 20H) horizontal oil wells. BLM incorporates the APDs here by reference; see the administrative record. Yates proposes to drill the 2 horizontal oil wells on separate pads and construct associated infrastructure, the locations are listed in Table 1.1. The wells will be drilled from a non-federal surface location into underlying federal minerals on lease numbers; WYW143525 and WYW 121267. The primary objectives are to drill to the Turner Formation at 10,320 feet and 10,315 feet total vertical distance (TVD).

Yates will drill the wells with and initial disturbance including; pad disturbance, cuts, fills, spoil piles, top soil piles, access roads, and buried utilities, of approximately 19.5 acres. During interim reclamation, Yates will reclaim approximately 12.77 acres reducing the surface disturbance to approximately 6.73 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. Sioux Ranch Inc., Bednarski Family Trust, and Floyd C Reno III are the surface owners of the two proposed wells.

Table 1.1. Proposed Wells

#	Well Name/ Well #	QTR	Sec	TWP	RNG	Lease	CX Number
1	Gauntlet Federal 5H	SESW	34	42N	72W	WYW143525	WY-070-390CX3-13-30
2	Uprising Federal Com 20H	SESE	33	42N	72W	WYW121267	WY-070-390CX3-13-31

Yates submitted an application for permit to drill for the Gauntlet 5H on May 5, 2012 and the Uprising 20H on February 10, 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 for the Gauntlet 5H on October 17, 2012 and for the Uprising 20H on October 23, 2012. After subsequent correspondence, the BLM considered the deficiencies complete on December 2012.

The project area is approximately 15 miles Southwest of Wright, Campbell County, Wyoming. The proposed surface holes (drill site) are SE/SW of Section 34 T42N-R72W and SESE of Section 33 T42N-R72W. Elevation at the 2 surface holes is approximately 5002 feet and 4935 feet respectively. 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 jurisdiction for the well is surface: fee; underlying minerals are: federal; and the targeted formation for extraction is: federal lease numbers WYW143525 and WYW121267.

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. BLM Washington Office Instruction Memorandum (IM) No. 2009-078 established policy and procedures for processing federal applications for permit to drill (APDs) for horizontal drilling into federal mineral estate from multiple well pads on non-federal locations. Drilling and producing the subject wells is a federal action. Construction, operation, and reclamation of infrastructure on non-federal land are not federal actions. Drilling and producing mitigation is in the Conditions of Approval for Conventional Application for Permit to Drill.

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. The BLM needs to identify mitigation measures that would reduce or eliminate the effects of a non-federal action when it is a connected action to the BLM proposed action (see the BLM NEPA handbook, Section 6.8.2.1.1, Connected Non-federal Actions). Identifying mitigation outside of the BLM's jurisdiction alerts other agencies and landowners that can implement the mitigation. The probability of the other agencies implementing the mitigation measures is likely to occur, although these agencies may vary specific parameters recommended by the BLM. Full effects of the action and recommended mitigation measures are found in the Named POD Surface Use Plan, WY-070-CX3-13-30 and WY-070-CX3-13-31 and BLM Recommended Conditions of Approval (COAs) for Conventional Application for Permit to Drill.

Drilling, Construction & Production design features include:

Roads

Gauntlet 5H

- The main access to the well is via WY Highway 59 for about 13 miles south of Wright, WY, then turn west onto an existing oil and gas road for about 2 miles to the well.
- 1082 feet of existing and proposed access will be built as crown and ditch template road, and upgraded to a 16 foot running surface, flared to approximately 60 feet at the entrance of the well pad.
- Road will be surfaced with a minimum J base grading requirement to an average of 4 inches in depth.
- Two cross relief culverts are proposed on the access and a new cattle guard will be installed.
- Approximately six inches of topsoil will be stripped and salvaged in the ditches.
- All roads (existing and newly constructed) will be maintained in accordance with the original construction standards.
- During interim reclamation the ditches will be seeded with a BLM approved seed mix to prevent erosion and maintain topsoil viability.

Uprising 20H

- The main access to the well is via WY Highway 59 for about 13 miles south of Wright, WY, then turn west onto an existing oil and gas road for about 3 miles to the well.
- Approximately 860 feet of new access will be constructed as crown and ditch template road with a 16 foot running surface and flared to approximately 60 feet at the entrance of the well pad.
- No turnouts are proposed due to the short distance of the road.
- 1160 feet of existing road will be re-routed around the pad as a crown and ditch template road.
- Culverts will be installed at the entrance of the pad and on re-constructed access.
- A new cattle guard will be installed at the entrance of the pad.
- All roads (existing and newly constructed) will be maintained in accordance with the original construction standards.

Well Locations

- The pads will be constructed with cuts and fills and topsoil/spoil piles surrounding. Acreage is outlined

in Tables 1.3 and 1.4. Any area of the well pad not needed for production will be reclaimed for interim reclamation.

- Cut and fill slopes will be constructed at 1.5:1 during the construction/drilling/completion phases and reduced to 2:1 during interim reclamation.
- Reserve pits (150ft x120ft), will be constructed on the locations. The pit will contain cuttings, drilling fluids and produced water.
- 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 three sides constructed during the construction/drilling phase and the fourth side will be constructed during drilling commencement.
- If the wells become producers, production facilities will be located at the well sites and will include a pumping unit, storage tanks, buildings, oil-water separator (heater-treater). There will be no pits at these producing oil well locations.
- 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 pads during the drilling and completion of the wells.
- 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 percent of the liquid fuel capacity.
- Approximately 60 tanks will be spotted on location for hydraulic fracturing and completion purposes.
- Water will be supplied by surface water lines or will be trucked onto the locations and stored in temporary tanks.
- The power sources will come from power drops from existing overhead power. The lines will be buried from the power drops to the locations. Total disturbance for the buried lines is included in the total surface disturbance in Tables 1.3 and 1.4.

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 Gauntlet Federal 5H:

Facility	Number or Miles	Factor	Disturbance
Engineered Pad Including Cut & Fill and Topsoil/Spoil Piles	1 @ 400 ft x 400 ft	160,000 sq ft (Pad only)	7.00 acres total
Improved Template Roads No Corridor	995 ft x 75 ft	74,625 sq ft	1.71 acres
Proposed Underground Electric	87 ft x 30 ft	2610 sq ft	.06 acres
Total Surface Disturbance			8.77 acres

Table 1.4. Disturbance Summary Uprising Federal Com 20H:

Facility	Number or Miles	Factor	Disturbance
Engineered Pad Including Cut & Fill and Topsoil/Spoil Piles	1 @ 400 ft x 400 ft	160,000 sq ft (Pad only)	7.00 acres total
Improved Template Roads No Corridor	2020 ft x 50ft	101,000 sq ft	2.32 acres
Proposed Unground Electric	2440 ft x 25 ft	61,000 sq ft	1.40 acres
Total Surface Disturbance			10.72 acres

Off Well Pad

If gas or water gathering pipelines are needed, Yates will submit a sundry notice to install a buried 3 to 6 inch high-density polyethylene (HDPE) gas gathering pipeline of at least 125 psi rating from the producing well to transport natural gas from the well to a gas gathering trunkline and on to a compressor facility – or as designed by the operator. Gas gathering trunklines may typically consist of 6 to 24 inch HDPE buried lines of at least 125 psi rating. Yates may install a buried 2 to 6 inch corrosion resistant water gathering pipeline of at least 150 psi rating from the well to transport water to a water gathering trunkline and to an approved water disposal well in the area. Water gathering trunklines may typically consist of 6 to 12 inch corrosion resistant buried lines of at least 150 psi rating. 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 Gauntlet Federal 5H and Uprising Federal Com 20H wells 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 1.5 is a list of existing/approved PODs that are within or adjacent to the Gauntlet Federal 5H and Uprising Federal Com 20H project area. This information shows the reader that BLM conducted analysis.

Table 1.5. Adjacent or Overlapping Fluid Mineral POD Development NEPA, Accounting for Reasonably Foreseeable Development, and Finalized Within Anticipated Spud Date of this Project

#	POD	NEPA Document #	# / Type Wells	Decision Date
1	Wilkinson	WY-070-EA11-38	28 CBNG	11/12/2010
2	Leavitt	WY-070-EA08-170	18 CBNG	2/2/2009
3	Verde	WY-070-EA08-177	11 CBNG	9/30/2008
4	SW Reno Flats	WY-070-EA07-196	27 CBNG	8/17/2007
5	Stoddard	WY-070-EA07-010	15 CBNG	7/7/2006
6	Uprising	WY-070-EA04-305	43 CBNG	6/15/2004
7	Mufasa Fed 11-31H Well	WY-070-EA12-062	1 Oil	3/2012

- 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 Gauntlet Federal 5H and Uprising Federal Com 20H wells are in the foreseeable development scenario of 80 acre well-spacing that was analyzed in EAs in Table 1.5 and in the PRB FEIS's Appendix A. Most of the NEPA analyses in Table 1.5 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 Gauntlet Federal 5H and Uprising Federal Com 20H CX3 tiers to the following approved EAs listed above in Table 1.5.

In summary the EAs in Table 1.5 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 Gauntlet Federal 5H and Uprising Federal Com 20H wells 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 6045 and 6065 feet total vertical depth (TVD) respectively. 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.

BLM reviewed the proposed APD. The BLM 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 BLM performed onsite visits to the project area on September 11, 2012. The proposed well and infrastructure are a result of attempts by Yates and the BLM to reduce impacts to Greater Sage-Grouse (GSG) and ferruginous hawks, and 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 NEPA analyses found in Table 1.5, above.

Raptors

Effects to raptors were analyzed in the NEPA analyses in Table 1.5. Timing limitations were added to these 2 wells as conditions of approval for both general raptors, and specifically for ferruginous hawks. Yates committed to completing the project outside of the nesting season (February 1 – July 31) for migratory birds, including raptors. BLM will recommend applying a COA consistent with Yates' commitment for migratory birds to the wells.

Greater Sage-Grouse (GSG)

Effects to GSG were analyzed in the Verde and other NEPA analyses found in Table 1.5. The proposed Gauntlet 5H and Uprising 20H wells are approximately 2.5 miles from the 59 Lek in grassland habitat.

Because of the lack of GSG habitat at the well locations, BLM anticipates no impacts to GSG from the development of the 2 wells.

In March, 2012, WY BLM released the report, “Viability analyses for conservation of GSG 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 wells are located adjacent to a previously approved CBNG PODS, this new information does not substantially change the analysis included in the Verde EA and the NEPA analyses found in Table 1.5.

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 1 registered stock and domestic water well within 1 mile of the proposed wells in the project area with depths ranging from 350 to 900 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(s) 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 Gauntlet FED 5H and Uprising FED 20H wells prior to on-the-ground project work (BFO project no. 70120091). 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 conducted by Ardeth Hahn, BLM Archaeologist. No cultural resources are in the project area.

No historic properties will be impacted by the proposed project. Following the Wyoming State Protocol Section VI(A)(1) the BLM electronically notified the Wyoming State Historic Preservation Officer (SHPO) on September 24, 2012 that no historic properties exist within the area of potential effect (APE). 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 explained in the Standard COA (General)(A)(1).

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	Brad Rogers	USFWS	Wildlife Biologist
Ardeth Hahn	BLM	Archaeologist	Jeb Tachick	Yates	Permit Agent
Mike Garrett	BLM	Geologist	Saunda Phillips	Yates	Land Agent
Will Robbie	BLM	Petroleum Engineer			

This CX Worksheet also Tiers to and Incorporated by Reference the following:

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

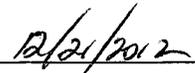
- a. Those sections describing and analyzing hydraulic fracturing, its supporting analysis, and the Greater Sage-grouse Section 3.7.12 and 4.8.2.
- b. Those sections describing and analyzing hydraulic fracturing and its supporting analysis to include but not limited to traffic, water, and air quality.

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 Gauntlet Federal 5H and Uprising Federal Com 20H CX3 APDs 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 Signature



 Date

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