

DECISION RECORD
Yates Petroleum Corporation Drake Deep 1 Plan of Development (POD)
Categorical Exclusion 3 (CX3), WY-070-390CX3-14-385 to -388
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 drill 4 horizontal oil and gas wells and construct their associated infrastructure as described in the CX3 analysis, WY-070-390CX3-14-385 to -388, all of which the 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).
- Powder River Basin Oil and Gas Project Final Environmental Impact Statement (FEIS), 2003.
- Buffalo Resource Management Plan (RMP) 1985, Amendments 2001, 2003, 2011.

A summary of the details of the approval follows. The CX3 analysis, WY-070-390CX3-14-385 to -388, includes the project description, including site-specific mitigation measures which are incorporated by reference into this CX3 from earlier analysis. The proposed wells are approximately 8 miles southwest of Wright, Campbell County, Wyoming. The Drake Deep 1 POD proposal had 4 APDs along with associated access road and infrastructure, to develop and produce oil and gas from the Turner Formation.

Approvals. BLM approves the following APDs and associated infrastructure:

#	Well Name & #	Qtr	Sec	Twp	Rng	Lease	CX #
1	Bonita Federal Com 12TH	SESW	3	43N	73W	WYW105947 WYW139658	WY-070-390CX3-14-385
2	Monte Federal Com 65TH	SWSE	9			WYW133594 WYW105947	WY-070-390CX3-14-386
3	Groves Com 55H	NWNW	16			WYW133594 WYW105947	WY-070-390CX3-14-387
4	Thielen Com 3H	SWSE	17			WYW139657	WY-070-390CX3-14-388

Limitations. See the conditions of approval (COAs).

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

Summary of New Information. BLM posted the APDs for 30 days and received no public comments.

DECISION RATIONALE. The approval of this project is because:

1. Mitigation measures and COAs, analyzed in the CX3, in environmental impact statements or environmental analysis to which the CX3 tiers or incorporates by reference, will reduce environmental impacts while meeting the BLM's need.
2. The impact of this development cumulatively contributes to the potential for local GSG extirpation 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.

3. The approved project conditioned by its design features and COAs, will not result in any undue or unnecessary environmental degradation. There are no conflicts anticipated or demonstrated with current uses in the area. This decision approving the Drake Deep 1 POD wells complies with the Energy Policy Act of 2005, Section 390, 43 CFR 1610.5, 40 CFR 1508.4, and 43 CFR 46.215.
4. To reduce the likelihood of a “take” under the Migratory Bird Treaty Act, BLM sensitive species nesting habitat removal will occur outside of the breeding season or be cleared by survey.
5. 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.
6. The selected alternative will help meet the nation’s energy need, revenues, and stimulate local economies by maintaining workforces.
7. 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).
 - Provide water analysis from a designated reference well in each coal zone.
8. The project is clearly lacking in wilderness characteristics because it is amidst mineral development and there is no federal surface.
9. 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.
10. Yates certified there is a surface use access agreement with the landowners.
11. This approval is subject to adherence with all of the operating plans, design features, and mitigation measures contained in the surface use plan of operations, drilling 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: /s/ Duane W. Spencer

Date: 9/26/14

Categorical Exclusion 3 (CX3), WY-070-390CX3-14-385 to 14-388
Section 390, Energy Policy Act of 2005
Yates Petroleum Corporation Drake Deep 1 Plan of Development (POD)
Bureau of Land Management, Buffalo Field Office, Wyoming

Description of the Proposed Action.

Yates Petroleum Corporation (Yates) requests BLM’s approval for 4 applications for permit to drill (APD). BLM incorporates the APDs here by reference; see the administrative record (AR). Yates proposes to drill the horizontal oil and gas wells and construct associated infrastructure at the locations in Table 1.1. The proposal is to explore for, and possibly develop oil and gas reserves in the Turner Formation at depths found in the AR.

The project area is approximately 8 miles southwest of Wright, Campbell County, Wyoming. Project elevations range from 5,061 feet to 5,194 feet. The topography has gently sloped draws rising to mixed sagebrush and grassland uplands. Ephemeral tributaries of All Night Creek drain the area. The climate in the area is semi-arid, averaging 10-14 inches of precipitation annually, about 60% of which occurs between April and September.

Table 1.1. Proposed Wells

#	Well Name & #	Qtr	Sec	Twp	Rng	Lease	CX #
1	Bonita Federal Com 12TH	SESW	3	43N	73W	WYW105947 (SHL) WYW139658 (BHL)	WY-070-390CX3-14-385
2	Monte Federal Com 65TH	SWSE	9			WYW133594 (SHL) WYW105947 (BHL)	WY-070-390CX3-14-386
3	Groves Com 55H	NWNW	16			State (SHL) WYW133594 WYW105947 Fee (BHL)	WY-070-390CX3-14-387
4	Thielen Com 3H	SWSE	17			WYW139657	WY-070-390CX3-14-388

Yates submitted APDs to BLM on January 16, 2014. Yates and BLM completed onsite inspections on April 9, 2014. The onsites evaluated the proposals and modified them to mitigate environmental impacts. The BLM sent post-onsite deficiency letters to Yates on April 21, 2014. Yates responded on June 4, 2014. After subsequent correspondence, the BLM considered the deficiencies complete on July 1, 2014.

The jurisdiction for the Bonita Federal Com 12TH (Bonita) and Monte Federal Com 65TH (Monte), are surface: fee; underlying minerals are: federal; and the targeted formation for extraction is: federal lease, the jurisdiction for the Thielen Com 3H (Thielen) is surface: fee; underlying minerals are: federal; and the targeted formation for extraction is: fee. The jurisdiction for the Groves Com 55H (Groves) is surface: state; underlying minerals are: state; and the targeted formation for extraction is: federal lease - in which BLM has reduced jurisdiction. Surface owners: private and State of Wyoming, see administrative record (AR)

The BLM’s need for this project is to determine whether, and if so, and under what conditions to support the Buffalo Resource Management Plan’s (RMP) goals, objectives, and management actions with permitting the operator’s exercising of conditional lease rights to develop federal fluid minerals. APD information is an integral part of this EA, which BLM incorporates here by reference. Conditional fluid mineral development supports the RMP, the Mineral Leasing Act of 1920, the Federal Land Policy Management Act (FLPMA), and other laws and regulations.

Drilling, Construction & Production design features include:

Access

- Primary access for the proposed well locations is provided by HWY 387 and Clarkelen Road.
- A road network that will consist of existing improved all-weather roads; existing primitive (2-track) roads to be upgraded to all-weather improved roads; and a proposed improved well access road. A road maintenance agreement will be ratified on shared roads to maintain existing roads in a condition the same as or better than before operations began.
- Newly constructed access will be built to the approach of the wells, disturbances and distances are listed in Table 1.3.
- Yates will reconstruct a ranch access road around the pad and connect to the existing ranch road.

Well Locations

- The well pad cuts and fills will be constructed with 1½:1 slopes initially and reduced as much as possible during interim reclamation.
- Well pad disturbances are outlined in Table 1.3.
- There will be a reserve pit at the oil well locations during drilling and completion operations.
- The pits will be lined with an impervious synthetic liner.
- Dikes will be constructed completely around production facilities, i.e. production tanks, water tanks, and heater treater. The dikes will be constructed of corrugated steel, approximately 3 feet high, and hold capacity of the largest tank plus 10%. The load-out line will be outside of the dike area.
- 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.

Drilling and Completion Operations

- Hydraulic fracturing (HF) operations are planned as a ‘plug & perf’ operation done in stages. The process is anticipated to require 14 days. Water used for HF will come from municipal water supplies from Wright or Gillette, Wyoming or permitted wells listed in the SUP. All fresh water will be contained in 400-500 bbl rental HF tanks and no surface pits will be used to hold this water. No additional well pad disturbance is anticipated for HF 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).
- 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 the producing oil well locations.
- It is anticipated that 40,000 bbls of water per well will be needed for drilling and completion operations. The fresh water for drilling operations will be trucked from multiple permitted sources; p. 3 of the respective SUP the for listed water sources.
- For completion (HF) phase, the operator intends use above ground tanks for onsite water storage at the pad. The above-ground tanks do not require a separate location or additional disturbance.
- Typically 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.
- Produced water during the production phase will be stored in a permanent storage tank. A third party will haul the flowback water, produced water, and oil from the reserve pit (if any) to permitted disposal facilities: one of 6 permitted facilities which are outlined in the SUP.
- Peak truck traffic to fill HF tanks during completion operations is estimated to be approximately 700 roundtrips per well.

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
Mobilize Rig	2-5 days ¹
Drilling (24/7)	30 days ²
Demobilize Rig	2-3 days
Completion (schedule, setup, fracking, demobilization)	35-40 days

Table 1.3. Disturbance Summary Drake Deep 1 POD:

Facility	Number or Miles	Factor	Disturbance
Engineered Pad (including cuts, fills, topsoil and spoil piles)	4 @ varies	varies	28.0 acres
Proposed Crown and Ditch Access	1,140 ft x 65 ft	74,100 ft ²	1.70 acres
Proposed Crown and Ditch Access with Utilities	4,340 ft x 80 ft	347,200 ft ²	7.97 acres
Buried Electric	3,740 ft x 30 ft	112,200 ft ²	2.58 acres
Buried Water Line	6,360 ft x 45 ft	286,200 ft ²	6.57 acres
Existing Crown and Ditch	61220 ft	---	---
Proposed Surface Water Line	18,080 ft	---	---
Total Surface Disturbance			46.82 acres

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 analysis 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 and its amendments (2001, 2003, 2011), and the PRB FEIS 2003 Record of Decision (ROD) as required by 43 CFR 1610.5, 40 CFR 1508.4, and 43 CFR 46.215. The Drake Deep 1 POD and area are clearly lacking in wilderness characteristics as they lack federal surface and are amidst oil and gas development. BLM finds that the conditions and environmental effects found in the senior EA documents listed in Table 1.4.a 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).
BLM earlier identified over 115 townships from the Montana to Converse County borders that comprise the PRB fluid mineral developed field and this proposal is in the developed field. Table 1.4.a lists existing/approved NEPA analyses that are overlapping to the Drake Deep 1 POD project area. This information shows that BLM conducted analysis and BLM incorporates these here by reference.

Table 1.4.a is a list of NEPA analysis that are within or adjacent to the Drake Deep 1 POD project area. This information shows that BLM conducted analysis and BLM incorporates these here by reference.

Table 1.4.a. Overlapping NEPA Analyses by Decision Date

#	Operator	POD / Well Name	NEPA Analysis #	# / Type Wells	Mo/Yr
1	Yates	Baker 8H	WY-070-EA14-224	5 Oil	5/2014
2	Yates	Lone Moose 14H, Groves 53H, Citrine 1H, Combat 2H	WY-070-EA14-194	4 Oil	3/2014
3	Devon	Cosner-Wright Fuller 3 POD	WY-070-EA14-225	11 Oil	6/2014
4	Devon	Cosner-Wright 2 POD	WY-070-EA14-191	18 Oil	2/2014
5	Devon	Valarie POD	WY-070-EA12-068	9 Oil	3/2012
6	Yates	Porsche 3H and 4H	WY-070-EA14-085	2 Oil	2/2014

See also: SDR WY-2013-005, particularly noting pp. 2-3, incorporating the entirety here by reference.

Table 1.4.b. NEPA Analysis Incorporated by Reference

#	Operator	POD / Well Name	NEPA Analysis #	# / Type Wells	Mo/Yr
1	Lance	Sahara POD	WY-070-EA13-072	21 Oil	3/2013
2	Yates	Congaree POD	WY-070-EA10-19	30 CBNG	7/2010
3	Peak	Iberlin 1-9H and 19TH	WY-070-EA13-224	2 Oil	8/2013

- 2) The APDs in the Drake Deep 1 POD were specifically included in the reasonably foreseeable activity scenario in the Baker 8H EA, WY-070-EA14-224, p. 6 and Table 2.3, though minor shifting of locations occurred and does not change the earlier analysis.

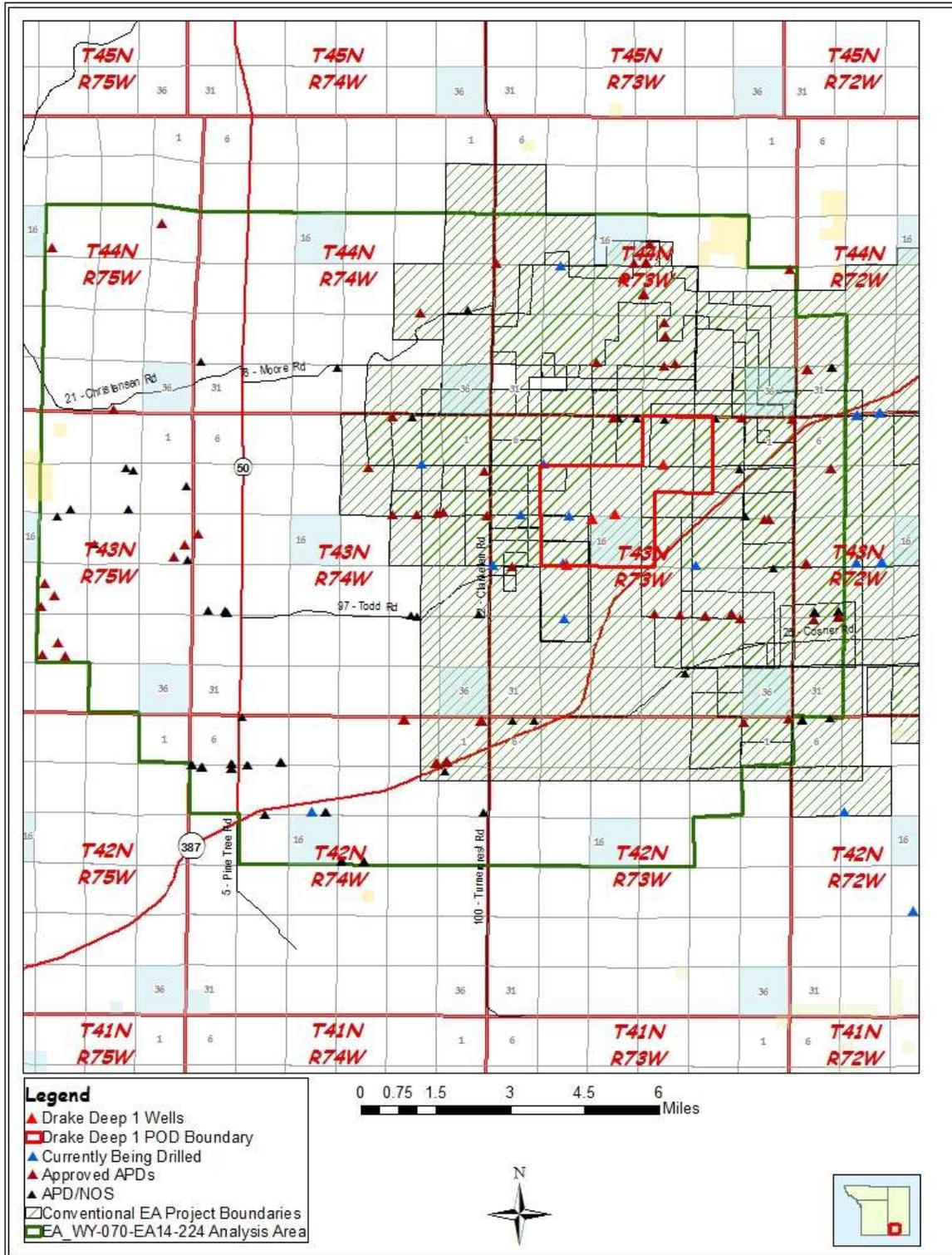
The RFA for this analysis area includes oil/gas exploration on 640 acre, and possible 320 acre spacing for horizontal wells and 80 acre spacing for vertical CBNG wells. The project analysis area is the area within 4 miles of the proposed wells and includes only those federal projects approved within 5 years, as of July 2014.

- 3) The tiered NEPA document was finalized within 5 years of spudding (drilling) the proposed wells. This Drake Deep 1 POD CX3 tiers to the NEPA analyses in the Baker 8H EA WY-070-EA14-224. BLM also here incorporates by reference the NEPA analyses in Table 1.4.a above.

In summary, the analyses in Table 1.4.a, 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 the Drake Deep 1 POD is similar to both the qualitative and quantitative analysis in the Table 1.4.a tiered-to and incorporated NEPA analyses. The BLM reviewed the analyses and found that the analyses considered potential environmental effects associated with the proposal at a site specific level. The Drake Deep 1 POD APDs' 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. The proposal's acres of surface disturbances are within the analysis parameters of the PRB FEIS.

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 analysis 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.



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 10 registered stock and domestic water wells within 1 mile of the proposed wells in the project area with depths ranging from 50 to 230 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. The depth to the Fox Hills Formation is listed in Table 1.5. The Fox Hills, the deepest penetrated fresh water zone in the PRB lies well above the target formation. The operator will verify that there is competent cement across the aquifer, from 100 feet above to 100 feet below the Fox Hills Formation. This will ensure that ground water will not be adversely impacted by well drilling and completion operations.

Table 1.5. Depth to Fox Hills Formation from the 4 Well Pads.

#	Well Name and #	Depth to Fox Hills Formation Total Vertical Distance (TVD)
1	Bonita Federal Com 12TH	6,429 feet
2	Monte Federal Com 65TH	6,495 feet
3	Groves Com 55H	6,506 feet
4	Thielen Com 3H	6,459 feet

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 a 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.

Soils/ Vegetation

Soils, ecological sites, and vegetation found at the Drake Deep 1 POD wells are similar to those occurring in Baker 8H EA, WY-070-EA14-224, 2014. Impacts anticipated occurring and mitigation considered with the implementation of the proposals will be similar to those analyzed in the following EA which is adjacent or overlapping to these proposals, are substantially similar, and are incorporated here by reference: Baker 8H EA, WY-070-EA14-224, Sections 3.2 and 4.2.

Table 1.6. Soils and Ecological Sites within the Drake Deep 1 POD Boundaries.

Drake Deep 1 POD Soils and Eco Sites					
Soil Type	Area #	Map Unit #	Eco Site Name	Acres	Percent
Loamy (Ly) 10-14 NP	WY605	102	Arvada, thick surface-Arvada-Slickspots complex	124.0053	73.32992
	WY605	116	Cambria-Kishona-Zigweid loams	113.0821	
	WY605	117	Cambria-Kishona-Zigweid loams	312.2933	
	WY605	121	Cushman-Cambria loams	53.46971	
	WY605	122	Cushman-Cambria loams	199.1212	
	WY605	127	Cushman-Theedle loams	43.84395	
	WY605	128	Cushman-Worf loams	1.079804	
	WY605	144	Forkwood loam	22.16865	
	WY605	145	Forkwood-Cambria loams	447.5294	
	WY605	146	Forkwood-Cushman loams	189.7574	
	WY605	147	Forkwood-Cushman loams	615.3733	
	WY605	148	Forkwood-Ulm loams	416.6691	
	WY605	149	Forkwood-Ulm loams	241.1218	
	WY605	187	Nuncho loam	0.008783	
Shallow Loamy (SwLy) 10-14 NP	WY605	211	Shingle-Worf loams	19.99074	0.467829
	WY605	215	Theedle-Kishona loams	43.96641	
Sandy (Sy) 10-14 NP	WY605	129	Decolney-Hiland fine sandy loams	31.64962	14.02742
	WY605	157	Hiland-Bowbac fine sandy loams	216.8241	
	WY605	158	Hiland-Bowbac fine sandy loams	99.90348	
	WY605	159	Hiland-Vonalee fine sandy loams	31.2305	
	WY605	160	Hiland-Vonalee fine sandy loams	80.37036	
	WY605	213	Terro-Taluze sandy loams	40.7744	
Lowland (LL) 10-14 NP	WY605	221	Turnercrest-Keeline-Taluze fine sandy loams	98.65143	1.894144
	WY605	120	Clarkeken-Keeline association	38.59917	
Clayey (CY) 10-14 NP	WY605	153	Haverdad, occasionally flooded-Kishona clay loams	42.33923	10.28069
	WY605	200	Renohill-Savageton clay loams	81.46393	
	WY605	205	Samday-Savageton clay loams	124.3813	
	WY605	209	Savageton-Silhouette clay loams	1.818393	
	WY605	227	Ulm clay loam	119.1293	
	WY605	228	Ulm-Renohill clay loams	0.341037	
Totals				4273.09	100

Soils and Eco Sites Extracted from NRCS South Campbell County SSURGO database.

Other Leasable and Locatable Minerals

There are a total of 10 individual mining claims located in the same area as these 4 proposed oil wells. The Fort Union and the Wasatch Formations are the most important uranium-bearing formations in the PRB and are less than 800 feet deep. Uranium recovery has surface disturbance for the construction of surface facilities, roads, well fields, utilities, and pipelines, and include top soil removal, land grading, and interim reclamation. Direct and indirect effects, cumulative effects, mitigation measures, and residual effects are found in the Iberlin 1-9H and Iberlin 1-9TH EA, WY-070-EA13-224, pp. 28-29, incorporated here by reference – and BLM anticipates similar effects for this proposal.

Invasive Species

The BLM’s weed database showed the presence of scotch thistle in areas around this project. No state-listed noxious weeds and/or invasive/exotic plant infestations were observed during onsite inspection investigation or by the operator.

Impacts anticipated from potential invasive species, and mitigation considered with the implementation of the proposals, will be similar to those analyzed in the Baker 8H EA, WY-070-EA14-224 Section 3.5 and 4.5, which is adjacent or overlapping to these proposals, have substantially similar characteristics, and are incorporated here by reference.

Wildlife

BLM reviewed the proposals and determined that the proposed APDs, combined with the COAs (and design features), are: (1) consistent with the PRB FEIS, the RMP and its amendment, and the above tiered EA; and (2) consistent with the programmatic biological opinion (ES-6-WY-02-F006), from the PRB FEIS, Appendix K. The biologist performed an onsite inspection to the project area April 10, 2014. The affected environment and environmental consequences for wildlife are discussed in, and anticipated to be

similar to, the documents listed in Table 1.4.a and Table 1.4.b above. Rationale for species not discussed here is found in the administrative record (AR).

Greater Sage-Grouse (GSG)

BLM analyzed impacts to GSG from surface disturbing and disruptive activities associated with development of conventional oil and gas wells in the Congaree EA, WY-070-EA10-19, and are incorporated here by reference. Activities associated with development of the proposed wells listed in Table 1.1 are anticipated to be similar in nature, with the following additional site-specific information. Suitable habitat is present throughout the proposed project area, although only one of the proposed wells resides with 2 miles of an occupied lek. The area has had numerous survey efforts in the past as well as three separate aerial surveys in April 2013, and no additional leks were identified (ICF November, 2013). The area does not reside within any identified designated Wyoming GSG Core areas.

Site-specific analyses for wells and infrastructure that will impact GSG are discussed below.

Site Specific Analysis for the Proposed Wells:

Bonita Federal Com 12TH - The proposed location is within 1.37 miles of the occupied Billie Creek lek. Suitable habitat would be both directly and indirectly impacted by the implementation of the proposed project. A condition of approval (COA) for no surface disturbance starting March 15 - June 30 would be applied to lessen impacts from construction and drilling during the breeding and nesting season.

Raptors

Impacts to raptors from surface disturbing and disruptive activities associated with similar development of conventional oil well were analyzed in the Congaree EA, WY-070-EA10-19, and is incorporated here by reference. Activities associated with development of the proposed wells listed in Table 1.1 are anticipated to be similar in nature, with the following additional site-specific information. Most raptor species nest in a variety of habitats including (but not limited to): native and non-native grasslands, agricultural lands, live and dead trees, cliff faces, rock outcrops, and tree cavities. Suitable nesting habitat is present in the project area. Raptor species known or suspected to occur in the area include golden eagle, northern harrier, Swainson's hawk, American kestrel, short-eared owl, great horned owl, red-tailed hawk, western burrowing owl (BLM sensitive species), ferruginous hawk (BLM sensitive species), and rough-legged hawk (winter resident). According to the BLM raptor database and ICF surveys (ICF November, 2013) there is one documented raptor nest within 0.5 miles of the proposed well pads. The inactive ferruginous hawk nest (BLM ID:11001) was newly discovered in 2013.

The proposal area is currently experiencing elevated levels of anthropogenic activity due to the presence of existing oil and gas developments. In addition to this, the implementation of the proposal will have additive impacts to raptors, especially where no biological buffering is present and/or where multiple proposed wells and their associated infrastructure are within 0.5 miles of documented nesting habitats. The presence of existing oil and gas developments and future developments in the area may act synergistically and compound the negative impacts to raptors. This is interdependent on the species, nest histories, timing of activities and location of existing and future oil and gas infrastructures.

Site-specific analyses for wells and infrastructure that will impact nesting raptors are discussed below.

Site Specific Analysis for the Proposed Wells:

BLM nest # 11001 was the only raptor nest identified within the proposed project. The ferruginous hawk nest currently has existing infrastructure (the Ampolex Frac Pit) nearby, which is approximately 0.15 miles away and the local topography provides no suitable biological buffering for the nest. If the proposed wells are drilled in the same nesting season, in conjunction with the frac pad activity, then

these activities will likely prohibit nesting. The USFWS recommends a 1.0 mile no disturbance buffer around ferruginous hawk nests.

Monte Federal Com 65TH - The proposed location resides within 0.5 miles of nest 11001 (0.40mi.) and is out of line of sight of the nest. A COA prohibiting surface disturbance during the nesting season will be applied due to the proximity of the nest. This COA will reduce the compounding effects of the disturbance associated with the Groves Com 55H and the existing Frac pit.

Groves Com 55H - The proposed location resides within 0.5 miles of nest 11001 (0.27mi.) and is in line of sight the nest. Due to lack of jurisdiction as neither the surface location of the pad or the underlying minerals are federally owned, avoiding surface disturbance during the nesting season is recommended due to the proximity and lack of biological buffering for the associated nest. If the associated nest is active while drilling and completion activities occur, the possibility of “take” occurring under the Migratory Bird Treaty Act (MBTA) is likely.

Migratory Birds

Impacts to migratory birds from surface disturbing and disruptive activities associated with similar development of oil and gas wells were analyzed in the Sahara EA, WY-070-EA13-072, incorporated here by reference. Activities associated with development of the proposed wells listed in Table 1.1 are anticipated to be similar in nature, with the following additional site-specific information. Site-specific analyses for wells and infrastructure that will directly impact migratory birds via habitat removal are discussed below.

Site Specific Analysis for the Proposed Wells:

Bonita Federal Com 12TH- Suitable habitat for BLM sensitive sagebrush obligate migratory birds is present on the proposed well location and would be directly impacted by vegetation removal. A COA will be applied to prevent direct mortalities of nesting passerines that may result from pad construction if habitat removal occurs during the nesting period.

Monte Federal Com 65TH- Suitable habitat for BLM sensitive sagebrush obligate migratory birds is present on the proposed well location and would be directly impacted by vegetation removal. A COA will be applied to prevent direct mortalities of nesting passerines that may result from pad construction if habitat removal occurs during the nesting period.

Groves Com 55H- Suitable habitat for migratory birds (sagebrush obligates) is present on the proposed well location and would be directly impacted by vegetation removal. Due to lack of surface jurisdiction as neither the surface location of the pad or the underlying minerals are federally owned, avoiding surface disturbance during the nesting season is recommended to prevent direct mortalities that may result from pad construction.

Thielen Com 3H- Suitable habitat for migratory birds (sagebrush obligates) is present on the proposed well location and would be directly impacted by vegetation removal. A COA will be applied to prevent direct mortalities of nesting passerines that may result from pad construction if habitat removal occurs during the nesting period.

Cultural.

In accordance with section 106 of the National Historic Preservation Act, BLM must consider impacts to historic properties (sites that are eligible for or listed on the National Register of Historic Places (NRHP)). For an overview of cultural resources that are generally found within BFO the reader is referred to the *Draft Cultural Class I Regional Overview, Buffalo Field Office* (BLM, 2010). A Class III (intensive)

cultural resource inventory (BFO project no. 70140036) was performed in order to locate specific historic properties which may be impacted by the proposed project. The remainder of the project area is covered by previously accepted Class III inventories 70030020, 70040059, 70130041. BLM policy states that a decision maker's first choice should be avoidance of historic properties (BLM Manual 8140.06(C)). If historic properties cannot be avoided, mitigation measures must be applied to resolve the adverse effect. No historic properties will be impacted by the proposed project. Following the *State Protocol Between the Wyoming Bureau of Land Management State Director and The Wyoming State Historic Preservation Officer*, 2006 Section VI(A)(1), the Bureau of Land Management electronically notified the Wyoming State Historic Preservation Officer (SHPO) on September 3, 2014 that no historic properties exist within the area of potential effect (APE). If any cultural values (sites, features or artifacts) are observed during operation, they will be left intact and the Buffalo Field Manager notified. If human remains are noted, the procedures described in Appendix L of the PRB FEIS must be followed. Further discovery procedures are explained in Standard COA (General)(A)(1) and in Appendix K of the Wyoming Protocol.

List of Preparers: Persons and Agencies Consulted (BFO unless otherwise noted)

Position/Organization	Name	Position/Organization	Name
NRS/Team Lead	Dustin Hill	Archaeologist	Seth Lambert
Supr NRS	Casey Freise	Wildlife Biologist	Chris Sheets
Petroleum Engineer	Will Robbie	Geologist	Kerry Aggen
LIE	Christine Tellock	Supr NRS	Kathy Brus
Assistant Field Manager	Chris Durham	Assistant Field Manager	Clark Bennett
NEPA Coordinator	Tom Bills	Wyoming State Historic Preservation Officer	

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 Drake Deep 1 POD 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: _____ /s/ Duane W. Spencer _____ Date: _____ 9/26/14 _____

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