



## United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
Casper Field Office  
2987 Prospector Drive  
Casper, Wyoming 82604-2968

1790  
Cave Gulch  
Bullfrog-  
Waltman  
Infill Natural  
Gas Project

MAY 03 2005

Dear Reader:

The Decision Record and Finding of No Significant Impact (DR/FONSI) for the Cave Gulch Infill Development Project (CGIDP), WY-060-EA05-17 is provided for your information and use. The project area is located in within Townships 35, 36 and 37 North (T35-37N), Ranges 86 and 87 West (R86-87W), 6<sup>th</sup> Principal Meridian, Natrona County, approximately 50 miles west of Casper, Wyoming, and is situated north of the town of Waltman. The DR/FONSI outlines the decision and rationale, including key management considerations, for the CGIDP. This decision is subject to appeal as explained in the decision.

The CGIDP Environmental Assessment (EA) and DR/FONSI were prepared pursuant to the National Environmental Policy Act and other regulations and statutes to fully disclose the potential environmental impacts which could result from implementation of the CGIDP, and to solicit public comments and concerns.

This DR/FONSI is the culmination of detailed analysis on the environmental effects of implementing the proposed development or alternatives. On March 18, 2005 the Bureau of Land Management (BLM) released the EA for public review. Two comment letters were received during the comment period. These comments were reviewed and considered in reaching the decision set forth in the DR/FONSI. The BLM's responses to substantive comments are included in the rationale section of the DR/FONSI.

A copy of the DR/FONSI has been sent to affected government agencies and parties who were identified during the scoping process, or who provided comments on the proposed development. Copies of the DR/FONSI are available for review at:

Bureau of Land Management  
Casper Field Office  
2987 Prospector Drive  
Casper, WY 82604

Sincerely,

Field Manager, Casper

Enclosure

**Decision Record  
and  
Finding Of No Significant Impact**

**for the**

**Environmental Assessment (WY-060-EA05-17)**

**of**

**Cave Gulch-Bullfrog-Waltman Infill  
Natural Gas Project**

Department of the Interior  
Bureau of Land Management  
Casper Field Office

May 2, 2005

**DECISION RECORD  
AND  
FINDING OF NO SIGNIFICANT IMPACT**

**I. Introduction**

This document records the decision made by the Bureau of Land Management (BLM) for managing public land surface and federal mineral estate in the Cave Gulch Infill Development Project (CGIDP). The project area is located in Natrona County, approximately 50 miles west of Casper, Wyoming, and is situated north of the town of Waltman, within townships 35, 36 and 37 north (T35-37N), ranges 86 and 87 west (R86-87W), 6<sup>th</sup> Principal Meridian. The CGIDP area includes approximately 27,013 acres of mixed federal, state, and private surface. Of this total, approximately 7,391 acres (27.4%) are owned by the federal government (administered by the BLM), 1,875 acres (6.9%) are owned by the state of Wyoming, and 17,747 acres (65.7%) are owned by private individuals. Mineral ownership is 75.1% federal, 5.3% state of Wyoming, and 19.6% private.

Bill Barrett Corporation, Chevron USA Inc., Pogo Producing Company, and Prima Energy Corporation (the Operators) have notified the BLM's Casper Field Office (CFO) of their intent to continue natural gas exploration and development activities within the boundaries of the Cave Gulch, Bullfrog, and Waltman fields in western Natrona County, Wyoming, and areas directly adjacent, hereinafter referred to as the Cave Gulch Infill Development Project (CGIDP). The CFO prepared the *Cave Gulch-Bullfrog-Waltman Natural Gas Development Project Draft Environmental Impact Statement* (Cave Gulch EIS) pursuant to the *National Environmental Policy Act of 1969* (NEPA) to analyze the impacts of additional exploration and development within the Cave Gulch-Bullfrog-Waltman project area (Cave Gulch EIS area). The BLM subsequently issued a Final EIS and Record of Decision (Cave Gulch ROD) for the project that approved the drilling of a maximum of 160 wells from 107 new well pads and 24 enlarged existing well pads within the overall Cave Gulch EIS area. The level of surface disturbance originally analyzed in the Cave Gulch EIS has nearly been reached; however, additional drilling will be required to fully develop known hydrocarbon reserves within the analysis area.

This decision is based on the EA (environmental assessment) for the CGIDP (EA number WY-060-EA05-17) completed for the proposal. This decision applies only to the public land surface and federal mineral estate administered by the BLM. The EA is guided by the BLM's Platte River Resource Area (currently referred to as the Casper Field Office), resource management plan (RMP), which describes the planning decisions for public land management under the jurisdiction of the Casper Field Office.

All activities associated with federal oil and gas development, operation and production, and abandonment would be conducted in compliance with all applicable federal, state, and county laws, regulations, and stipulations. Comments received during the 30-day comment period ending April 22, 2005 for the EA were taken into consideration in preparing this decision.

## II. Proposed Action

- A.** Under the Proposed Action, the Operators would drill 154 new gas wells, construct up to 110 new well locations, and install related production (ancillary) facilities within the CGIDP area. The proposed action also includes installation of a produced water gathering system, and up to four new water injection wells. An additional 766 acres of initial (short-term) surface disturbance would occur in conjunction with this proposed action. The details of this alternative are contained in CGIDP EA Section 2.0, Proposed Action and alternatives.
- B. No Action Alternative.** This alternative implies that BLM would allow both ongoing and previously approved natural gas exploration, development, and production activities to continue in the overall project area, but activity beyond the level of activity analyzed in the original Cave Gulch EIS would not be allowed. Future applications for permit to drill (APDs) and right-of-way (ROW) applications would be evaluated by the BLM on a case-by-case basis through site specific environmental analyses in accordance with management direction contained in Platte River Resource Area RMP and the Record of Decision for the Cave Gulch-Bullfrog-Waltman Natural Gas Development Project. The details of this alternative are contained in CGIDP EA Section 2.0, Proposed Action and Alternatives.

## III. Decision

It is my decision to approve the Proposed Action analyzed in the EA for the Cave Gulch Infill Development Project. The decision recognizes that the area has had oil and natural gas development since 1921, that undeveloped natural gas resources still remain, and that there are other important natural resources and values within the area which require consideration and protection from unnecessary or undue degradation.

Approval of the Proposed Action and individual project components are subject to the following administrative requirements, and the applicant-committed environmental protection measures and mitigation measures identified in the CGIDP EA. These requirements and mitigation measures are incorporated by reference into this decision.

Approval of the Proposed Action and individual project components is conditioned upon and subject to the following pre-authorization administrative requirements: before any permit is issued authorizing an action on public lands (i.e. APD, Sundry Notice and Report on Wells, or right-of-way) the final location for each well site, access road, pipeline, or other facility will be evaluated site-specifically through a Documentation of Land Use Planning Conformance and Determination of NEPA Adequacy (DNA) or as applicable, an EA which may be required to conduct the site-specific evaluation in accordance with the “BLM NEPA Handbook (H-1790-1).”

#### **IV. Approved Project Components**

This Decision Record is approval for the BLM Casper Field Manager to permit the following project components to the extent they occur on public lands within the CGIDP area. Development beyond the specified levels will require the preparation of a supplemental environmental analysis.

- 154 new natural gas well bores;
- 110 new surface well locations disturbing approximately 398 acres;
- construction of approximately 26 miles of new access roads to well sites and ancillary facilities disturbing approximately 145 acres;
- gas gathering and produced water pipelines from producing wells to compression (gas) and disposal facilities (water);
- construction of a produced water gathering, treatment, and disposal system resulting in approximately 60 acres of disturbance;
- development of up to four additional water disposal (injection) wells, well pads, and associated access roads and pipelines within the CGIDP to provide for subsurface disposal of produced water resulting in approximately 68 acres of disturbance;
- abandonment and reclamation of wells, well pads, access roads, gas collection pipelines, water disposal pipelines, and other associated facilities as appropriate; and,
- ancillary facilities associated with well production, and gas gathering and transportation.

Section 4, “Environmental Impacts,” of the CGIDP EA (March 2005)” contains more details concerning the information listed above.

#### **V. Finding of No Significant Impact**

Based on the analysis of potential environmental impacts contained in the environmental assessment, including the portions of the Cave Gulch-Bullfrog-Waltman Natural Gas Development Project EIS incorporated into this document by reference, I have determined that impacts of the Proposed Action are not expected to be significant and an environmental impact statement is not required.

#### **VI. Rationale for the Decision**

The decision to approve field development in the CGIDP area is based on careful consideration of a number of factors, including: (A) consistency with land use and resource management plans; (B) public involvement, scoping issues, and EA comments; (C) relevant resource considerations; (D) agency statutory requirements; (E) national policy; and, (F) measures to avoid or minimize environmental harm.

- A. Consistency with Land Use and Resource Management Plans.** The decision to authorize CGIDP is in conformance with the overall planning direction for the area. The Platte River Resource Area RMP states that "Oil and gas exploration and development will be authorized in accordance with the lease provisions. Lease constraints and development will be subject to land use decisions described in the Planning Decisions section of the RMP Record of Decision."
- B. Public Involvement, Scoping Issues, and EA Comments.** The opportunity for public involvement was provided throughout the environmental analysis process. Section 5.2, Public Participation, provides a detailed accounting of the public participation, consultation, and coordination that occurred in preparation of the EA.

The BLM received two letters commenting on the EA during the public comment period. The comments received were from the Petroleum Association of Wyoming (PAW) and the United States Fish and Wildlife Service (FWS). The comment letters may be reviewed by contacting the Field Manager at the Casper Field Office.

The comment letter from the FWS consistently refers to the Cave Gulch Infill Development Project Environmental Assessment as the Infill *draft* EA, and recommends changes to the *final* EA. Based on extensive existing analysis conducted for the *Cave Gulch-Bullfrog-Waltman Natural Gas Development Project Draft Environmental Impact Statement (Cave Gulch EIS)*, and information collected during the CGIDP scoping period, this document was released as a final EA, not a draft. A subsequent release of this EA would only be warranted should new substantive information necessitating additional analysis be collected during the comment period.

Written comments were considered by the BLM in the preparation of this Decision Record. The comments did not include any new substantive information necessitating additional analysis. In summary, the concerns included the following:

(1) Operators have agreed to numerous "Applicant Committed Measures" which go beyond the required protective measures established in the current land management plan. The Applicants have demonstrated their willingness to work with BLM in protecting the effects on the environment and as a result, PAW believes that the proposed project is mitigated to insignificance.

(2) "Applicant Committed Measures" are voluntary actions agreed to by the individual companies and should not establish precedent for future projects that are similar in nature.

(3) Candidate and proposed species are not managed under the Endangered Species Act (ESA). While BLM must use caution for managing species to prevent further consideration for listing under ESA (i.e. greater sage grouse, mountain plover, or white tailed prairie dog), the agency must not apply stringent mitigation measures that should only be used for threatened or endangered species. A distinction between threatened or endangered species versus special

status species must be maintained in management prescriptions applied by the agencies.

(4) BLM provides no justification for using the standard survey distance of 3 miles versus 2 miles for greater sage-grouse leks. PAW requests that the technical, scientific information supporting this distance change for identifying leks in and around the project area be made available and forwarded for our review.

(5) BLM must continue to recognize that other agencies have primacy for specific issues, such as air and water quality, and BLM should not conflict with that agency's jurisdiction.

(6) PAW recommends that consultation occur between the operator, BLM, and County Weed and Pest agencies to determine the level of noxious weed outbreaks.

(7) Current BLM policy regarding greater sage-grouse is subject to changes by the State BLM Office and the changes should be appropriately reflected in the management of the greater sage-grouse in the Decision Record for this project.

(8) In the future, PAW recommends a more detailed socio-economic analysis be provided which more accurately social and economic opportunities generated from this project.

(9) Regarding private property, PAW recommends the services of the Wyoming Split Estate Initiative (WYSEI) to minimize or prevent conflict between parties.

(10) Support for the project and issuance of a Finding of No Significant Impact and Decision Record in a timely manner.

(11) New wells should be developed from existing well pads before any new single well pads are constructed to minimize additional disturbance to migratory birds and sensitive species and their habitats, particularly within the core area.

(12) The Infill EA should clarify that the proposed action includes the construction of 110 new gas well pads and 4 new injection well pads.

(13) The FWS is troubled by the operator's and Bureau's failure to ensure that the Raptor Management and Monitoring Plan committed to in the Cave Gulch ROD was completed. The FWS recommends the development of a Service approved migratory bird monitoring and management plan prior to any new development, and annual monitoring of raptor nesting activity, prey base and artificial nesting structures(ANSs).

(14) The Service recommends a 1-mile buffer for ground nesting ferruginous hawks to avoid the potential for nest abandonment as a result of human activity.

(15) Please be aware that "potentially significant impacts to bald eagle populations" is not the appropriate threshold for determining if a proposed action

may affect a listed species. If the proposed project may have an effect to an individual of a threatened or endangered species or its habitat, consultation with the Service pursuant to section 7(a)(2) of the Act will be required as per Bureau policy (BLM 6840.06a2b). In addition, section 7(a)(1) of the Act directs Federal agencies, or their representatives, to utilize their authorities in the furtherance of the purposes of the Act by carrying out programs for the conservation and recovery of listed species. Therefore we encourage you to incorporate measures into the project design for the conservation of listed species.

The comments listed above are addressed in the following section.

- C. Relevant Resource Considerations.** The BLM has considered the following resource values and public comments/concerns in the process of reaching this decision. The following subsections clarify information contained in the EA and/or respond to the public comments.

**(1) Bald Eagles**

No bald eagle nests or winter roosts are known to occur within the CGIDP area, and lack of suitable nesting or winter roosting habitat likely precludes such use. Bald eagles and their habitats have been evaluated during the past 25 years in a large portion of the CFO area, which includes the project area. Nesting has occurred only during about the last 10 years, and only along the North Platte River. Otherwise, bald eagles are not present in the field office area during the spring through fall seasons.

Wintering habitats have been described in the Casper Field Office as including night communal roosts, concentrated feeding areas (along major rivers), rangeland feeding (throughout much of the field office area), and flyways. The nearest communal night roosts include the Pine Mountain roosts approximately 13 miles to the east-southeast, Big Sulfur Draw at 20 miles to the northwest, and roosts near the North Platte River at 40 miles southeast. The nearest winter feeding concentration area is also about 40 miles to the southeast, along the North Platte River.

Any activities authorized in association with this project will be in compliance with Bureau policy and the Endangered Species Act.

**(2) Appropriate Raptor Buffer Zones and Raptor Mitigation/Monitoring Measures**

- a. Appropriate Raptor Buffer Zones – After consultation with the FWS and the operators, the seasonal restrictions for no construction activities will be ½ mile of an occupied raptor nest. This “Applicant Committed Measure” is a voluntary action agreed to by the operators due to the importance of raptor mitigation within the project area. The ½ mile buffer applies to actions authorized under this decision and does not establish a precedent for future projects.

- b. The Service recommends a 1-mile buffer for ground nesting ferruginous hawks to avoid the potential for nest abandonment as a result of human activity. No scientific studies were presented to support this buffer. The companies and BLM are committed to providing adequate mitigation to protect raptors in the project area, and as a result have voluntarily increased the buffer around occupied nests to ½ mile as recommended by the FWS during scoping. Without further scientific evidence a 1-mile buffer for ground nesting ferruginous hawks cannot be justified.
- c. Raptor Mitigation/Monitoring Measures – The Cave Gulch EIS-ROD included a Raptor Management and Monitoring Plan which detailed a number of raptor monitoring activities which were to be conducted by both the operators and BLM. Evaluation of monitoring activities by BLM biologists during implementation of the monitoring plan resulted in modifications to the original scope of the monitoring (CGIDP section 3.4.2.3). The FWS is concerned that modifications to the original monitoring program have made evaluation of the effectiveness of the 14 existing ANSs impossible, and has requested additional monitoring of nests and ANSs for the life of the project. In response to FWS concerns the operators have agreed to contract annual nest monitoring within the CGIDP as well as annual surveys of all 14 ANSs for two years. BLM will continue to evaluate raptor monitoring activities in the CGIDP area and develop appropriate monitoring strategies as needed.

**(3) Surveys for Sage Grouse Leks**

Comments from PAW raised concerns over the use of a standard survey distance of 3 miles versus 2 miles for greater sage-grouse leks. The standard survey distance was not changed; the CGIDP EA was simply stating that the closest known greater sage-grouse lek was over 3 miles from the project boundary. PAW also states that current BLM policy regarding greater sage-grouse is subject to changes by the State BLM Office and the changes should be appropriately reflected in the management of the greater sage-grouse in the Decision Record for this project. The EA committed to managing greater-sage grouse in accordance with BLM policy; therefore any policy changes initiated by the Wyoming State Office will be reflected in appropriate management actions.

**(4) Prevention of Wildlife Mortality in Oil Pits**

BLM and the operators are committed to preventing wildlife mortality associated with oil-based drilling fluid systems. Mitigation is developed for each pit, and will incorporate appropriate measures as warranted, including selected mitigation measures as suggested by the FWS.

**(5) Well Pad Density and Infrastructure Disturbance Impacts to Migratory Birds**

Operators have committed to drilling all new 10-acre wells and three of the 20-acre wells using directional techniques from existing well pads. Most of the 10-acre wells will be drilled in the existing “core area” of the CGIDP area. Directional drilling techniques will be applied to 44 of the proposed 154 wells, resulting in approximately 29% of all new drilling from directional methods. The operators have also committed to utilizing existing infrastructure to the fullest extent possible to further reduce surface impacts. Predicted total surface disturbance for development is only about 6% of the cumulative impact analysis area (CIAA).

Appropriate and prudent measures have been incorporated into mitigation for this project to minimize surface disturbance and the associated impacts to other resources. In response to comments the operators have committed to field-wide mapping of project related disturbance and reclamation twice during the life of project at times specified by BLM. Periodic disturbance and reclamation mapping will update the detailed disturbance mapping completed in December 2003, and allow continued tracking and evaluation of disturbance related impacts within the project area.

**(6) Non-Native Invasive Plant Species**

Although the predicted total surface disturbance for development is only about 6% of the CIAA, surface disturbing activities could lead to an increase level of invasive non-native species. This disturbance was not considered a significant impact upon the range resources. Operator-committed mitigation measures are contained in the EA (A-5.0) and will be implemented to insure that the infestation of noxious weeds are controlled, including promoting an integrated pest management program between the proponent and the appropriate weed and pest control authority.

**(7) Secure Appropriate Permits for Water Handling and Disposal Methods**

All appropriate permits must be obtained and approved by the appropriate agency for water handling and disposal methods. All handling of produces water from the oil and gas activities must be in conformance with regulation, including Onshore Oil and Gas Order No. 7: Disposal of Produced Water.

- D. Agency Statutory Requirements.** This decision is consistent with federal, state, and county authorizing actions required to implement the Proposed Action. All pertinent statutory requirements applicable to this proposal were considered. These include consultation with the FWS regarding threatened, endangered, and candidate species; coordination with the state of Wyoming regarding wildlife, environmental quality, and oil and gas conservation; and coordination with the Natrona County Commissioners.
- E. National Policy.** Private exploration and development of federal oil and gas leases is an integral part of the BLM's oil and gas leasing program under the authority of the Mineral Leasing Act of 1920, as amended, and the Federal Land Policy and Management Act of 1976, as amended. Natural gas is the U.S. Congress' and President's energy of choice to comply with the Clean Air Act amendment of 1990, and helps meet the public need for cleaner burning, less polluting natural gas. The development effort will help meet public needs for natural gas while at the same time result in the least degree of irreversible, irretrievable commitment of resources. Therefore, the decision is consistent with national policy.
- F. Measures to Avoid or Minimize Environmental Harm.** The adoption of the mitigation measures identified in the EA and in this decision represents all practicable means to avoid or minimize environmental harm. The long-term productivity of the area will neither be lost nor substantially reduced as a result of approving the CGIDP.

## **VII. Compliance and Monitoring**

A specific compliance and monitoring plan is not required for this project. Mitigating measures incorporated in individual proposals will include the applicant committed environmental protection measures and the mitigation and monitoring measures identified as a result of the EA analysis and set forth in Section 5.0, "Mitigation and Monitoring." These are intended to minimize adverse impacts to resources on the public lands and to avoid or reduce environmental harm. Properly implemented, these measures should ensure that the least amount of land needed to complete the projects is used, and that the disturbed land is stabilized and returned as closely as possible to pre-construction conditions.

The following mitigation measures are additions to the mitigation measures found in the CGIDP EA, and represent additional mitigation in response to comments:

- At the request of the BLM, operators will contract two annual surveys of raptor nests within the CGIDP area and all fourteen ANSs associated with this project.
- At the request of the BLM operators will conduct two detailed surveys of project related surface disturbance during the life of the project. This data will be provided on request to BLM in a geographic information system (GIS) format.

**VIII. Appeal**

In accordance with 43 CFR 3165.3(b), affected parties have the right to request an administrative review before the State Director regarding this decision. You must request a State Director Review prior to appealing to the Interior Board of Land Appeals (IBLA).

If you choose to request a State Director Review, the request must be received in the Wyoming State Office, Post Office Box 1828, 5353 Yellowstone Road, Cheyenne, Wyoming 82003, no later than 20 business days after the issuance of this decision. The request must include all supporting documentation unless a request is made for an extension for the filing of supporting documentation. For good cause, such extensions may be granted. You will also have the right to appeal the decision issued by the State Director to IBLA.

*/S/ James Murkin*

May 2, 2005

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Casper Field Manager

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Date