

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
CASPER FIELD OFFICE
DECISION RECORD
for
East Converse Exploratory Oil and Gas Development
WY-060-EA12-227**

In accordance with the Mineral Leasing Act of 1920 (MLA) (30 United States Code (U.S.C.) 181 *et seq.*), it is my decision to approve the East Converse Exploratory Oil and Gas Drilling Project, for the exploration and development of oil and gas resources on Federal, mineral leases, based on the analysis conducted in Environmental Assessment WY-060-EA12-227 and the attendant Finding of No Significant Impact.

Conditioned through mitigation measures, I find that this action will not result in significant impacts on the human environment pursuant to Title 40 Code of Federal Regulations 1508.27 (a) and (b) (1) through (10) and that an Environmental Impact Statement is not required. I further find this action in conformance with the *Record of Decision and Approved Casper Resource Management Plan* (RMP) dated December 7, 2007, and that it will not cause unnecessary or undue degradation.

The East Converse project area encompasses approximately 125,520 acres of mixed federal, state, and fee (private) surface estate (map 1). Of this total, the United States administers approximately 11,497 acres, 8,131 acres are lands administered by the state of Wyoming, and the remaining 105,892 acres are privately owned, as shown on map 1 and table 1.1.

Much of the project area is fee surface ownership. A few large federal parcels are scattered throughout the area, as well as some small isolated federal parcels. A few Thunder Basin National Grassland (TBNG) parcels are scattered in the extreme northern portion of the area. The TBNG were withdrawn and set aside for management by the US Forest Service (FS) under a series of executive orders (EO).

Of the 10,459 acres of BLM surface estate situated within the overall project area, the CFO administers 7,418 acres, with the remaining 3,041 acres administered by the Newcastle Field Office (NFO). Table 1.1 summarizes surface ownership within the project area.

Table 1.1. Surface Ownership within the Project Area

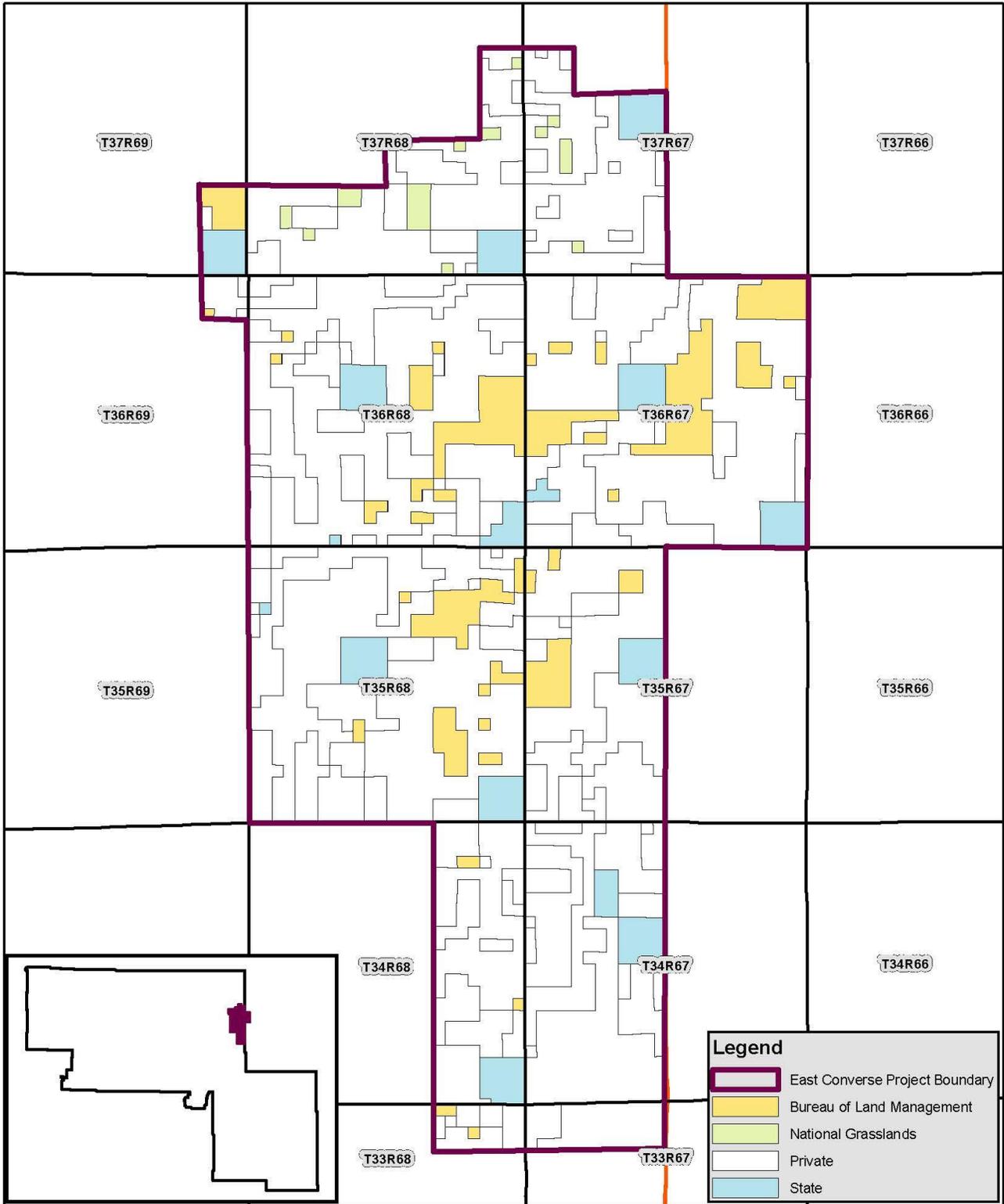
Surface Ownership	Acres	Percent of Project Area
Federal - administered by BLM, Casper FO	7,418	6
Federal - administered by BLM, Newcastle FO	3,041	2
Federal - administered by the Forest Service	1,038	<1
State of Wyoming (state)	8,131	6
Private (fee)	105,892	84
Total^a	125,520	*100
^a May not be add due to rounding.		

The federal mineral estate comprises approximately 65% of the mineral estate within the project area; 88% of that has valid, existing lease rights with approximately 168 federal leases. Of those 168 federal leases, 102 (60%) are what is known as “held by production,” meaning they are currently producing oil and natural gas resources and will not expire until that production ceases. The remaining 66 (40%) federal leases are due to expire 10 years from date of issuance if a producing well is not located. Table 1.2 summarizes the mineral ownership.

Table 1.2. Mineral Ownership within the Project Area

Mineral Ownership	Acres	Percent of Project Area
Federal	81,317	65
State of Wyoming (state)	8,131	6
Private (fee)	36,072	29
TOTAL	125,520	100

Map 1 East Converse Project Area and Surface Ownership



Map Created by:
Shane Gray, NRS
BLM Casper Field Office
Scale: 1:170,000

0 2 4 8 Miles

The Bureau of Land Management (BLM), Casper Field Office (CFO), is proposing the exploration of hydrocarbon resources in eastern Converse and western Niobrara counties, in response to several notices of staking (NOS) and applications for permit to drill (APD) recently received from three oil and gas operators. The project area consists of approximately 196 square miles and 125,520 acres.

The project proposal is for 18 new well pads that would accommodate 21 wells using all known drilling techniques including, but not limited to, vertical, directional, and horizontal. The project proposal also includes installing equipment necessary to produce the resource if it proves to be commercially productive.

Under the agency alternative, 18 well pads/ locations within the project area would be constructed to accommodate drilling and completion operations for a range of one to four wells per pad/ location utilizing multiple drilling techniques, including but not limited to vertical, directional, and horizontal, ultimately resulting in a range of 18 to 72 wells drilled within the project area.

The approval action consists of the Agency Alternative. Eighteen well pads within the East Converse project area will be constructed to accommodate drilling and completion operations for one to four wells per pad utilizing multiple drilling techniques, including but not limited to vertical, directional, and horizontal, ultimately resulting in a range of 18 to 72 wells drilled within the project area.

Specific project components are listed in the table below:

East Converse Agency Alternative Project Components

Components	Agency Alternative^b
Ratio of well pad/ locations to wells	18 well pads with a range of 18 to 72 wells, assuming one to four wells per well pad/location.
Assumptions used for the well pad, well pad/ location, and well pad excess disturbance calculations	This alternative uses the per-well average for the per-well pad/ location baseline, as the average four-well pad (based on actual submitted numbers by industry) equaled the average for the a one-well pad (as represented in the no action alternative).
Well pad and well pad/location acreage (+)	Average disturbance per well (assuming one to four wells per pad/ location) would be a range of 4.21 to 1.05 acres, respectively. If 18 to 72 new wells were approved on 18 well pad/locations this alternative would have the potential to yield a total of 75.78 acres of disturbance counting only the well pad.

Components	Agency Alternative^b
Well pad excess disturbance acreage (+)	<p>Average disturbance per well pad/location for the construction area to build the pad, store topsoil and spoil piles, and berm dirt from cut and fill, would be 2.11 acres.</p> <p>Total disturbance per well pad/ location for the construction area to build the pad, store topsoil and spoil piles, and berm dirt from cut and fill, would yield 37.98 acres.</p>
Assumptions used for the access roads and pipelines and utilities calculations	<p>For this alternative, the per-well average would be used for the per-well pad/location baseline, as it assumes the benefit of co-locating wells and equipment on a multiple well pad is that only one access road, pipeline, and utility line, would be needed for each well pad/ location regardless of the number of wells on each pad.</p>
Access roads acreage (+)	<p>Average disturbance for access roads per well pad/location is 4.62 acres. The per-well average would range from 4.62 to 1.16 acres, respectively (18 to 72 wells).</p> <p>Total surface disturbance for access roads would yield 83.16 acres.</p>
Pipelines and utilities acreage (+)	<p>Pipeline and utility disturbances would average 3.75 acres per well pad/location and a per-well average would range from 3.75 to 0.94 acres, respectively (18 to 72 wells).</p> <p>Total surface disturbance for pipe-lines and utilities would yield 67.50 acres.</p>
Short-term combined acreage (=)	<p>Combined surface disturbance for construction, drilling, completion, and production would yield a total of 264.42 acres of short-term disturbance.</p> <p>The average short-term disturbance per well (18 to 72 wells) would range from 14.69 to 3.67 acres, respectively.</p>
Reclamation standards assumptions (-)	<p>This alternative assumes that 33% of the well pad/location, 50% of well pad excess, 0% of access roads, and 100% of the pipelines and utilities would be reclaimed.</p> <p>The reclaimed acreage would total 111.50 acres; per well average (18 to 72 wells) would range from 6.19 to 1.55 acres, respectively.</p>

Components	Agency Alternative ^b
Long-term combined acreage (=)	<p>Long-term combined surface disturbance (short-term surface disturbance minus the reclamation standard assumptions) would yield 152.92 acres of long-term disturbance.</p> <p>The long-term combined disturbance would be a range of 8.50 to 2.12 acres average per well respectively (18 to 72 wells).</p>
<p>^b The values used in this table are assumptions, based on calculated averages. Actual disturbance, well pad size, and number of wells on a pad, may vary based on site-specific topography, distances, and targeted resources. However, the total authorized short and long term disturbances analyzed within this EA would not be exceeded.</p>	

The details of the selected alternative (Agency Alternative) are a compilation of the most commonly used techniques for drilling, completion, and operation of oil and gas wells to date. The details are provided in Chapter 2 under Common to all alternatives, Project Specifications and Design and describe multiple ways to achieve the same outcome. This is to allow for the multiple operators' individual plans of operations and applications. It would involve exploration and development of the federal oil and gas mineral resources using one or more of the techniques listed in Chapter 2 of the East Converse EA.

Mitigation Measures:

In order to minimize the overall impacts that could result from the oil/gas exploration activities associated with the agency alternative, the mitigation measures discussed in Chapter 4 will be required on a case by case basis as resource conditions dictate. The project area is located in both the Casper Field Office and the Newcastle Field Office administrative areas; therefore, the mitigation measures will be categorized by field office.

Site-specific mitigation measures, applicant committed measures, and conditions of approval (COAs) will all be applied as part of APD processing and will be attached and incorporated into all approval documents.

Public Involvement:

Internal scoping was performed with an interdisciplinary team of specialists within the BLM. In addition, multiple operator meetings were held jointly and separately to assist with projections of development, multiple well pad configurations and hydraulic fracturing related technology (a.k.a. fracturing, fracing, fracking, frac, frack). As a result of those meetings, an issue was raised that the technology of fracturing is often misconstrued. Several operators offered to work together to provide the BLM for use in their oil and gas drilling analysis an industry prepared technology report on the process of fracturing. The project specification and designs listed in Chapter 2 of the East Converse EA, is a compilation of the most commonly used techniques for drilling, completion and operation of oil and gas wells to date and was provided in-part by the peer reviewed industry prepared technology report included in the EA in its entirety as Appendix A.

On Monday, September 17, 2012, a press release was published soliciting comments for the three Converse County EA's (WY-060-EA12-225 Spearhead Ranch, WY-060-EA12-226 Highland Loop Road, and WY-060-EA12-227 East Converse), which analyzed the effects of exploratory oil and gas development within Converse County and a small portion of Niobrara County, Wyoming for three distinct project areas. After the 30-day comment period, twelve comment letters were received. Of the twelve comment letters the BLM received, four written by private citizens, one federal agency, one state agency, one county agency, four from groups or associations (TGBPEA, PAW, PRBRC, AHW), and three from industry representatives.

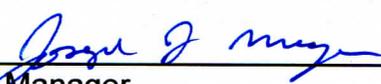
The comments, BLM's responses, and errata for tracking edits to all three EAs are contained in the document Converse County EAs Comment Response and Errata as an attendant document and incorporated as part of this decision. In addition to the Converse County EAs Comment Response and Errata document, all edits to the EA are marked by either a strikethrough for deletions and/or gray highlight for additions. Minor page changes have also occurred as a result of formatting, but are not listed in the errata document.

Rationale for the Decision:

I have reviewed the East Converse EA (WY-060-EA12-227) and the attendant FONSI, for the East Converse Exploratory Oil and Gas Drilling Project. I have determined that the Agency Alternative is in conformance with both the *Record of Decision and Approved Casper Resource Management Plan* (RMP) approved in December 2007 and the *Approved Newcastle Resource Management Plan* approved in August 2000, and it will not cause unnecessary or undue degradation.

Administrative Review and Appeal:

This decision is subject to administrative review according to 43 Code of Federal Regulation (CFR) 3165. Request for administrative review of this decision must include information required under 43 CFR 3165.3(b) (State Director Review), including all supporting documentation. Such a request must be filed in writing with the State Director, Bureau of Land Management, P.O. Box 1828, Cheyenne, Wyoming 82003, no later than 20 business days after this Decision Record is received or considered to have been received. Any party who is adversely affected by the State Director's decision may appeal that decision to the Interior Board of Land Appeals, as provided in 43 CFR 3165.4.



Field Manager
Casper Field Office

11-20-12

Date