

**United States Department of the Interior
Bureau of Land Management**

Decision Record
Environmental Assessment - Amendment

**Environmental Assessment (and Errata) for Bill Barrett
Corporation's Rocktober Unit Project, Park County, Wyoming,
Amendment for Remanded State Director Review**

DOI-BLM-WY DOI-BLM-WY-020-EA-10-94

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DECISION RECORD

ENVIRONMENTAL ASSESSMENT (AND ERRATA) FOR BILL BARRETT CORPORATION'S ROCKTOBER UNIT PROJECT, PARK COUNTY, WYOMING, AMENDMENT FOR REMANDED STATE DIRECTOR REVIEW

DOI-BLM-WY-020-EA10-94

AUTHORITIES:

The authority for this decision is contained in 43 CFR § 3163.3-1, to protect the resources of the Public lands, to promote the safety of all users of those lands and to minimize conflicts among the various uses of those lands. The National Environmental Policy Act (NEPA) of 1969, requirement for site-specific analysis has been met. The Proposed Action and No Action are in accordance with 43 Code of Federal Regulations (CFR) 1610.5-3(a); Federal Land Policy and Management Act (FLPMA) of 1976, as amended; Taylor Grazing Act of 1934; Endangered Species Act (ESA) of 1983, as amended; The Clean Air Act as amended; Clean Water Act of 1977; National Historic Preservation Act (NHPA), as amended; Migratory Bird Treaty Act (MBTA) of 1918, as amended; and the Wyoming Standards for Healthy Rangelands and Guidelines for Livestock Grazing, August 12, 1997 and The Wild horse and Burro Act of 1971. All pertinent statutory requirements applicable to this proposal were considered.

PUBLIC INVOLVEMENT: *(Taken from the original Decision Record, page 4)*

The BLM CYFO released a project scoping statement on August 26, 2008, and the public was given the opportunity to comment on BBC's proposal to explore for natural gas in the Rocktober Unit until October 10, 2008. These public scoping comments have been considered and summarized in the original EA Appendix B. In addition, a public scoping meeting was held in Cody on September 10, 2008. The proposed project was logged into the BLM Wyoming NEPA register and posted in the CYFO public room. The BLM also gave the public a 30-day opportunity to review the Environmental Assessment (EA) and draft Finding of No Significant Impact (FONSI) on the BLM website,

<http://www.blm.gov/wy/st/en/info/NEPA/documents/cyfo/Rocktober.html>

One additional opportunity for public review was through the posting of Applications for Permit to Drill (APDs) at the CYFO. Information required by 43 CFR 3162.3-1(g) from the APDs was made available to the public for comment for 30 days from the date they were received.

PLAN CONFORMANCE AND CONSISTENCY:

Pursuant to 40 Code of Federal Regulations (CFR) 1502.21 and 1508.28, this environmental assessment (EA) tiers to and incorporates by reference the information and analysis contained in the Cody Resource Management Plan, Final Environmental Impact Statement and Record of Decision (ROD), signed November 11, 1990.

ALTERNATIVES CONSIDERED:

Proposed Action

The proposed action would be for the BLM to approve seven wells, and their associated facilities. BLM has been provided Applications for Permit to Drill (APD) for three of the seven proposed federal exploratory wells. Those three wells would be drilled to the Cretaceous Cody Shale to approximately depths of 15,365-15,740 feet.

The prospective target formations are in the upper Paleocene Fort Union Formation, (10, 000-11,000 feet) and the deeper Cretaceous Mesa Verde Formation (15,000-16,000). The four remaining wells would be drilled to the same target formations at the same approximate depths.

Based upon the success of the three wells, up to four additional APDs may be submitted to the BLM for approval. Before approval of additional APDs, onsite inspections would be conducted with the operator to further identify site-specific resource protection concerns and requirements.

BBC also proposes a network of pipelines to transport the produced gas from wells to a proposed compressor station and on to an existing transmission pipeline (CIG). The compressor station will not be constructed until enough gas was produced to justify compressor station costs. BBC will construct the proposed wells, roads, pipelines, and compressor station as described in Proposed Project, the APDs, and 12 Point Surface Use Plan (SUP) , included as part of the Original EA.

The entire development will disturb approximately 155 acres. If any of the wells will prove to be incapable of producing natural gas in commercial quantities, they will be plugged and abandoned and the location reclaimed according to BLM standards.

For all other aspects of the Proposed Action, such as well pad designs, road designs, pipeline sizes, etc., please see the Original Environmental Assessment, May 2009, on-line at the following location:

<http://www.blm.gov/wy/st/en/info/NEPA/cyfodocs/Rocktober.html>

No Action Alternative

BLM would not have approved the three (3) APDs and their associated facilities, under the No Action Alternative. None of the development described in the Proposed Action would have occurred. No oil and gas development would have occurred. No wells would have been drilled, no pipelines constructed, no roads built or improved, and no compressor station constructed. Human activity in the Unit would have remained at approximately current levels for the foreseeable future unless recreational use increases.

The natural environmental of the Unit would continue to be affected by the existing uses of recreation, livestock, wild horse grazing, wildlife, recreation, and natural phenomena such as the weather. Any changes to the management of the area will also be subject to NEPA analysis.

Alternatives Considered But Eliminated from Further Analysis

There were six other alternatives considered but eliminated from further analysis: 1) Drilling Multiple Wells from a Single Well Pad; 2) Phased Drilling; 3) Locating the Compressor Station North of Highway 14/16/20; 4) Centralized Storage for Produced Water and Liquid Hydrocarbons; 5) the Use of Remote Telemetry to Monitor Production Wells; and 6) Use of Wood Mats during drilling. A full description of each of them can be found on the Cody website within in the original June 29, 2009 EA:

<http://www.blm.gov/wy/st/en/info/NEPA/documents/cyfo/Rocktober.html>

SELECTED ALTERNATIVE:

For this Environmental Assessment (and Errata) for Bill Barrett Corporation's Rocktober Unit Project, Park County, Wyoming, Amendment for Remanded State Director Review, the decision has been made to approve the proposed action and drilling Well 41-36, Well 14-31, Well 32-6, along with associated facilities with mitigation/stipulations attached. Well 12-1, Well 23-2, Well 43-7, and Well 24-4 if submitted for approval may require additional NEPA analysis as described below under Sage Grouse.

Of significant importance is new information regarding Lands with Wilderness Characteristics (LWC) and new information regarding sage grouse is pertinent to this decision. Please see information below regarding LWC.

Sage Grouse : If the four additional APDs are submitted (Wells # 24-4, #23-2, #12-1, and #21-36), further NEPA analysis may be required to ensure compliance with IM WY-2010-012 and identify any further mitigation required. All other mitigations/stipulations identified in the original decision will be brought forward into this decision.

RATIONALE FOR DECISION:

This decision is based on the information contained in the EA, and all other information available to me. It is my determination that: (1) the anticipated impacts of implementation of the selected alternative are addressed in the EA; (2) the proposed action is in conformance with the resource management plan; and (3) the proposed action does not constitute a major federal action having a significant effect on the human environment.

I have also considered Secretarial Order 3310, protecting Lands with Wilderness Characteristics Managed by the Bureau of Land Management, issued December 22, 2010, which identified the Bureau's necessity to inventory and screen lands as possibly wilderness in character. The Cody Field Office completed the inventory in 2010. Thirteen areas within the Cody Field Office were identified as having Wilderness Characteristics, for a total of 243,555 acres. This inventory found two LWCs in the project area, Whistle Creek and North YU Bench. Whistle Creek and North YU Bench LWCs combined total 62,824 acres. A total of 12,479 acres of the Whistle Creek LWC and 1,988 acres of the North YU Bench would be affected as portions of them lay within the Rocktober Unit; meaning approximately 5.9 % of the total 243,555 acres of LWCs are impacted by this action.

Oil and gas leases predate the inventory of lands with wilderness characteristics finding Whistle Creek and North YU Bench to be Lands with Wilderness Characteristics. These leases represent valid existing rights.

The EA analyzed under what conditions exercising those rights are to occur. Appropriate mitigation measures, consistent with these lease rights, were analyzed in the EA and are incorporated into this decision to reduce impacts.

The exercise of valid existing rights granted by an oil and gas lease is expected to impair the area's wilderness characteristics even after any reclamation is completed. Therefore I conclude that due to the presence of valid existing rights 1) the affected portions of the Whistle Creek and North YU Bench LWCs would be unsuitable for management to protect wilderness characteristics as Wild Lands and 2) impairment of wilderness characteristics is necessary for the exercise of valid existing rights.

The following items have changed from the Original EA decision:

- The decision in the Original EA that had mitigation/stipulations for VRM has also been changed, listed below.
- The decision in the Original EA that allowed new cattle guards to be installed within the McCullough Peaks Wild horse HMA has been changed; mitigation/stipulations are listed below.
- New decisions/mitigation/stipulations with regard to newly analyzed Lands with Wilderness Characteristics and Mountain Plover are listed below:

**MITIGATION/STIPULATIONS
FOR
MOUNTAIN PLOVER, VRM, WILD HORSE, and LWC
With regard to Bill Barrett Rocktober Unit**

Federal Wells # 32-6, #14-31, #41-36, #24-4, #23-2, #12-1, #21-36

No surface disturbing activities will be allowed from April 10 to July 10 to not disturb or take mountain plovers which have been observed to nest in this area. An exception protocol may be followed if surface disturbing activity must be done (see below).

Mountain Plover Breeding/Nesting Season Exception Protocol: If a surface disturbing activity is requested to take place in mountain plover (MP) habitat (i.e.; areas with low, sparse vegetation, bare ground, prairie dog colonies, etc.) during the MP breeding/nesting season (April 10 - July 10), presence/absence surveys will be required. These surveys will take place within a ¼ mile buffer around the activity and must not occur during poor weather conditions (i.e., high winds, precipitation, etc.). The initial survey will begin on or after April 20 followed by a second survey 14 days later (earliest date for 2nd survey - May 4th). If cold, wet weather pushes the nesting period later into the spring, and then the initial survey will also need to be pushed back accordingly. These two surveys will capture the vast majority of nesting MPs, with the intent of reducing the risk of concluding the site is not nesting habitat by an absence of nesting birds during a single survey. No surface disturbing activity is allowed to occur until both surveys have been completed and one of the following two findings has taken place:

- If no MPs are found during either survey, then the disturbing activity must begin within 72 hours. If the disturbing activity doesn't commence within 72 hours, an additional survey will be required to check for late nesting MPs, which will start the clock again giving another 72 hour time period.
- If MPs are found during the first or second survey, then either:
 1. The activity can be postponed until July 10th with no additional surveys required; - or -
 2. Additional surveys could be done to locate active nests. Because of the colonial nature of MPs, the entire ¼ mile buffer area will need to be thoroughly surveyed. When nests are located the activity could commence after 37 days to allow the young MPs to hatch and be mobile, or the nest could be monitored and activity could commence after seven days post-hatching. If a brood of flightless chicks is observed, activities could commence after at least seven days.

ADDITIONAL VISUAL RESOURCE MANAGEMENT MITIGATION/STIPULATIONS

The only new mitigation measure(s) for this EA (and Errata), for BBCs Rocktober Unit Project, Park County, Wyoming, Amendment for Remanded (by the) State Director, is the addition of adding earth tone BLM approved colored slats in chain link fence around propane tanks on each well location. This mitigation measure came from the work conducted in the field as a result of this Amendment and “Study of the VRM” in the area.

ADDITIONAL WILD HORSE MITIGATION/STIPULATIONS

Powder-river panel style gates will be used for crossing fences rather than cattle guards. If a fence crossing is required at a location without a gate, the fence will be cut and H-braces will be installed to support the existing fence. If livestock are present or the fence is the HMA boundary fence, a temporary gate will be installed to restrict livestock and wild horses to the appropriate pastures. Upon termination of activities, the temporary gate will be permanently repaired to its original or better condition. All fences and other range improvements will be constructed to meet BLM, County, or WYDOT standards. Costs of these modifications and maintenance thereof will be the responsibility of the Bill Barrett Corporation.

ADDITIONAL LWC MITIGATION/STIPULATIONS

Mitigation of LWCs would happen at the same time as the other resources are being mitigated and as such, those mitigation measures end up, in fact, becoming the only mitigation measures for the LWCs by their association. For example, the BLM would require downward reflected lighting on the compressor station to lessen impacts to night skies and reduce bat mortality; this is a symbiotic relationship with the LWCs in that it helps to keep light pollution down as much as possible. VRM mitigation for low visibility tanks and to also have chain linked fence with slats with earth tone colors around the propane tanks, also help to reduce visual impacts and thereby help to maintain the naturalness of the area.

Mitigation would also be the chain link fence around the propane tanks on each well location with earth tone BLM approved colored slats in the chain link fence. Design features identified in the Original EA to reduce impacts to VRM would also reduce impacts to wilderness values.

There would still be direct impacts to naturalness and other wilderness values in and around the vicinity of the proposed wells and compressor unit with the new development. However, the

Whistle Creek LWC (25,248 acres) north of the Rocktober unit and the North YU Bench LWC (25,085 acres) south of the compressor station will still retain all respective wilderness values.

Appeal Language:

Under BLM regulations, this decision is subject to administrative review in accordance with 43 Code of Federal Regulation (CFR) § 3165. Any request for administrative review of this decision must include the information required under 43 CFR § 3165.3(b) including all supporting documentation. Such a request must be filed in writing with the State Director (920), Bureau of Land Management, P.O. Box 1820, Cheyenne, Wyoming, 82003, within 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 by 43 CFR § 3165.4.



Michael P. Stewart
Cody Field Manager

Date 2/14/2011