

**FINDING OF NO SIGNIFICANT IMPACT  
AND  
DECISION RECORD  
For  
Environmental Assessment: WY-050-EA07-131  
Beaver Creek Coal Bed Natural Gas Pilot Project  
Fremont County, Wyoming**

**Finding of No Significant Impact:**

Based on the analysis of potential environmental impacts contained in the attached Beaver Creek Coal Bed Natural Gas Pilot Project Environmental Assessment (EA), with consideration of the mitigation measures in Chapter 4 and the Best Management Practices, Conditions of Approval, Wildlife Seasonal Restrictions, and Wyoming BLM Standard Mitigation Guidelines in Appendices C and D of the Beaver Creek Coal Bed Natural Gas Pilot Project EA, and considering the significance criteria of 40 CFR 1508.27, I have determined that impacts of the Beaver Creek Proposed Action are not expected to be significant and an Environmental Impact Statement is not required for the project.

**Decision:**

It is my decision to approve and authorize the Beaver Creek Coal Bed Natural Gas Pilot Project and to proceed as set forth in Alternative A (the Proposed Action) of the attached Beaver Creek Coal Bed Natural Gas Pilot Project EA, subject to the mitigation measures in Chapter 4 and the Best Management Practices, Conditions of Approval, Wildlife Seasonal Restrictions, and Wyoming BLM Standard Mitigation Guidelines in Appendices C and D of the Beaver Creek Coal Bed Natural Gas Pilot Project EA. This decision will be implemented as full-force-in-effect upon the date provided in the signature line of this Decision Record.

**Summary of Selected Alternative:**

The Proposed Action entails the construction, drilling, completing, and producing 20 pilot CBNG wells in the Beaver Creek Project Area (BCPA), and construction of approximately 4 miles of access roads, 10 miles of pipelines, production facilities, 8 miles of electric transmission lines (co-located with pipelines), and an evaporation pond. Produced water from the CBNG wells would be transferred via pipeline either to a produced water disposal well or an 8.3 acre evaporation pond (Figure 2-1 in Appendix A of attached EA). If the pilot project proves to be economically feasible, additional development would be proposed. However, additional development would require additional NEPA analysis that would more thoroughly evaluate the cumulative effects of the project in combination with the expanded project proposal and other past, present, and foreseeable future actions regardless of land ownership. The evaluation would occur over several temporal and spatial scales.

The objectives of the pilot project are to obtain the following information:

- Determine if commercial quantities of CBNG are present in the three coal intervals (Shipton, Signor, and Hudson) within the Mesaverde Formation.
- Determine the amount of water produced associated with the coal seams.
- Determine quantity of produced water over time, so that water disposal needs can be determined.

- Evaluate the well density needed to optimize the CBNG production in the field.

It is anticipated that initial drilling operations would begin as soon as possible after the Record of Decision for this EA is signed. The estimated start date for the pilot project is fall 2007, subject to terms and conditions such as seasonal closures. The life of project (LOP) is expected to be 20 to 30-years.

**Rationale for Decision:**

The Proposed Action is consistent with present and projected future uses in the subject area and is environmentally acceptable assuming that the mitigation measures in Chapter 4, and the Best Management Practices, Conditions of Approval, Wildlife Seasonal Restrictions, and Wyoming BLM Standard Mitigation Guidelines in Appendices C and D are implemented as provided for in the attached EA. The Proposed Action is more desirable than the No Action Alternative because it is consistent with current planning documents and fulfills the purpose and need for the project. The Proposed Action represents an appropriate use of the public lands and, as illustrated in the resource-specific analyses in the attached EA, does not result in undue or unnecessary environmental degradation.

The Lander Field Office, as required by 43 CFR 1610.5, has determined that the Proposed Action conforms to the decisions, guidelines, terms and conditions for the Beaver Creek Management Unit, as described in the Final Environmental Impact Statement (FEIS) and Record of Decision (ROD) for the Lander RMP. The Lander RMP states that *“public lands will be made available for oil and gas leasing and development to the maximum extent possible, while giving due consideration to the protection of other significant resource values.”* The Beaver Creek Project Area (BCPA) is located in the Beaver Creek Management Unit of the Lander Resource Area. The Beaver Creek Management Unit is open for oil and gas leasing with standard requirements (Map 17 in the RMP). As evidenced in the resource-specific mitigation measures in Chapter 4, and the Best Management Practices, Conditions of Approval, Wildlife Seasonal Restrictions, and Wyoming BLM Standard Mitigation Guidelines in Appendices C and D of the attached EA, all practicable means to avoid or minimize environmental harm have been adopted, and would serve to prevent, reduce, or minimize potential impacts of the Proposed Action on significant resource values such as cultural resources, aquatic habitats, wildlife, etc. Thus, development of natural gas reserves within the BCPA would be in conformance with the Lander RMP.

This decision will not have direct or indirect adverse impacts to energy development, production, supply, and/or distribution, and no “Statement of Adverse Energy Impact” is required.

**How Agency Objectives Identified in the Purpose for the Proposed Action Section Will Be Met:**

My decision responds to the BLM’s purpose for the project, which is to allow Devon to commercially develop their current leases within the BCPA through a 20-well exploratory project. Implementation of the Proposed Action would respond to national mineral leasing policies, and the regulations by which they are enforced, which recognize the statutory right of leaseholders to develop mineral resources to meet continuing national needs and economic demands as long as undue environmental degradation is not incurred. Increasing development of oil and gas resources, such as under the Beaver Creek Proposed Action, in an environmentally responsible manner is necessary to satisfy the Federal Energy Policy (NEPDG 2001).

The Mineral Leasing Act of 1920 (MLA), as amended, allows, and essentially encourages, lessees or potential lessees to explore for oil and gas or other mineral reserves on federally

administered lands. The Federal Land Policy and Management Act (FLPMA) of 1976 mandates that the BLM manage public lands on the basis of multiple use [43 U.S.C. § 1701(a)(7)]. Minerals are identified as one of the principal or major uses of public lands in Section 103 of FLPMA [43 U.S.C. § 1702(c)]. Mineral exploration and production are allowed on public lands administered by the BLM's Lander Field Office as long as they are in conformance with the terms and conditions of the applicable resource management plan.

The BLM is responsible for administering activities consistent with rights associated with valid existing leases. Under the MLA, the lessee shall have the right to use so much of the leased lands as is necessary to explore and develop, and dispose of the leased resource (43 CFR 3101.1-2). These rights must be permitted in a manner that assures adequate protection of other resource values (FLPMA).

**Other Alternatives Considered, but Eliminated from Further Analysis:**

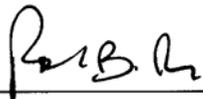
The CEQ regulations state that the discussion of alternatives forms "the heart of an environmental impact statement" (40 CFR 1502.14). Federal agencies shall explore and evaluate all reasonable alternatives and briefly discuss the reasons for eliminating other alternatives from detailed analysis (40 CFR 1502.14(a)). Section 2.4 of the attached EA provides a discussion of 7 alternatives that were considered but dismissed from analysis by BLM. The 7 alternatives considered but eliminated from detailed analysis included the following:

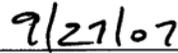
- Elimination of the Evaporation Pond
- Surface Discharge of Produced Water
- Directional Drilling
- Construction of a Second Water Disposal Well
- Drilling More or Less Than 20 Pilot Wells
- Shut in the wells when problems occur with the injection well
- Evaporation ponds only
- Buried Powerlines

These alternatives were considered by BLM but dismissed from analysis as they would either result in a higher level of impact on the environment than the Proposed Action (e.g., Surface Discharge of Produced Water) or would not meet the purpose and need for the project (e.g., Elimination of the Evaporation Pond).

**Compliance and Monitoring:**

Compliance and monitoring will be done by the area Natural Resource Specialist and Petroleum Engineering Technicians to insure compliance with this authorization.

  
\_\_\_\_\_

  
\_\_\_\_\_

**Bob Ross, Field Manager**  
**Lander Field Office**  
**1335 Main Street**  
**Lander, WY 82520**  
**307-332-8400**  
**Attachment: EA No. WY-050- EA07-131**

**Date**



**Appeals:**

This decision shall take effect immediately upon the date it is signed by the authorized officer and shall remain in effect while an appeal is pending unless the Interior Board of Land Appeals issues a stay. Any appeal of this decision must follow the procedures set forth in 43 CFR Part 4. Within 30 days of the decision, a notice of appeal must be filed in the office of the authorized officer at Bureau of Land Management, Lander Field Office, PO Box 589, 1335 Main Street, Lander, WY 82520.

If a statement of reasons for the appeal is not included with the notice, it must be filed with the Interior Board of Land Appeals, Office of Hearings and Appeals, U.S. Department of Interior, 801 North Quincy Street, Suite 300, Arlington, VA 22203 within 30 days after the notice of appeal is filed with the authorized officer.

If you wish to file a petition for stay pursuant to 43 CFR Part 4.21 (b), the petition for stay should accompany your notice of appeal and shall show sufficient justification based on the following standards:

1. The relative harm to the parties if the stay is granted or denied,
2. The likelihood of the appellant's success on the merits,
3. The likelihood of irreparable harm to the appellant or resources if the stay is not granted,  
and
4. Whether the public interest favors granting the stay.

If a petition for stay is submitted with the notice of appeal, a copy of the notice of appeal and petition for stay must be served on each party named in the decision from which the appeal is taken, and with the IBLA at the same time it is filed with the authorized officer.

A copy of the notice of appeal, any statement of reasons and all pertinent documents must be served on each adverse party named in the decision from which the appeal is taken and on the Office of the Regional Solicitor, Rocky Mountain Region, U.S. Department of Interior, P.O. Box 25007, Denver Federal Center, Denver, CO 80225, not later than 15 days after filing the document with the authorized officer and/or IBLA.