

Decision Record
Pappy Draw Exploratory Coal-Bed Natural Gas Pilot Project
EA #WY-050-08-88
Bureau of Land Management, Lander Field Office
Lander, Wyoming

**Conformance with Resource Management Plan, Mineral Leasing Act of 1920 and FLPMA
National Historic Preservation Act and Wyoming Department of Environmental Quality**

Resource Management Plan: Land use decisions for the Pappy Draw project area are in conformance with the Lander Field Office *Resource Management Plan* (RMP) EIS (BLM 1986) and the Lander RMP *Record of Decision* (ROD). As stated in the beginning of the discussion of guidance for oil and gas in the field office: "The overall theme for management of the oil and gas resources within the resource area is to make public lands available for leasing to the maximum extent possible..." (p.384).

Mineral Leasing Act of 1920 and FLPMA: Commercial exploration and development of federal oil and gas leases is an integral part of the BLM oil and gas leasing program under the authority of the Mineral Leasing Act of 1920. The Federal Land Policy and Management Act of 1976 proclaimed multiple use and environmental protection as the guiding principles for public land management. This project would contribute to meeting the present and future needs for non-renewable resources, as specified in FLPMA.

National Historic Preservation Act: The analysis of the Pappy Draw project included monitoring for historic properties under the National Historic Preservation Act (NHPA), specifically section 106 of the Act (16 U.S.C. 470(f)) which requires that a Federal agency involved in a proposed project or activity to be responsible for initiating and completing the review process and to confer with the State Historic Preservation Officer (SHPO) and the NHPA. Consultation was conducted with SHPO and concurrence was obtained.

Wyoming Department of Environmental Quality Rules and Regulations: The WYDEQ/LQD Rules and Regulations, chapter 8, describes the Quality Standards for Wyoming Groundwater. Groundwaters of the State are classified in order to apply standards to protect water quality. *Quality Standards for Wyoming Groundwater* states that a discharge or activity that impacts an underground source of water for existing uses identified in W.S. 35-11-102 and 103(c)(i) shall not make the affected water unsuitable for its intended use or uses (i.e. class), at any place or places of withdrawal or natural flow to the surface.

A thorough understanding of the classification is warranted because it has direct impact on how water can be discharged or disposed of in the State of Wyoming and therefore, how or whether water produced at Pappy Draw will be disposed of through injection. The BLM geologist has examined the available groundwater quality data to determine whether the Tertiary Fort Union aquifer would be considered in the same class of use as that of the Cretaceous Mesaverde

Aquifer which includes, among other lithologic units, the Lance Formation and the Fox Hills Sandstone. Available data shows that because both aquifers have multiple parameters within the range of class III water quality, injection of water from the Fort Union Aquifer into the Lance/Fox Hills units of the Mesaverde Aquifer would not be expected to render water of the Mesaverde Aquifer unsuitable for its class of use. Therefore, the proposed injection is in compliance with WYDEQ standards.

The operator is in the process of obtaining a WYDEQ permit for injecting produced water under the Underground Injection Control (UIC) program. Wyoming is a primacy state under both section 1422 and section 1425 of the Safe Drinking Water Act. Under Section 1422, the Wyoming Department of Environmental Quality (rather than EPA) has been delegated the authority to regulate Class I, III, IV and V UIC facilities. Class V is the facilities for injecting CBNG produced water.

Sage-Grouse Policies: The Greater Sage-Grouse is petitioned for listing under the Endangered Species Act, and is on the BLM Sensitive Species list which directs that the effects of any project not contribute to the further decline of the population or habitat for those species. The project area contains important sage-grouse habitat and lies within the Governor's identified Core Breeding Area. Western Association of Fish and Wildlife Agencies (WAFWA) re-examined sage-grouse population management guidelines in the late 1990s. Several sage-grouse research projects have been completed in recent years which describe the impact of oil and gas field development on sage-grouse. These studies concluded that sage-grouse are sensitive to human disturbance and habitat degradation and recommend increasing the area of protection during the nesting and breeding period.

Wyoming Executive Order 2008-2: Greater Sage-Grouse Core Area Protection: directs state agencies to focus on the maintenance and enhancement of those habitats and populations within the Core Population Areas, and also directs state agencies to demonstrate that new developments or land uses within Core Population Areas will not cause declines in Greater Sage-Grouse populations.

Due to the BLM's concern for the species' welfare and because of the significant amount of sage-grouse habitat that lies within the project area, BLM will stipulate no surface disturbance or 'No Surface Occupancy' within 0.6 mile radius of the occupied sage-grouse leks, and will apply a seasonal protection of March 15 to July 15 for a three mile radius around occupied sage-grouse leks. The Design Features consisting of 0.6 mile radius and three-mile radius is discussed in a proposed alternative within the EA.

These protections reflect guidance found in the Western Association of Fish and Wildlife Agencies MOU with federal land management agencies, the BLM National Sagebrush Habitat Conservation Strategy and Wyoming Game and Fish Department Greater Sage-Grouse Conservation Plan.

Selected Alternative: The alternative chosen for the Pappy Draw project is the "Combination Buried and Overhead Power" alternative with the addition of the new sage-grouse restrictions just mentioned. The length of new overhead powerline is 1.7 miles. There is 4.0 miles of additional overhead powerline that is currently existing, however, there will be an additional overhead powerline associated with this project that is immediately adjacent to the existing four

mile powerline. This alternative also includes 2.9 miles of buried powerlines. The entire buried portion of these lines are within a three mile radius of occupied sage-grouse leks. Installation of aboveground utility lines has been shown to potentially affect male attendance and growth rate of active leks (Braun et al. 2002). This alternative reduces the amount of overhead powerlines and thus, the amount of potential perches for avian predators. The amount of surface disturbance is approximately 2% greater than the proposed project, which consists of all overhead powerlines. Surface disturbance remaining after interim reclamation for the chosen hybrid alternative is approximately 66 acres.

FONSI: The Pappy Draw project was analyzed in an EA and has been found to have no significant impacts, thus, an EIS is not required and a Finding of No Significant Impact (FONSI) has been completed.

Public involvement: Four separate scoping efforts have occurred for this project. The first scoping notice was posted in 2002, the second in 2003, and in 2005, a third scoping notice was posted. The fourth and current scoping notice was mailed on December 4, 2007 to 164 government agencies, government officials, public land user groups, private landowners, newspapers, and radio stations. A public scoping meeting was held in Lander, Wyoming on December 13, 2007. The scoping period was scheduled for 30 days and ended on January 10, 2008.

Comments Received during Scoping: Comments received were associated with the following potential effects on resources:

- Surface and groundwater
- Air quality
- Biological soil crusts
- Non-native species may affect existing vegetation and prevent reclamation
- Wetlands and riparian habitats
- Rangelands
- Threatened, endangered, proposed, and sensitive plant & animal species
- Cultural and historical values and viewsheds
- Wild horses
- Recreational activities
- Commercial outfitter use
- State and private lands
- Visual resources
- Roadless qualities
- Road system

Other comments include:

- Design the project with mitigation measures
- Cumulative effects on the Red Desert ecosystem should be analyzed
- Overhead powerline impacts should be addressed with respect to sage-grouse

- CBNG is not addressed in the RMP
- Directional drilling may reduce surface effects
- May contribute to habitat fragmentation, disturbance or destruction of habitats
- Socioeconomic effects should be addressed
- Use of hydraulic fracturing should be disclosed and analyzed

Substantive comments that were integrated into the EA:

A more thorough discussion of groundwater effects from injection was placed in the EA resulting from a comment made by Wyoming DEQ. The comment was mentioned in regard to groundwater quality and the lack of data for the Fort Union and Lance formations.

Decision:

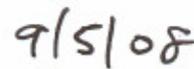
It is my decision to select the Combination Buried and Overhead Power hybrid alternative as identified by this decision record. This alternative will have less impact on the sage-grouse while resulting in less surface disturbance than the buried powerline alternative.

Appeals:

Under BLM regulations, this decision is subject to administrative review in accordance with 43 CFR 3165. Any 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.



Robert B. Ross, Jr., Field Manager



Date