

DECISION MEMO

Baytex Energy USA, LTD Long Term Road Use Permit

Lease #WYW-174726—Wild West Unit #1
Section 22
Township 44 North, Range 69 West, 6th PM

Campbell County, Wyoming

USDA Forest Service
Medicine Bow-Routt National Forests
and Thunder Basin National Grassland
Douglas Ranger District

DECISION

Based upon the results of an environmental analysis, my review of that analysis process, and recent experience with conventional oil well development projects, it is my decision to authorize the use of approximately 2 acres of National Forest System (NFS) land for the purpose of the access to the development of one conventional oil well on Federal Lease WYW-174726. I have determined that the environmental effects analysis of this action can be categorically excluded from documentation in an Environmental Assessment (EA) or Environmental Impact Statement (EIS). The reasons supporting this determination are described elsewhere in this decision document.

DESIGN CRITERIA, MITIGATION AND MONITORING:

Design criteria are identified in the Road Use Permit package and the following:

- The discovery of any and all fossils or cultural resources as the result of operations under this plan shall immediately be brought to the attention of the District Ranger. The permittee shall cease operations at the site of discovery until authorized to proceed by the District Ranger.
- The operator will notify the District Ranger if a sensitive species nest in addition to those identified in the BA/BE are located during construction or operation of the project.
- Observations of mortality of any wildlife species or establishment of new nests within the project area shall be reported to the Douglas Ranger District annually.

It is my determination that monitoring for the effectiveness of the design criteria that are required above will occur as required and described in the Thunder Basin National Grassland Land and Resource Management Plan (Chapter 4, pages 4-1 to 4-26). I have determined that this action can be categorically excluded from documentation in an EA or EIS. The reason and authority for making this determination is described elsewhere in this decision document.

PURPOSE AND NEED FOR THE PROJECT

The Douglas District Ranger has identified a Need to authorize Baytex to use NFS lands subject to Federal oil and gas lease for operations associated with accessing across to exploring for and produce oil to meet the desired condition.

Currently there are numerous leases present in the Broken Hills Geographic area. The desired condition is to comply with required laws, regulations and the grassland plan for oil and gas leases.

The Purpose of this action is to permit Baytex to develop its Federal oil and gas leases, to help meet the public's need for oil and gas to avoid the loss of Federal mineral resources. Potential oil from Baytex's lease would return royalty revenues to the Federal Treasury.

This project serves to meet the goal in the 2001 Land and Resource Management Plan for the Thunder Basin National Grassland (Grassland Plan) to improve the capability of the Nation's Forests and Grasslands to provide a desired sustainable level of uses, values, products, and services. Objectives for mineral and energy resources under that goal are to honor all valid existing legal mineral rights and to ensure that reclamation provisions of operating plans are completed to standard.

This project is needed to help implement the Federal Government's policy to foster and encourage mineral development as expressed in the Mining and Minerals Policy Act of 1970. This project would also fulfill the goals of the 1920 Mineral Leasing Act as amended which promotes the development of oil and gas resources. This project will be consistent with Executive Order Number 13212 Actions to Expedite Energy-Related Projects.

REASONS FOR THE DECISION

The project will allow Baytex access to explore and develop their existing oil and gas lease (WYW-174726).

The Baytex proposed project is within the 3.65 management area: Rangelands with diverse natural appearing landscapes as established in the Thunder Basin National Grassland Land and Resource Plan. Under Desired Conditions this management Emphasis will display low to high levels of livestock grazing developments, oil and gas facilities, and roads. Approval of the use applied for achieves the "Desired Conditions" for the 3.65 Management Area (Chapter 3, page 3-18), and for the Broken Hills Geographic Area (Chapter 2, pages 2-2) as described in the Land and Resource Management Plan for the Thunder Basin National Grassland, 2001.

A district interdisciplinary team reviewed the public comments about the project and identified no significant adverse impacts that cannot be compensated by the Conditions of Approval. The Conditions of Approval provide for protection of potentially affected resources before, during and after the planned construction, drilling, testing, production and reclamation activities associated with the Baytex well. The effects on the quality of the environment are primarily of local concern. With the application of design criteria (Conditions of Approval) these potential impacts will be insignificant. There are no public concerns noted that cannot be compensated by implementing the Surface Use Plan of Development and Conditions of Approval.

The project will not adversely affect public safety and does not involve any unique or unknown risks.

The Wildlife Biologist/Botanist has reviewed and certified the Biological Assessment Biological Evaluation and has determined:

- 1) There will be “*no effect*” on bald eagles.
- 2) The project will have “*no impact*” for Barr’s Milkvetch, Iowa moonwort, northern leopard frog, black-tailed prairie dog, Townsend’s big-eared bat, fringed myotis, swift fox, yellow-billed cuckoo, ferruginous hawk, northern harrier, burrowing owl, short-eared owl, greater sage-grouse, loggerhead shrike, Brewer’s sparrow, sage sparrow, Lewis woodpecker or any other U.S. Forest Service Region 2 Sensitive species.
- 3) This project is consistent with the Grassland Plan Standards and Guidelines for wildlife.

No Fisheries or Aquatics were located within the project area on Forest Service System land.

A paleological survey was completed; no site or objects were found.

A level III cultural resources survey has been completed in the project area. No cultural properties were found to occur there and no heritage sites will be affected by the project. This project will have no effect on any property eligible for nomination to the National Register of Historic Places. The Forest Service has consulted with the Wyoming State Historic Preservation Officer and has received Wyoming State Historic Preservation Office (SHPO) concurrence to proceed.

The Scenic Integrity Objective (SIO) for the project area is “low”. The effect of the project on scenery management and attaining the Grassland Plan scenery objective will be negligible. No above ground power lines will be built, and constructed oil well site will appear subordinate in the landscape. Facilities and landscape modifications are visible but are reasonably mitigated to blend and harmonize with natural features. Reclamation activities will restore the area to a reasonable level of its pre-development condition.

The effects on the soil, vegetation, and watershed components will be minimal with the application of design criteria/mitigation measures, of the Surface Use Plan of Operation and Forest Service Conditions of Approval.

This land use will not involve affect any Extraordinary Circumstances as defined in Forest Service Handbook 1909.15.

This project is in compliance with the Record of Decision for the Final Environmental Impact Statement and Land and Resource Management Plan, Thunder Basin National Grassland July 31, 2002.

Approval of the use is an implementation of the President’s National Energy Policy of May 2001, and Chief Dale Bosworth’s Forest Service Energy Implementation Plan, dated August 6, 2001.

The project will not result in a violation of any Federal, or known State or local law, statute or ordinance, or other requirement imposed for the protection of the environment.

The cumulative effects of this project will not be significant. The actions that will be implemented by this project are within the Reasonable Foreseeable Development scenario and the cumulative effects that were considered and disclosed in the FEIS for the Land and Resource Management Plans, 2001 revision,

Dakota Prairie Grassland, Nebraska National Forest Units, and Thunder Basin National Grasslands pages 3-101 to 155. The cumulative adverse impacts that could occur were forecast at the time of the effect analysis and mineral leasing by the Bureau of Land Management.

PUBLIC INVOLVEMENT

A Public Notice describing the proposed project and soliciting public comment was published in the *Casper Star-Tribune* in December 9, 2008, and the scoping statement was sent to approximately 70 interested persons, organizations, and agencies and posted on the Medicine Bow-Routt National Forests and Thunder Basin National Grassland Web Site. There were 3 comments expressed from the following respondents. The respondents were Wendell Funk, Wyoming Game and Fish Department, Powder River Basin Resource Council.

A district interdisciplinary team reviewed the project and public comments and found that no significant issues or concerns were raised, and that no extraordinary circumstances exist. The public comments received about this action are a part of the public record.

REASONS FOR CATEGORICALLY EXCLUDING THE PROPOSED ACTION

The proposed action is part of a category of action described under Category Number 3, in Section 31.2(3) of Forest Service Handbook 1909.15 - Environmental Policy and Procedures Handbook; "Approval, modification, or continuation of minor special uses of National Forest System lands that require less than five (5) contiguous acres of land." This project consists of approximately two (2) total acres of Federal land. Based on my review of the environmental analysis and past experience, the effects of implementing this action will be of limited scope and intensity and will result in little or no negative environmental effect to either the physical or biological components of the environment. The action does not involve any extraordinary circumstances.

This land use has been reviewed and considered in the context of analysis process direction contained in Forest Service Handbook 1909.15, and I have determined that the project is consistent with the requirements of Chapter 30.3.2 "*Extraordinary Circumstances*". These considerations include but are not limited to: (a) Federally listed threatened or endangered species or designated critical habitat, species proposed for Federal listing or proposed critical habitat, or Forest Service sensitive species, (b) flood plains, wetlands, or municipal watersheds, (c) Congressionally designated areas, such as Wilderness, Wilderness study areas, or national recreation areas, (d) inventoried roadless areas, (e) research natural areas, (f) American Indians and Alaska Native religious or cultural sites, (g) Archaeological sites, or historic properties or areas. The action does not involve any extraordinary circumstances that might cause significant environmental impacts. Therefore, this action can be categorically excluded from documentation in an Environmental Assessment or Environmental Impact Statement.

FINDINGS REQUIRED BY OTHER LAWS

The Thunder Basin National Grassland Land and Resource Management Plan of 2001 was reviewed and a determination made that this decision is consistent with the Plan. The proposal complies fully with the

goals of the Grassland Plan and the Management Area Direction. The use has been reviewed and compared with all plan requirements and is consistent with the plan.

DECISION APPEAL PROVISIONS AND IMPLEMENTATION

This decision is not subject to appeal as pursuant to 36 CFR 215.4 (a).

Detailed records of the environmental analysis are available for public review at the Douglas Ranger District, 2250 E. Richards Street, Douglas, Wyoming 82633.

CONTACT PERSON

For further information, contact Amy Ormseth, Civil Engineer, Douglas Ranger District at 2250 E. Richards Street, Douglas, Wyoming 82633 or telephone (307) 358-4690.

RESPONSIBLE OFFICIAL:

ROBERT SPRENTALL

Date

DISTRICT RANGER

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