

DECISION MEMO

Ballard Oil Well #12-6

APPLICATION FOR PERMIT TO DRILL

Lease WY-070-02-065—Ballard #12-6
Lot Number 20 of Section 6
Township 54 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 3 acres of National Forest System (NFS) land for the purpose of the development of one conventional oil well, Ballard #12-6, on Federal Lease WY-070-02-065. 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.

This decision includes implementation of **The Surface Use Plan of Operations**, which includes the Conditions of Approval for each well that are a part of, and that are attached to this decision.

DESIGN CRITERIA, MITIGATION AND MONITORING:

Design criteria are identified in the conditions of approval, see Appendix A (Conditions of Approval) 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 Ballard Petroleum Holdings, LLC (Ballard) to use National Forest System Lands subject to a Federal oil and lease for operations associated with exploring for and producing one conventional oil well.

The Purpose of this action is to facilitate production of energy resources and allow Ballard to exercise lease rights and perform surface use operations, including facilities, associated with drilling one conventional oil well, testing it for production capability, and completing them for production if so capable, or plugging and abandoning the wells and reclaiming the location if the wells are non-productive.

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 Ballard to explore and develop their existing oil and gas lease (WY-070-02-065).

The Ballard proposed Federal Well #12-6 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 Spring Creek Geographic Area (Chapter 2, pages 2-26) 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 Ballard #12-6. 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 March 3, 2006, 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, U.S. Fish and Wildlife Service, and Department of Environmental Quality.

Most of the comments received were general in nature and not site specific as to this project. 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 3 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 Mike Sierz, Minerals Management Specialist, Douglas Ranger District at 2250 E. Richards Street, Douglas, Wyoming 82633 or telephone (307) 358-4690.

RESPONSIBLE OFFICIAL:

/s/Robert M. Sprentall
ROBERT SPRENTALL
DISTRICT RANGER

9/15/06
Date

The United States Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, political beliefs, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance programs. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audio tape, etc.) should contact the USDA's Target Center at 202-720-2600 (voice or TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Ave. SW, Washington, DC 20250-9410 or call (800) 795-3272 (voice) or 202-720-6382 (TDD). USDA is an equal opportunity provider and employer.