

Conservation, and Energy Act of 2008, established the Chesapeake Bay Watershed Initiative and defined the Chesapeake Bay watershed to mean all tributaries, backwaters, and side channels, including their watersheds, draining into the Chesapeake Bay. This area includes portions of the States of Delaware, Maryland, New York, Pennsylvania, Virginia, and West Virginia. The NRCS administers the Chesapeake Bay Watershed Initiative and carries out program implementation using funds, facilities, and authorities of the CCC. The Initiative gives special, but not exclusive, consideration to producers' applications in the following river basins: Susquehanna River, Shenandoah River, Potomac River (including North and South), and the Patuxent River.

The Chesapeake Bay Watershed Initiative helps agricultural producers improve water quality and quantity, and restore, enhance, and conserve soil, air, and related resources in the Chesapeake Bay watershed through the implementation of conservation practices. These conservation practices reduce soil erosion and nutrient levels in ground and surface water; improve, restore, and enhance wildlife habitat; and help address air quality and related natural resource concerns. The Initiative is carried out through the various natural resources conservation programs authorized under Subtitle D, Title XII of the Food Security Act of 1985, as amended. The Chesapeake Bay Watershed Initiative assistance in FY 2010 will be delivered through the Environmental Quality Incentives Program (EQIP) and the Cooperative Conservation Partnership Initiative (CCPI) which consists of EQIP and the Wildlife Habitat Incentive Program (WHIP). All EQIP, CCPI, and WHIP requirements and policies will apply.

Individuals interested in applying for Chesapeake Bay Watershed Initiative assistance may contact their local USDA service center in the eligible Chesapeake Bay Watershed Initiative States. A listing of local service centers can be found at: <http://offices.sc.egov.usda.gov/locator/app?agency=nrsc>.

Signed this March 8, 2010, in Washington, DC.

**Dave White,**

*Vice President, Commodity Credit Corporation and Chief, Natural Resources Conservation Service.*

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**BILLING CODE 3410-16-P**

## DEPARTMENT OF AGRICULTURE

### Forest Service

#### Huron-Manistee National Forests, Michigan, USA and State South Branch 1-8 Well

**AGENCY:** Forest Service, USDA.

**ACTION:** Corrected Notice of Intent to prepare an Environmental Impact Statement for the USA and State South Branch 1-8 well. The original notice was published on 2/24/10.

**SUMMARY:** The Huron-Manistee National Forests (Forest Service) and the Bureau of Land Management (BLM), as a Cooperating Agency, will prepare an environmental impact statement (EIS) to assess the environmental impacts of an industry proposal to drill one exploratory natural gas well, the USA & State South Branch 1-8 (SB 1-8) well, on National Forest System lands. The EIS will also assess the impacts of constructing necessary infrastructure, including production facility and flowline, should the well be capable of producing hydrocarbons in commercial quantities. This analysis will allow the agencies to make their respective decisions on this proposal in accordance with federal regulations.

**DATES:** Comments concerning the scope of the analysis must be received by April 26, 2010. The Draft EIS is expected in December 2010 and the Final EIS is expected by July 2011.

**ADDRESSES:** Send written comments to Lauri Hogeboom, Interdisciplinary Team Leader, Huron-Manistee National Forests, 1755 S. Mitchell Street, Cadillac, MI 49601; fax: 231-775-5551. Send electronic comments to: [comments-eastern-huron-manistee@fs.fed.us](mailto:comments-eastern-huron-manistee@fs.fed.us).

**FOR FURTHER INFORMATION CONTACT:** Ken Arbogast, Huron-Manistee National Forests; telephone: 231-775-2421; fax: 231-775-5551. See address above under **ADDRESSES**. Copies of documents may be requested at the same address. Another means of obtaining information is to visit the Forest Web page at <http://www.fs.fed.us/r9/hmnf> then click on "Projects and Planning", then "Mio projects", and then "USA and State South Branch 1-8."

Individuals who use telecommunication devices for the deaf (TTY) may call 1-231-775-3183.

#### **SUPPLEMENTARY INFORMATION:**

#### **Purpose and Need for Action**

The purpose for action is to respond to the proponent's, Savoy Energy, L.P.'s (Savoy), proposal to exercise its rights under Federal leases to drill for, extract,

remove and dispose of all the oil and gas from leased lands. The Huron-Manistee National Forests (Forest Service) and the Bureau of Land Management (BLM) received an Application for Permit to Drill (APD), including a Surface Use Plan of Operation (SUPO), from Savoy.

A response to the application is needed because Savoy has lawful oil and gas rights to three state and three federal leases in a 640-acre drilling unit and the Forest Supervisor (FS) and the Milwaukee Field Office Manager (BLM) are required by regulation to evaluate and decide upon operating plans received from industry for exploration and development of federal leases. The agencies must ensure Savoy's operating plan is consistent with the terms and stipulations of the federal mineral leases, applicable laws and regulations, the Huron-Manistee's Land and Resource Management Plan, and identify any additional conditions needed to protect federal resources.

The BLM ultimately renders a decision on the APD, and the Forest Service must review and decide upon the SUPO before the BLM can make its APD decision.

#### **Proposed Action**

The Forest Service proposes to authorize Savoy to conduct surface operations associated with accessing, drilling, testing, and completing the USA and State South Branch 1-8 well, as described in the SUPO and APD submitted to the BLM. The Forest Service would approve the SUPO for the USA and State South Branch 1-8 Well.

The BLM proposes to authorize Savoy to conduct operations to drill, test and complete the proposed exploratory well on the subject leases and approve the APD submitted for this well.

The Forest Service and BLM authorization would include reasonable and necessary mitigation to ensure Savoy's operations would be in compliance with law, regulation, and policy.

Savoy holds six subsurface mineral leases included in a 640-acre drilling unit in South Branch Township (T25N, R1W), Crawford County, Michigan, Section 7: E 1/2, Section 8: W 1/2. This 640-acre drilling unit includes three state and three federal oil and gas leases. Savoy is proposing to drill directionally from National Forest System lands within the boundaries of the Huron-Manistee National Forests to the bottomhole located in Federal mineral lease MIES 50521, approximately 2,200 feet northwest of the surface hole, and construct associated infrastructure including a production facility and

flowline if Savoy determines the well could produce a commercial product.

Savoy's proposal includes: Leveling of the well pad (approximately 3.5 acres) for the drilling rig, equipment, and pit, including some minor cut and fill. It also includes the use, reconstruction and maintenance of portions of existing roads for year-round access, including snow plowing along a section of River Lake Road (aka Hickey Creek Road), a section of FSR 4209 (road which ends at the Mason Chapel), and a section of FSR 4208 to access the well site; construction and maintenance of 50 feet of new road off FSR 4208, 14 feet wide with three feet of clearing on each side (approximately 0.05 acre of disturbance) to access the well pad; and drilling a water well at the well pad site to provide water for drilling and future well maintenance, if needed. Following these activities drilling equipment would be moved in and rigged up.

Drilling and well completion would be expected to take 45 days. Drilling operations would be restricted to a time period between December 1 and April 15. The well pad would be approximately 3.5 acres in size. Standard and accepted drilling techniques and practices would be used and must comply with minimum operating standards approved by Michigan Department of Natural Resources and Environment (MDNRE) and the BLM. These standards address the casing program, pressure control equipment, H<sub>2</sub>S contingency plans, and proposed drilling fluids program. Hazardous materials, including stimulation and completion fluids, would be contained in steel tanks and disposed of by a licensed waste hauler.

Additional actions proposed, if the well is productive, include: Construction of a production facility located in SE, Section 9, T25N, R1W (approximately 1.5 miles from the well pad) on approximately 2.0 acres, including installation of a gas/water separator, condensate (if needed) and brine tanks, dehydrator, compressor, volume bottle, and measurement (monitoring) equipment; installation of flowlines from the well site to the production facility site, buried alongside the roadbed, and a pipeline to the Michigan Consolidated Gas transmission line, totaling approximately 1.7 miles. Reclamation of a portion of the well pad would occur following drilling and completion, leaving approximately 1/3 acre to be used for well operations.

If the well is not capable of commercial production, the operator would plug and abandon the well under applicable State and BLM rules and

regulations. Reclamation of the site, according to the reclamation plan included with the SUPO, would occur within six months of completion of well plugging. This would include: Recontouring and stabilizing all excavations, spreading of topsoil reserved during site construction over the disturbed well pad area, and seeding with a Forest Service approved mix. The flowline route would be restored and the 50-foot length of new access road would be obliterated.

MDNRE's Water Quality Management Practices on Forest Land and the BLM/Forest Service's Surface Operating Standards and Guidelines for Oil and Gas Exploration and Development will be used to manage the roads.

Additionally, prior to reconstructing FSR 4209, approximately 150 feet of silt fence would be placed per Forest Service direction adjacent to the south side of the road for wetland protection.

The operator would maintain a dike around the condensate and brine tanks at the production facility of sufficient size and height so as to contain 150% of the total capacity of the tanks.

The width of the reconstructed roads would not exceed 14 feet. An additional three feet of clearing would be done on each side of the road. Clearing width would not exceed 20 feet.

Soil disturbed with the placement of the flowline/pipeline would be seeded with a seed mix specified by the Forest Service.

Roads into the well pad and production facility would be gated and locked.

Road design and construction would take into account visual quality.

Minimization of noise is to be emphasized during drilling, completion, and production operations. Hospital-type engine mufflers would be used on drilling, completion, and workover rigs, and on mud pumps and compressors. No pumps or motors would be placed on the surface of the well or at the well site during the production phase. If the production facility is processing gas from one well, the sound level would not exceed 33 dBA at 1,320 feet. If more than one well is produced from the proposed facility, the total sound level for the production facility would not exceed 36 dBA at 1,320 feet. The production facility would be constructed to meet these sound levels.

Off-road equipment would be inspected by a Forest Service representative and washed if needed to prevent introduction of non-native invasive plants that are not already present in the project area.

Protection will be provided for Endangered, Threatened and Sensitive

Species in accordance with law, regulation and policy.

The Forest Service, the BLM, and MDNRE will coordinate inspections to ensure compliance with requirements.

#### **Possible Alternatives to the Proposed Action**

No Action Alternative: The Forest Service would not approve the SUPO and/or the BLM would not approve the APD. Current direction would continue to guide management of the project area. The SB 1–8 well would not be drilled, no flowlines would be installed, and no production facility would be constructed.

Modification of Savoy's Proposal Alternative: The Forest Service would approve the SUPO and the BLM would approve the APD subject to additional conditions of approval based on mitigation developed in response to issues raised during the public scoping period.

#### **Lead and Cooperating Agencies**

The BLM and the Forest Service entered into a Memorandum of Understanding (MOU) in April 2006 "to establish procedures for the coordinated administration of oil and gas operations on Federal leases within the National Forest System (NFS)." The MOU identifies the responsibilities of the agencies to provide efficient, effective adherence to rules and regulations for each. Specifically, the MOU states,

"IIIA3. \* \* \* the Forest Service has the full responsibility and authority to approve and regulate all surface-disturbing activities associated with oil and gas exploration and development through analysis and approval of the SUPO component of an APD." "VB1. \* \* \* Forest Service will: Serve as lead agency for oil and gas \* \* \* environmental analyses required for APDs \* \* \*." "IIIA2. The BLM has the authority and responsibility to provide final approval of all APDs, including those for operations on Federal leases on NFS lands \* \* \*. The BLM has the authority and responsibility to regulate all down-hole operations and directly related surface activities and use, and provide approval of the drilling plan and final approval of the APD on NFS lands."

This MOU is consistent with the NEPA regulations, 40 CFR 1501.5 Lead Agency and 1501.6 Cooperating Agencies, identifying the Forest Service as the lead agency and the BLM as the cooperating agency.

#### **Responsible Official for Lead Agency**

Barry Paulson, Forest Supervisor, Huron-Manistee National Forests, 1755 S. Mitchell Street, Cadillac, MI 49601.

### Responsible Official for Cooperating Agency

Mark Storzer, Field Manager, Bureau of Land Management, Milwaukee Field Office, 626 E. Wisconsin Ave. Suite 200, Milwaukee, WI 53202-4617.

### Nature of Decision To Be Made

The Forest Supervisor of the Huron-Manistee National Forests will issue a decision on whether to approve, approve subject to specified conditions, or disapprove for stated reasons the proposed SUPO for development of the SB 1-8 well and construction and operation of the flowline/pipeline and production facilities. Similarly, the BLM Field Manager in Milwaukee will issue a decision on whether to approve the APD as submitted, approve subject to appropriate modifications or conditions, or disapprove for stated reasons.

### Preliminary Issues

We expect issues to include possible effects of noise, odor and changes to the visual quality from the project for anglers and visitors to the Semi-Primitive Nonmotorized Area and Mason Tract, as well as the possible effects of the project on tourism in the county.

### Permits and Licenses Required

Savoy will be required to obtain a State permit for drilling from the MDNRE.

### Scoping Process

This Notice of Intent initiates the scoping process, which guides the development of the Environmental Impact Statement. The Forest Service plans to scope for information by contacting persons and organizations interested or potentially affected by the proposed action through mailings, public announcements, and personal contacts.

It is important that reviewers provide their comments at such times and in such manner that they are useful to the agency's preparation of the EIS. Therefore, comments should be provided prior to the close of the comment period and should clearly articulate the reviewer's concerns and contentions. The submission of timely and specific comments can affect a reviewer's ability to participate in subsequent administrative appeal or judicial review.

We are especially interested in information that might identify a specific undesired result of implementing the proposed action. Comments will be used to help formulate alternatives to the proposed action. Please make your written

comments as specific as possible, as they relate to the proposed action, and include your name, address, and if possible, telephone number and e-mail address.

Comments received in response to this solicitation, including names and addresses of those who comment, will be considered part of the public record on this proposed action and will be available for public inspection. Comments submitted anonymously will be accepted and considered; however, those who submit anonymous comments will not have standing to appeal the subsequent decisions under 36 CFR Part 215. Additionally, pursuant to 7 CFR 1.27(d), any persons may request the agency to withhold a submission from the public record by showing how the Freedom of Information Act (FOIA) permits such confidentiality. Persons requesting such confidentiality should be aware that, under FOIA, confidentiality may be granted in only very limited circumstances, such as to protect trade secrets. The Forest Service will inform the requester of the agency's decision regarding the request for confidentiality and, should the request be denied, return the submission and notify the requester that the comments may be resubmitted with or without name and address within 90 days.

Dated: March 5, 2010.

**Barry Paulson,**  
Forest Supervisor.

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## DEPARTMENT OF AGRICULTURE

### Rural Business-Cooperative Service

#### Biorefinery Assistance Program

**AGENCY:** Rural Business-Cooperative Service (RBS), (USDA).

**ACTION:** Notice of Funding Availability (NOFA); new application window.

**SUMMARY:** RBS is announcing a new application window to submit application for the Biorefinery Assistance Program under criteria established in the prior NOFA, which was published in this publication on November 20, 2008 (73 FR 70544). All loan guarantees will be made based upon the terms and conditions illustrated in the prior NOFA, which made available \$75 million in budget authority. Not all of this budget authority has been awarded by the Agency. Therefore, the Agency is requesting additional applications in order to award the remaining Fiscal

Year 2009 budget authority. There will only be one application window under this notice.

**DATES:** Applications for participating in this program must be received by June 1, 2010.

**FOR FURTHER INFORMATION CONTACT:** For further information on this payment program, please contact USDA, Rural Development-Energy Division, Program Branch, Attention: Repowering Assistance Program, 1400 Independence Avenue, SW., Stop 3225, Washington, DC 20250-3225. Telephone: 202-720-1400.

**SUPPLEMENTARY INFORMATION:** On November 20, 2008, RBS published a Notice of Funding Availability (NOFA) and Solicitation of Applications in the **Federal Register** announcing general policy and application procedures for the Biorefinery Assistance Program. This Notice is for a one-time application window for remaining FY 2009 funds. An application guide for this program is available to assist in developing applications (*see* <http://www.rurdev.usda.gov/rbs/busp/baplg9003.htm>).

### Paperwork Reduction Act

In accordance with the Paperwork Reduction Act (PRA), the paperwork burden associated with this Notice of Funds Availability (NOFA) has been approved by the Office of Management and Budget (OMB) under OMB Control Number 0570-0055.

The PRA burden associated with the original Notice, published on November 20, 2008, was approved by OMB, with an opportunity to comment on the burden associated with the program. Since the publication of the original Notice, the Agency has not received a sufficient number of qualified applications to allocate all of the FY 2009 authorized funds. Therefore, the Agency is opening a new application window to accept additional applications for the remaining FY 2009 funds for this program.

Biorefineries seeking funding under this program have to submit applications that include specified information, certifications, and agreements. All of the forms, information, certifications, and agreements required to apply for this program under this Notice have been authorized under OMB Control Number 0570-0055. Applications and accompanying materials required under this Notice will be covered under OMB Control Number 0570-0055.

### Nondiscrimination Statement

USDA prohibits discrimination in all its programs and activities on the basis