

U.S. Department of the Interior
Bureau of Land Management
Little Snake Field Office
455 Emerson Street
Craig, CO 81625-1129

ENVIRONMENTAL ASSESSMENT

EA-NUMBER: CO-100-2008-090EA

CASEFILE/PROJECT NUMBER/LEASE NUMBER:

COC51120: Great Divide Federal Well #21-29
COC73201: Pipeline Road Right-of-Way (ROW)

PROJECT NAME: Great Divide Federal Well #21-29

LEGAL DESCRIPTION: NENW Sec. 29, T10N, R93W, 6th PM, Moffat County, Colorado

APPLICANT: J-W Operating Company

PLAN CONFORMANCE REVIEW: The proposed action is subject to the following plan:

Name of Plans: Little Snake Resource Management Plan and Record of Decision (ROD) approved on April 26, 1989; and the Colorado Oil and Gas Leasing & Development Environmental Impact Statement (EIS) and the ROD signed on November 5, 1991.

Remarks: The proposed Great Divide Federal Well #21-29 would be located within Management Unit 2 (Little Snake Resource Management Plan). One of the objectives of Management Unit 2 is to provide for the development of the oil and gas resource. The development of other resource uses/values within this unit is allowed consistent with the management objectives for oil, gas, and forest resources.

The proposed action was reviewed for conformance with this plan (43 CFR 1610.5, BLM 1617.3). The proposed action is in conformance with the objectives for this management unit.

NEED FOR PROPOSED ACTION: To provide for the development of oil and gas resources and to supply energy resources to the American public.

PUBLIC SCOPING PROCESS: The Notices of Staking (NOS) has been posted in the public room of the Little Snake Field Office for a 30-day public review period beginning June 27, 2008

when the NOS was received, and may be viewed during regular business hours (7:45 a.m. to 4:30 p.m.), Monday through Friday, except holidays.

DESCRIPTION OF PROPOSED ACTION AND ALTERNATIVES: The proposed action is to approve one Application for Permit to Drill (APD) submitted by J-W Operating Company. This oil and gas lease operator proposes to drill a natural gas well near Great Divide, CO. The APD has been filed for Great Divide Federal Well # 21-29 with the LSFO that include drilling and surface use plans. The APD covers mitigation of impacts to vegetation, soil, surface water, and other resources. Mitigation not incorporated by J-W Operating Company in the drilling and surface use plans would be attached by the BLM as Conditions of Approval (COA) to an approved APD.

The proposed well would be located approximately 1.0 mile north of Great Divide, Colorado. The approximate date work would start is in the summer of 2008 and the estimated duration of construction and drilling would be 15 days. Moffat County Road # 7 would be used to access the well site. J-W Operating Company proposes to construct approximately 997 feet of new access road. New road construction would conform to BLM specifications for a “resource road”, with a 16-foot wide running surface. Total surface disturbance for new access road construction would be approximately 1.2 acres.

The proposed well pad would be cleared of all vegetation and leveled for drilling. Topsoil and native vegetation would be stockpiled for use in reclamation. Approximately 1.8 acres would be disturbed for well pad construction. This would include the 314’ by 245’ well pad, the topsoil piles, and subsoil piles to be constructed at the well sites. Reserve pits would be constructed on the well pad to hold drill mud and cuttings. If the well is a producer, cut portions of the well site would be backfilled and unused portions of the well site would be stabilized and re-vegetated. If a gas well proves unproductive, the well would be properly plugged and the entire well pad and access road would be reclaimed.

J-W Operating Company did include plans for a gas sales pipeline with the APD. Once production is established, approximately 4,924 feet of new pipeline would be installed. The pipelines would parallel the access road and add an additional 5.7 acres of disturbance.

Total area of disturbance for the proposed project would be 8.7 acres.

NO ACTION ALTERNATIVE: The “no action” alternative is that the well would not be permitted and therefore no well would be drilled. J-W Operating Company holds a valid and current oil and gas lease for the area where the proposed Great Divide Well would be located. Under leasing contracts, the BLM has an obligation to allow mineral development if the environmental consequences are not irreversible or too severe. The APD process is designed to overcome the no action situation of not accepting the APD through the mitigation of predicted environmental consequences. Since the proposed action is consistent with the ROD and the Oil and Gas Leasing EIS, the no action alternative will not be analyzed further in this EA.

AFFECTED ENVIRONMENT/ENVIRONMENTAL CONSEQUENCES/MITIGATION MEASURES

CRITICAL RESOURCES

AIR QUALITY

Affected Environment: There are no special designation air sheds or non-attainment areas nearby that would be affected by the proposed action.

Environmental Consequences: Short term, local impacts to air quality from dust would result during and after well pad construction. Drilling operations produce air emissions such as exhaust from diesel engines that power drilling equipment. Air pollutants could include nitrogen oxides, particulates, ozone, volatile organic compounds, fugitive natural gas, and carbon monoxide. Gas flaring reduces the health and safety risks in the vicinity of the well by burning combustible and poisonous gases like methane and hydrogen sulfide. The proposed action would not adversely affect the regional air quality.

Mitigative Measures: None.

Name of specialist and date: Shawn Wisner 07/29/08

AREA OF CRITICAL ENVIRONMENTAL CONCERN

Affected Environment: Not Present.

Environmental Consequences: Not Applicable.

Mitigative Measures: Not Applicable.

Name of specialist and date: Rob Schmitzer 08/11/08

CULTURAL RESOURCES

Affected Environment: Cultural resources, in this region of Colorado, range from late Paleo-Indian to Historic. For a general understanding of the cultural resources in this area of Colorado, see *An Overview of Prehistoric Cultural Resources, Little Snake Resource Area, Northwestern Colorado*, Bureau of Land Management Colorado, Cultural Resources Series, Number 20, *An Isolated Empire, A History of Northwestern Colorado*, Bureau of Land Management Colorado, Cultural Resource Series, Number 2 and *Colorado Prehistory: A Context for the Northern Colorado River Basin*, Colorado Council of Professional Archaeologists.

Environmental Consequences: The proposed project(s), Great Divide Federal 21-29, has undergone a Class III cultural resource survey:

Larson, Thomas K. 2008. Results of a Class III Cultural Resource Inventory for the J-W Operating Company's Great Divide Federal 21-29 Well, Moffat County, Colorado (BLM# 53.3.08)

The survey identified no eligible to the National Register of Historic Places cultural resources. The proposed project may proceed as described in this EA with the following mitigative measures in place.

Mitigative Measures:

The following standard stipulations apply for this project:

1. The operator is responsible for informing all persons who are associated with the operations that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are encountered or uncovered during any project activities, the operator is to immediately stop activities in the immediate vicinity of the find and immediately contact the authorized officer (AO) at (970) 826-5000. Within five working days, the AO will inform the operator as to:

- Whether the materials appear eligible for the National Register of Historic Places;
- The mitigation measures the operator will likely have to undertake before the identified area can be used for project activities again; and
- Pursuant to 43 CFR 10.4(g) (Federal Register Notice, Monday, December 4, 1995, Vol. 60, No. 232) the holder of this authorization must notify the AO, by telephone at (970) 826-5000, and with written confirmation, immediately upon the discovery of human remains, funerary items, sacred objects, or objects of cultural patrimony. Further, pursuant to 43 CFR 10.4(c) and (d), you must stop activities in the vicinity of the discovery and protect it for 30 days or until notified to proceed by the authorized officer.

2. If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

Name of specialist and date: Robyn Watkins Morris 08/05/08

ENVIRONMENTAL JUSTICE

Affected Environment: The proposed action would be located in an area of isolated dwellings. Oil & Gas development, ranching, and farming are the primary economic activities.

Environmental Consequences: The project area is relatively isolated from population centers, so no populations would be affected by physical or socioeconomic impacts of either alternative. The proposed action would directly affect the social, cultural or economic well-being and health of Native American, minority or low-income populations.

Mitigative Measures: None.

Name of specialist and date: Louise McMinn 08/11/08

FLOOD PLAINS

Affected Environment: Active floodplains and flood prone zones would be avoided.

Environmental Consequences: No threat to human safety, life, welfare, or property would result from the proposed action.

Mitigative Measures: None.

Name of specialist and date: Shawn Wiser 07/29/08

INVASIVE, NONNATIVE SPECIES

Affected Environment: Invasive species and noxious weeds occur within the affected area. Downy brome (cheatgrass), yellow alyssum, blue mustard and other annual weeds are common along roadsides, on well pads and on other disturbed areas. Canada thistle and several species of biennial thistles are known to occur in this area. Russian knapweed and hoary cress (whiteweed) are present in the vicinity of the proposed action. Other species of noxious weeds are not known to be a problem in this area, but could be introduced by vehicle traffic, livestock, wildlife, etc. The BLM, Moffat County, livestock operators, pipeline companies and oil and gas operators have formed the Northwest Colorado Weed Partnership to collaborate their efforts on controlling weeds and finding the best integrated approaches to achieve these results.

Environmental Consequences: The surface disturbing activities and associated traffic involved with drilling this new well, constructing an access road, and installing a pipeline would create a favorable environment, and provide a mode of transport, for invasive species and other noxious weeds to become established. Construction equipment and any other vehicles or equipment brought onto the site could introduce these weed species. Wind, water, recreation vehicles, livestock and wildlife could also assist with distribution of weed seed into the newly disturbed areas. The annual invasive weed species (yellow alyssum, blue mustard and other annual weeds) occur on adjacent rangelands and would occupy the disturbed areas; the bare soils and the lack of competition from a perennial plant community would allow these weed species to grow unchecked and can affect the establishment of seeded plant species. Establishment of perennial grasses and other seeded

plants is expected to provide the necessary control of invasive annual weeds within 2 or 3 years. Additional seeding treatments of the disturbed areas may be required in subsequent years if initial seeding efforts failed. The operator would be required to control any invasive and/or noxious weeds that become established within the disturbed areas involved with drilling and operating the wells. All principles of Integrated Pest Management would be employed to control noxious weeds on public lands.

Mitigation attached as Conditions of Approval to minimize disturbance and obtain successful reclamation of the areas not needed for production operations, as well as weed control utilizing integrated practices, including herbicide applications, would help control the noxious weeds. All principles of Integrated Pest Management should be employed to control noxious and invasive weeds on public lands.

Mitigative Measures: None.

Name of specialist and date: Christina Rhyne 08/19/08

MIGRATORY BIRDS

Affected Environment: Brewers sparrow and sage sparrows are two birds listed on the U.S. FWS's 2002 Birds of Conservation Concern list that could be found within the project area.

Environmental Consequences: The proposed well pad and the associated access road would destroy approximately 3 acres of nesting habitat. Timing restrictions in place to protect nesting sage-grouse would be sufficient to protect nesting Brewer's sparrows and sage sparrows in the project area. There would be some chance that active nests may be present outside of the timing restriction for greater sage-grouse. If construction activities were to occur between July 1 and August 15, there would be an increased chance of take occurring for both of these species. If conducted outside of this time period, chance of take is very low.

Mitigative Measures: It would be unlikely that Brewer's sparrow or sage sparrows would choose to nest within the project area because of the brush beating treatment. Construction and drilling activities that are conducted outside of the nesting season would not impact either species. Chance of take is low.

Name of specialist and date: Timothy Novotny 08/11/08

NATIVE AMERICAN RELIGIOUS CONCERNS

A letter was sent to the Uinta and Ouray Tribal Council, Southern Ute Tribal Council, Ute Mountain Ute Tribal Council on May 5, 2008. The letter listed the FY08 and FY09 projects that the BLM would notify them on and projects that would not require notification. A follow-up phone call was performed on June 16, 2008. No comments were

received (Letter on file at the Little Snake Field Office). This project requires no additional notification.

Name of specialist and date: Robyn Watkins Morris 08/05/08

PRIME & UNIQUE FARMLANDS

Affected Environment: Not Present.

Environmental Consequences: None.

Mitigative Measures: None.

Name of specialist and date: Shawn Wiser 07/29/08

T&E AND SENSITIVE ANIMALS

Affected Environment: There are no threatened or endangered species or habitat for such species in or near the proposed project area. The proposed well site would be within potential greater sage-grouse nesting and wintering habitat. Greater sage-grouse are a BLM special status species. The nearest active sage-grouse lek site is approximately 2 ¼ miles from the proposed well pad.

Environmental Consequences: There would be no impact to threatened or endangered species or their habitats. The proposed well pad could have a negative impact on greater sage-grouse wintering and nesting habitat. Impacts to grouse species from oil and gas development are discussed in the Colorado Oil and Gas EIS (1991). Impacts include, but are not limited to, displacement into less suitable habitat, nest abandonment, destruction of nests and loss of habitat. Other impacts, such as habitat fragmentation and the spread of exotic plants can also degrade sage grouse habitat (Connelly et al. 2004). Noise and increased human activity related to drilling can disrupt breeding and nesting (Connelly et al. 2004). Holloran and Anderson (2004) found a higher annual decline in male lek attendance at leks within 3.2km from drilling activity. To prevent significant impacts to sage grouse species, construction and drilling activities associated with the proposed access roads, pipelines and well pads should not be permitted from March 1 to June 30. This timing limitation would prevent accidental nest destruction, nest and lek abandonment and displacement into less suitable habitat. Construction of the well pad and access road will result in the direct loss of approximately 3 acres of nesting and wintering habitat for greater sage-grouse. Should the well be brought into production, another 5.7 acres of habitat would be temporarily disturbed as a result of pipeline construction. Production activities would also likely lead to avoidance of the project area by greater sage grouse due to increased human activities. It is unlikely that any sage-grouse leks would be impacted by the development of this well due to distance and topographic barriers between the well pad and the lek location.

Bureau of Land Management. 1991. Colorado Oil and Gas Leasing and Development. Final Environmental Impact Statement. U.S. Dept. of Interior.

Connelly, J.W., S.T. Knick, M.A. Schroeder and S.J. Stiver. 2004. Conservation Assessment of Greater Sage-grouse and Sagebrush Habitats. Western Association of Fish and Wildlife Agencies. Unpublished Report. Cheyenne, Wyoming.

Holloran, M.J., and S.H. Anderson. 2004. Sage-grouse response to natural gas filed development in northwestern Wyoming. Page 16 in Proceedings of the 24th Meeting of the Western Agencies Sage and Columbian Sharp-tailed Grouse Technical Committee. Wenatchee, Washington (Abstract).

Mitigative Measures: CO-30, no surface disturbing activities between March 1 and June 30 in order to protect nesting greater sage-grouse.

Name of specialist and date: Timothy Novotny 08/11/08

T&E AND SENSITIVE PLANTS

Affected Environment: There are no federally listed threatened or endangered or BLM sensitive plant species within or in the vicinity of the proposed project.

Environmental Consequences: None.

Mitigative Measures: None.

Name of specialist and date: Hunter Seim 08/05/08

WASTES, HAZARDOUS OR SOLID

Affected Environment: The operator has indicated in the APD for the well that some hazardous materials would be used during drilling, completion, and production of the proposed well. The term hazardous materials as used here means: 1) any substance, pollutant, or contaminant (regardless of quantity) listed as hazardous under the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) of 1980, as amended, 42 U.S.C. 9601 et seq., and the regulations issued under CERCLA, 2) any hazardous waste as defined in the Resource Conservation and Recovery Act (RCRA) of 1976, as amended, and 3) any nuclear or nuclear byproduct as defined by the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2011 et seq.

The operator or any contracted company working for the operator would have Material Data Safety Sheets available for all chemicals, compounds, or substances which are used during the course of construction, drilling, completion, and production operations for this project. Additionally, all chemicals would be handled in an appropriate manner to minimize the potential for leaks or spills to the environment.

Environmental Consequences: Impacts to soils, surface and groundwater resources, wildlife, vegetation, and human health, could result from the accidental exposure of hazardous materials. Project operations should comply with all applicable federal and state laws concerning hazardous materials, the Hazardous Materials Management Summary for this project, and the operator's Spill Prevention Control and Countermeasure Plan.

Mitigative Measures: None.

Name of specialist and date: Shawn Wisner 07/29/08

WATER QUALITY – GROUND

Affected Environment: Wasatch Formation sedimentary rocks near the surface.

Environmental Consequences: None.

Mitigative Measures: None.

Name of specialist and date: Marilyn D. Wegweiser 08/18/08

WATER QUALITY/HYDROLOGY – SURFACE

Affected Environment: The project area would be located on rolling hills near Great Divide, CO. Runoff water from the affected area would drain towards Big Hole Gulch, an intermittent tributary of the Little Snake River. This segment of the Little Snake River must have water quality sufficient to support Aquatic Life Cold 1, Recreation 1a, Water Supply and Agriculture. All stream segments within the affected environment are presently supporting their classified uses.

Environmental Consequences: Existing improved roads have been surveyed and designed appropriately to adequately handle the surface water drainage that would be intercepted and channeled down road ditches. The well pad location would require construction of short access road of about 997 feet. Construction of the road, well pad, pipeline corridor, and installation of the specific drainage features would follow the recommendations provided in the Surface Operating Standards for Oil and Gas Development, 4th Edition. Increased sedimentation to the Little Snake River during spring runoff or from high intensity summer/fall rainstorms would be the greatest potential impact to water quality. Although some sediment may be transported off site and eventually reach perennial waters, mitigation provided in the Surface Use Plan for the proposed action, as well as the surface mitigation contained in the Conditions of Approval, would reduce the potential to have excessive sediments and salts in runoff water from the site.

Mitigative Measures: Additional mitigative measures would be employed to prevent or reduce accelerated erosion if it begins to occur within or on constructed drainage and

diversion ditches, surface drainages affected by the road, well pad, or well pad embankments.

Name of specialist and date: Shawn Wisler 07/29/08

WETLANDS/RIPARIAN ZONES

Affected Environment: There are no wetlands or riparian zones present within the proposed project area.

Environmental Consequences: None.

Mitigative Measures: None.

Name of specialist and date: Timothy Novotny 08/11/08

WILD & SCENIC RIVERS

Affected Environment: Not Present.

Environmental Consequences: Not Applicable.

Mitigative Measures: Not Applicable.

Name of specialist and date: Rob Schmitzer 08/11/08

WSAs, WILDERNESS CHARACTERISTICS

Affected Environment: Not Present.

Environmental Consequences: Not Applicable.

Mitigative Measures: Not Applicable.

Name of specialist and date: Rob Schmitzer 08/11/08

NON-CRITICAL ELEMENTS

FLUID MINERALS

Affected Environment: Tertiary and Mesozoic rocks in the subsurface.

Environmental Consequences: None.

Mitigative Measures: None.

Name of specialist and date: Marilyn D. Wegweiser 08/18/08

RANGE MANAGEMENT

Affected Environment: The proposed well is located within the grazing allotment listed below.

Well	Allotment	Permittee	Season of Use	Livestock
#21-29	#4534 8 Double Slash	Cobb Cattle Co. (Ellis Lease)	6/01 – 9/17	Cattle

Environmental Consequences: Some loss of forage would be expected due to removal of vegetation however this loss does not warrant a reduction in permitted use. During road, pipeline, and well pad construction season of use and presence of livestock should be considered and coordination with permittee should occur as needed.

Mitigative Measures: None.

Name of specialist and date: Christina Rhyne 08/08/08

REALTY AUTHORIZATIONS

Affected Environment: There is one electric transmission power line (COC28202) in the project area. This project would have no impact on the existing authorization.

A new gas sales pipeline ROW (COC73201) would be granted from the Great Divide Federal #21-29 well to the existing Ellis #13-29 well.

Environmental Consequences: An additional 4,924 feet in length and 50 feet in width of pipeline (5.65 acre disturbance) would be necessary for the construction phase. The proposed pipeline would cross public and private land as listed below:

- Sec. 29 1,930' Federal Lease COC51120
- Sec. 30 1,236' ROW COC73201
- Sec. 29 & 30 1,758' Private (Dale Russell Ellis)

Upon completion of construction and interim reclamation, the permanent ROW width would be 30 feet. After the well is plugged, the pipeline would be reclaimed according to the terms and conditions of the APD and ROW grant.

Mitigative Measures: None.

Name of Specialist and Date: Louise McMinn08/11/08

SOILS

Affected Environment: The proposed well would be found within the Maysprings-Gretdivid complex soil-mapping unit. Slopes within this unit average 10 to 20 percent. These soils are derived from sandstone, deep, and well drained. Runoff is medium, the hazard of water erosion is moderate, and the hazard of soil blowing is moderate. These Class 6e soils have severe limitations that make them generally unsuitable for cultivation and that restrict their use mainly to pasture, rangeland, or wildlife habitat. The main hazard would be the risk of erosion unless close-growing plant cover is maintained.

Environmental Consequences: Increased soil erosion from wind and water would occur during construction of the well pad, pipelines, and access road. Erosion would continue throughout the operational life of the wells. Loss of topsoil, soil compaction, and possible increases in sediment loads to drainages are impacts most likely to occur. Soil erosion would be reduced by mitigation described in the Surface Use Plan and Conditions of Approval in the approved APD.

Mitigative Measures: None.

Name of specialist and date: Shawn Wiser 07/29/08

UPLAND VEGETATION

Affected Environment: The site of the proposed action would be located within a sagebrush grass plant community. Dominant plants in the area include Sandberg bluegrass, western wheatgrass, needle and thread, bottlebrush squirreltail, cheat grass, Wyoming big sagebrush, green rabbitbrush, prickly pear cactus, lupine, vetch, Hood's phlox, scarlet globemallow, wild onion, Indian paintbrush, and some death camas. The vegetation community exhibited high vigor and diversity.

Environmental Consequences: The proposed action would completely remove vegetation from approximately 3 acres with additional potential temporary disturbance for the pipeline of 5.7 acres. This removal would be minimal in the larger landscape and would be reduced upon interim reclamation during production or complete reclamation if the wells do not produce. Following reclamation and establishment of the recommended seed mix, this proposed action and associated surface disturbance would not adversely affect the surrounding plant community. The susceptibility of these sites to cheatgrass invasion combined with livestock and wildlife utilization would make it imperative to follow all COAs regarding weed control and revegetation to avoid increasing cheat grass presence on and in areas surrounding the proposed action.

Mitigative measures: None.

Name of specialist and date: Christina Rhyne 08/08/08

WILDLIFE, TERRESTRIAL

Affected Environment: The proposed well location provides year round habitat for mule deer and pronghorn antelope. Elk may be found in the project area during the winter months. This area does not provide severe winter range for any big game species.

A variety of reptiles, songbirds and small mammals may be found within the proposed project area as well.

Environmental Consequences: The construction of the well pad and access road would result in the loss of approximately 3 acres of potential wildlife habitat. Drilling and construction activities associated with the proposed action would displace big game animals from the project area. Surrounding undisturbed habitats are capable of supporting displaced animals while these activities are occurring. Once completed, many displaced animals will return to the area surrounding the well site. If this well is brought into production, another 5.7 acres of habitat would be lost.

Small mammals, songbirds and reptiles could be displaced from the project area during construction and drilling. Most of these animals are capable of avoiding construction equipment and would not be harmed. It is possible that construction activities associated with well pad and access road development would destroy songbird nests if conducted during the nesting season (May through August). If conducted outside of this time period, song birds would not be harmed.

Mitigative Measures: None.

Name of specialist and date: Timothy Novotny 08/11/08

OTHER NON-CRITICAL ELEMENTS:

Non-Critical Element	NA or Not Present	Applicable or Present, No Impact	Applicable & Present and Brought Forward for Analysis
Forest Management	SW 07/29/08		
Hydrology/Ground		MDW 08/18/08	
Hydrology/Surface		SW 07/29/08	
Paleontology		MDW 08/18/08	
Range Management			CR 08/08/08
Realty Authorizations	LM 08/11/08		
Recreation/Transportation		RS 8/11/08	
Socio-Economics		LM 08/04/08	

Solid Minerals		JAM 08/05/08	
Visual Resources		RS 8/11/08	
Wild Horse & Burro Mgmt		SDW 08/18/08	
Wildlife, Aquatic	TN 08/18/08		

CUMULATIVE IMPACTS SUMMARY: Cumulative impacts may result from the development of the Great Divide Federal Well #21-29 when added to non-project impacts that result from past, present, and reasonably foreseeable future actions. The potential exists for future oil and gas development throughout the Great Divide area. Currently numerous producing wells exist within a one-mile radius of the proposed wells. Other past or existing actions near the project area that have influence on the landscape are wildfire, recreation, hunting, grazing, and ranching activities.

Surface disturbance associated with oil and gas activity would increase the potential for erosion and sedimentation. Only a small reduction in available forage would be anticipated. Some wildlife species may be temporarily displaced by construction at the well site, access road, and future pipeline routes, but should return once construction is completed. Displacement of hunters and recreationists during the short-term construction and drilling periods would occur. Contrasts in line, form, color, and texture from development would impact the visual qualities on the landscape.

The cumulative effects of projected oil and gas development are minimized through Best Management Practices identified in the Surface Use Plan of the APD and the BLM required mitigation in the Conditions of Approval for the APD. Proper construction and drilling practices must comply with federal and state environmental regulations. All oil and gas wells in the area would be completed in accordance with Onshore Order No. 2. Reasonably foreseeable mineral development would occur under the guidelines of the Little Snake Resource Management Plan and the Colorado Oil and Gas Leasing and Development EIS.

STANDARDS:

PLANT AND ANIMAL COMMUNITY (animal) STANDARD: The project area provides healthy productive wildlife habitat for a variety of species including big game, small mammals, song birds and reptiles. The development of the proposed well would result in a loss of approximately 3 acres of habitat as a result of this project. If the well produces, a larger area surrounding the well pad would likely be avoided by some wildlife. Surrounding habitat is sufficient to ensure that populations are not negatively impacted by this project. This standard is currently being met and would continue to be met in the future.

Name of specialist and date: Timothy Novotny 08/11/08

SPECIAL STATUS, THREATENED AND ENDANGERED SPECIES (animal)

STANDARD: There are no threatened or endangered animals species or habitat for such species in or near the project area. The proposed well site is within greater sage-grouse wintering and nesting habitat. If construction or drilling activities were conducted during the nesting season, it is likely that greater sage-grouse nesting success would decrease in the project area. Timing restrictions would ensure that nesting sage-grouse are protected from disturbances to nesting habitat. The loss of 3 acres of nesting habitat is not likely to affect sage-grouse. If the well is brought into production an additional 5.7 acres of habitat would be temporarily disturbed due to construction of the pipeline. A larger area may be avoided by sage-grouse due to increased human activity. This standard is currently being met and would continue to be met in the future.

Name of specialist and date: Timothy Novotny 08/11/08

PLANT AND ANIMAL COMMUNITY (plant) STANDARD: The plant community impacted by the proposed action is currently meeting this standard. Plant diversity, vigor, abundance and reproductive capability are currently at levels that ensure resilience in the plant community to human activity. Weeds must be addressed and all principles of invasive weed control and desirable revegetation should be employed. The proposed action would meet this standard.

Name of specialist and date: Christina Rhyne 08/08/08

SPECIAL STATUS, THREATENED AND ENDANGERED SPECIES (plant)

STANDARD: There are no federally listed threatened or endangered or BLM sensitive plant species within or in the vicinity of the proposed project. This standard does not apply.

Name of specialist and date: Hunter Seim 08/05/08

RIPARIAN SYSTEMS STANDARD: There are no wetlands or riparian zones within the project area. This standard does not apply.

Name of specialist and date: Timothy Novotny 08/11/08

WATER QUALITY STANDARD: The proposed action would meet the public land health standard for water quality. Interim reclamation of the unused area on the well pads would be completed to minimize sheet and rill erosion from the well sites. When the well pads and access roads are no longer needed for production operations, the disturbed area would be reclaimed. No stream segments near this project are listed as impaired.

Name of specialist and date: Shawn Wiser 07/29/08

UPLAND SOILS STANDARD: The proposed action would not meet the upland soil standard for public land health, and it is not expected to while the well pads and access roads are used for drilling and production operations. The disturbed area would not exhibit characteristics of a healthy soil. Mitigation detailed in the APD and standards from the “Gold Book” would help to

reduce erosion. Upland soil health would return to the well pads and access roads after the project areas have been successfully reclaimed.

Name of specialist and date: Shawn Wiser 07/29/08

PERSONS/AGENCIES CONSULTED: Uintah and Ouray Tribal Council, Colorado Native American Commission, Colorado State Historic Preservation Office.

FINDING OF NO SIGNIFICANT IMPACT (FONSI)
EA CO-100-2008-090

Based on the analysis of potential environmental impacts contained in the EA and all other available information, I have determined that the proposal and the alternatives analyzed do not constitute a major Federal action that would adversely impact the quality of the human environment. Therefore, an EIS is unnecessary and will not be prepared. This determination is based on the following factors:

1. Beneficial, adverse, direct, indirect, and cumulative environmental impacts have been disclosed in the EA. Analysis indicated no significant impacts on society as a whole, the affected region, the affected interests, or the locality. The physical and biological effects are limited to the Little Snake Resource Area and adjacent land.
2. Public health and safety would not be adversely impacted. There are no known or anticipated concerns with project waste or hazardous materials.
3. There would be no adverse impacts to regional or local air quality, prime or unique farmlands, known paleontological resources on public land within the area, wetlands, floodplain, areas with unique characteristics, ecologically critical areas, or designated Areas of Critical Environmental Concern.
4. There are no highly controversial effects on the environment.
5. There are no effects that are highly uncertain or involve unique or unknown risk. Sufficient information on risk is available based on information in the EA and other past actions of a similar nature.
6. This alternative does not set a precedent for other actions that may be implemented in the future to meet the goals and objectives of adopted Federal, State, or local natural resource related plans, policies, or programs.
7. No cumulative impacts related to other actions that would have a significant adverse impact were identified or are anticipated.
8. Based on previous and ongoing cultural surveys, and through mitigation by avoidance, no adverse impacts to cultural resources were identified or anticipated. There are no known American Indian religious concerns or persons or groups who might be disproportionately and adversely affected as anticipated by the Environmental Justice Policy.

9. No adverse impacts to any threatened or endangered species or their habitat that was determined to be critical under the Endangered Species Act were identified. If, at a future time, there could be the potential for adverse impacts, treatments would be modified or mitigated not to have an adverse effect or new analysis would be conducted.

10. This alternative is in compliance with relevant Federal, State, and local laws, regulations, and requirements for the protection of the environment.

DECISION AND RATIONALE:

I have determined that approving this APD is in conformance with the approved land use plan. It is my decision to implement the project with the mitigation measures provided in the Application for Permit to Drill and the Conditions of Approval. Right-of -Way Grant COC73201 will be issued to J-W Operating Company (See Attachment 1). The project will be monitored as stated in the Compliance Plan outlined below.

MITIGATION MEASURES: The mitigation measures for this project are found in the file room of the Little Snake Field Office. The APD 13-point surface use plan, well location maps, and the Conditions of Approval are found in the well case file labeled COC51120, Great Divide Federal Well #21-29. ROW stipulations and maps for Grant COC73201 issued to J-W Operating Company are in the serialized case files.

COMPLIANCE PLAN(S):

Compliance Schedule

Compliance will be conducted during the construction phase and drilling phase to insure that all terms and conditions specified in the lease and the approved APD are followed. In the event a producing well is established, periodic inspections as identified through the Inspection and Enforcement Strategy and independent well observations will be conducted. File inspections will include a review of all required reports and the Monthly Report of Operations will be evaluated for accuracy.

Monitoring Plan

The well location and access road will be monitored during the term of the lease for compliance with pertinent Regulations, Onshore Orders, Notices to Lessees, or subsequent COAs until final abandonment is granted; monitoring will help determine the effectiveness of mitigation and document the need for additional mitigative measures.

Assignment of Responsibility

Responsibility for implementation of the compliance schedule and monitoring plan will be assigned to the Fluid Mineral staff in the Little Snake Field Office. The primary inspector will be the Petroleum Engineering Technician, but the Petroleum Engineer, Natural Resource Specialist, Realty Specialist, and Land Law Examiner will also be involved.

SIGNATURE OF PREPARER:

DATE SIGNED:

SIGNATURE OF ENVIRONMENTAL REVIEWER:

DATE SIGNED:

SIGNATURE OF AUTHORIZED OFFICIAL:

DATE SIGNED: