

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
GRAND JUNCTION FIELD OFFICE
2815 H Road
Grand Junction, Colorado 81506**

FINDING OF NO SIGNIFICANT IMPACT

DOI-BLM-CO-130 2012-0021-EA

LOCATION

The BHDEP area (project area) is located generally west, southwest and south of the Town of De Beque Colorado. The project area boundary encompasses four separate BLM-designated oil and gas units, including the Homer Deep Unit (12,529 acres), the Winter Flats Unit (7,811 acres), the Horseshoe Canyon Unit (8,000 acres) and the Wagon Track (non-unitized) area.

Topographically, moving clockwise from the north, the project area may be roughly described as being bounded by Horse Mountain to the north, the Roan Cliffs to the north and east, Sand Wash and Black Mountain to the east and south, Monument and Horseshoe Canyons to the south, Main Canyon to the south and west, Bronco Flats to the west-southwest and Corcoran Peak and Corcoran Wash to the west and west-northwest. In the Public Land Survey System (6th Principal Meridian), parts of the following Townships (Twps) and Ranges lie within the project boundary: In Twp 8 South, Ranges 97, 98, 99, 100 West; in Twp 9 South, Ranges 97, 98, 99, 100 West.

The Colorado River and Interstate-70 bisect the project area; the Homer Deep and Winter Flats Units and the Wagon Track Non-Unitized Area lie to the north and west of the Colorado River and Interstate-70. The Horseshoe Canyon Unit is located to the southeast (see Map 1.2-1). The project area includes roughly 79,793 acres of federal (63,031 acres) and private (16,762 acres) surface ownership (see Map 1.2-2). There are some split estate lands with federal surface and private minerals and/or private surface and federal minerals.

Primary access to the Homer Deep Unit is via Interstate-70, Mesa County 45 Road (Roan Creek Road) and Garfield/Mesa County Road 200 (Dry Creek Road). Primary access to the Winter Flats Unit and Wagon Track Non-Unitized Area is Interstate-70, Mesa County 45 Road (Roan Creek Road), Town of De Beque surface streets and Mesa County V.2 Road (Winter Flats Road). Mesa County V.6 Road provides westerly access through the Winter Flats Unit. Mesa County S Road provides continued access to the Wagon Track Non-Unitized Area. Primary access to the Horseshoe Canyon Unit is Roan Creek Road to Mesa County 45.5 Road to Horse Canyon Road.

PROJECT NAME: Black Hills De Beque Exploratory Proposal

APPLICANT: Black Hills Plateau Production, LLC

BACKGROUND

Black Hills Plateau Production, LLC (Black Hills) submitted the Black Hills De Beque Exploratory Proposal (BHDEP) for oil and gas exploration to the Bureau of Land Management (BLM) Grand Junction Field Office (GJFO) in December 2011. It was subsequently updated in February 2012, October 2012, January 2013 and April 2013. The BHDEP proposes a 3-year program of oil and gas exploration on federal and private leases (Proposed Action). Black Hills proposes to drill up to 24 wells on 12 new well pads; four would be adjacent to existing well pads. The Proposed Action consists of construction, operation, maintenance and abandonment of well pads, wells, roads, gas gathering pipelines, produced water lines, water supply lines and centralized facilities. An Environmental Assessment (EA) prepared by the BLM GJFO, responds to the BHDEP. Construction and operation of the BHDEP would allow for production of up to 144 billion cubic feet (bcf) of natural gas over the estimated 20 year life of the project.

FINDING OF NO SIGNIFICANT IMPACT

Based upon a review of the following NEPA document, I have determined that the project is not a major federal action and will not significantly affect the quality of the human environment, individually or cumulatively, with other actions in the general area. No environmental effects meet the definition of significance in context or intensity as defined in 40 CFR 1508.27 and the project is consistent with current land management planning for the project area under the Grand Junction Resource Management Plan (BLM 1987 as amended).

1. 2013, Preliminary Environmental Assessment (DOI-BLM-CO-130-2012-0021-EA), Black Hills De Beque Exploratory Proposal EA, January 2013.

RATIONALE

This FONSI is based on my consideration of the Council on Environmental Quality's (CEQ) criteria for significance (40 CFR 1508.27), with regard to the context and the intensity of impacts described in the EA. See below.

CONTEXT

This project is a site-specific action directly involving exploration and production of oil and gas on existing federal leases. The project would be located in a region where such activities have taken place for more than 50 years. Individual wells date further back, but many of the area units (created by combining multiple leases) originate from the 1970s and '80s and still produce today. The Homer Deep Unit was formed in 2008. Dispersed well pads, pipeline gathering systems and access roads have been and continue to be features of such public land use. New access road construction has lessened over the decades, since existing roads facilitate most access to the area. Direct and indirect impacts related to project-related construction would occur for a period of about 3 years and from oil and gas production, over about 20 years.

INTENSITY

The following discussion is organized around the Ten Significance Criteria that are listed in 40 CFR 1508.27 and incorporated into BLM's elements of the human environment list, supplemental Instruction Memoranda, and regulations. The following have been considered in evaluating intensity for this proposal:

1. Impacts that may be both beneficial and adverse.

Beneficial and adverse effects of the Proposed Action were described in the BLM EA. In addition to project features proposed by Black Hills and to the BLM GJFO Standard Conditions of Approval, the EA further developed project-specific mitigating measures. Such additional mitigation measures included in the EA by the BLM would be implemented to reduce potential impacts to soils, water resources, vegetation, wetlands, special status species, migratory birds, terrestrial and aquatic wildlife, historic properties, paleontological resources, Native American religious and cultural concerns, visual resources, transportation, recreation, range conservation, grazing resources, forest resources, fire and fuels management, land tenure, noise, and non-native invasive species. Benefits of the project would include an increase in jobs over a 3-year period and the potential for production of up to 144 billion cubic feet of natural gas over 20 years, which would contribute to meeting the nation's energy demands. None of the environmental effects discussed in the EA is considered significant.

2. The degree to which the proposed action affects public health and safety.

Potential risks to public health and safety might occur from increased traffic travelling to, from and within the project area. Impacts from traffic would be minimized by project features such as pipeline gathering systems, remote telemetry and carpooling. Black Hills' employees and contractors would follow all posted speed limits. Where no speed limit was posted, speeds on unpaved access roads or disturbed areas would be below 20 miles per hour. Black Hills' Transportation Plan would ensure that new and upgraded roads would be built for all-weather use, lessening the potential for damage to saturated soils, erosion and inadvertent road widening.

Black Hills' plan to use Tier 2 drilling rig engines (reduced emissions) informed and supported BLM's development of an air emissions inventory for the Proposed Action and modeling for assessment of possible air quality impacts. This modeling indicates that the Proposed Action would comply with all federal and state ambient air quality standards.

Site-specific Spill Prevention Plans and Storm Water Management Plans would detail measures required to reduce potential impacts to water quality. Baseline water quality data will be collected at key locations and provided to the BLM, to observe and support water quality.

Implementing the above measures, impacts to public health and safety would be minimal.

3. Unique characteristics of the geographic area, such as project proximity to historic or cultural resources, park lands, prime farmlands, wetlands, wild and scenic rivers or ecologically critical areas.

Inventories were completed for area historic and cultural resources. (See also Item 8, below.) The following elements are not affected because they are not present in or near the project area: park lands and wild and scenic rivers. Ecologically critical areas are discussed below, in Item 9.

A wetland evaluation was conducted for the project area. No well pads are proposed in wetlands or Waters of the US. Black Hills would obtain all necessary permits from the U.S. Army Corps of Engineers if impacts to wetlands became unavoidable.

The Proposed Action could affect 6.4 acres of prime farmlands adjacent to Centralized Facility HSC CF#3, on private land. Implementation of the Storm Water Management and Spill Prevention Plans, including installation and monitoring of site-specific BMPs, would minimize the potential for spills and soil contamination that could affect productivity of these farmlands.

None of the unique characteristics above would be significantly impacted, since design features, BMPs and mitigation measures would prevent or reduce any such effects to minor levels.

4. The degree to which effects on the quality of the human environment are likely to be highly controversial.

Continued exploration and production of leased federal oil and gas resources, including resultant effects, are not unique and would occur in an area where such activities have been taking place for many decades. Decisions regarding utilization of public lands for well pads, pipelines and access roads have been and continue to be made in this region, by this Field Office. There is no scientific controversy over the nature of the potential impacts. Effects upon the quality of the human environment are anticipated to be low in intensity.

5. The degree to which the possible effects on the human environment are highly uncertain or involve unique or unknown risks.

The project is not unique or unusual in the area. Oil and gas exploration has been ongoing in the region for many years, during which the BLM has continued to consider and render similar decisions on similar actions. The BLM has experience implementing and mitigating comparable actions in this and similar areas. Possible effects to the human environment are not predicted to be highly uncertain nor expected to involve unique or unknown risks.

6. The degree to which the action may establish a precedent for future actions with significant effects, or represents a decision in principle about a future consideration.

This decision is not precedent-setting. The Proposed Action was considered in the context of past, present and reasonably foreseeable actions. This decision is not unusual; no significant cumulative effects are predicted. This decision does not entail any known issues or elements that would create any precedent for future oil and gas exploration. The decision does not represent a decision in principle about a future consideration. No documentation by an EIS is required.

7. Whether the action is related to other actions with individually insignificant but cumulatively significant impacts.

The Proposed Action was considered in the context of past, present and reasonably foreseeable actions. Cumulative impacts are brought forward and analyzed in the EA. In the context of cultural resources, the BLM and the State Historic Preservation Office deliberated upon some uncertainty concerning the quantification of long-term cumulative effects to historic properties, particularly on un-inventoried private lands, as well as about how effects might now be managed. The project-specific Memorandum of Agreement (MOA) developed and entered into among the BLM, the SHPO, and Black Hills will help to initiate alternative cultural mitigation in the project area and in the region within which it lies.

8. The degree to which the action may adversely affect districts, sites, highways, structures, or objects listed in or eligible for listing in the National Register of Historic Places or may cause loss or destruction of significant scientific, cultural, or historic resources.

File search, literature reviews and an intensive Class III cultural resource inventory identified several eligible and potentially eligible sites in the project area. Mitigation measures required by the EA will require project components to be moved to avoid eligible or potentially eligible sites, including proposed well pad WT 12-16 and possibly well pad DC 1-13. Proposed pipeline disturbance that would impact sites 5ME.3837, 5ME.18854 and possibly 5ME.3680 would also be rerouted around the sites. Monitoring and fencing will also be required where appropriate, to protect eligible and potentially eligible sites. Site-specific treatment plans, required by the MOA, may require listing of a site to the National Register of Historic Places; and/or develop interpretation of a site for the public; and/or enable investigation, through excavation, of features likely to be impacted by foreseeable activities such as road maintenance or widening. The degree to which the Proposed Action may adversely affect or cause loss or destruction of significant scientific, cultural, or historic resources is minimal.

9. The degree to which the action may adversely affect an endangered or threatened species or its habitat that has been determined as critical under the Endangered Species Act of 1973.

The BLM submitted a programmatic biological assessment (PBA) to the U.S. Fish and Wildlife Service (FWS) Western Colorado Ecological Services Field Office requesting informal ESA consultation for the Proposed Action. The PBA describes expected effects to ESA-listed species (Colorado River Fishes and their critical habitat, Colorado hookless cactus, and DeBeque phacelia and its critical habitat). Site-specific minimization measures are included in the PBA to avoid or minimize direct, indirect and cumulative impacts to the ESA-listed species.

Water depletions involved with the development of oil and gas resources from federal minerals are addressed in the December 19, 2008 programmatic biological opinion (PBO) for water depletions associated with the BLM's fluid mineral program within the upper Colorado River Basin in Colorado (ES/GJ-6-CO-08-F-0006). Under the PBO, previous contributions to the Recovery Program are considered a conservation measure that helps to avoid jeopardizing the continued existence of the endangered fish in the upper Colorado River Basin. Black Hills has signed the Recovery Agreement and qualifies for use of the 2008 PBO.

The average annual depletion associated with the Proposed Action (361 acre-feet) would be entered into the BLM GJFO fluid minerals water depletion log, which would be submitted to the BLM Colorado State Office at the end of the Fiscal Year and reported to the FWS Ecological Services Office in Grand Junction.

Black Hills committed to conservation measures outlined in the 2008 PBO for extraction of water anywhere within critical habitat for the endangered fish. The endangered Colorado River fish would not otherwise be adversely affected by the Proposed Action.

On February 15, 2013, the FWS concurred with the BLM's determination that the Black Hills project is not likely to adversely affect the Colorado hookless cactus and the DeBeque phacelia based on implementation of the Conservation Measures provided in the PBA and in the FWS concurrence. These measures are included as Conditions of Approval in the EA.

10. Whether the action threatens a violation of Federal, State, or local law or requirements imposed for the protection of the environment.

To the best of my knowledge, the Proposed Action does not violate or threaten violation of any federal, state, local, or tribal law or requirement imposed for the protection of the environment. State, local and tribal interests were given the opportunity to participate in the environmental process.

DETERMINATION

My determination of this Finding of No Significant Impact is based upon the information contained in Environmental Assessment DOI-BLM-CO-130 2012-0021-EA and upon my consideration of criteria for significance (40 CFR 1508.27). The environmental effects anticipated, and their analysis in the EA, are based on current science, professional judgment and experience of the Interdisciplinary Team and Grand Junction Field Office staff. Based on the information in the EA, it is my determination that: 1) the implementation of the Proposed Action will not have significant environmental impacts; 2) the Proposed Action is in conformance with the Grand Junction Resource Management Plan; and 3) the Proposed Action does not constitute a major federal action having significant effect on the human environment. No EIS is required.

Approved:



Katie A. Stevens
Field Manager
Grand Junction Field Office

5/1/2013
Date