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 2012-003-EA

LOCATION

The Whitewater Unit (approximately 90,400 acres) is located about 15 miles east and southeast of the City of Grand Junction. The Whitewater Unit is bounded in the northeast by the Grand Mesa Plateau, to the southeast by the City of Delta, to the southwest by U.S. Highway 50 running parallel to the Gunnison River and to the northwest by the City of Grand Junction. The leases that are part of the proposed 4-year program are in the northern half of the Whitewater Unit, in Mesa County only and make up the Project Area. The Project Area contains approximately 52,543 acres of public, split estate and private lands. The legal description is provided in Attachment A.

From Interstate-70, access to the Project Area is via the Interstate-70 Business Loop, State Highway (SH) 141 and U.S. Highway 50. The primary (southern) access route enters the southern portion of the Project Area from U.S. Highway 50 via Kannah Creek and Lands End roads. For the B Road Alternative, a secondary (northern) access route leading off of Mesa County B Road is proposed for use in winter months (December 1 to April 30) to access northern portions of the Project Area without crossing sensitive (elk and mule deer) winter habitats, to reduce impacts and stress to big game.

PROJECT NAME: Fram Whitewater Unit Master Development Plan

APPLICANT: Fram Operating, LLC

BACKGROUND

Fram Operating, LLC (Fram) submitted the Whitewater Unit Master Development Plan (Whitewater MDP) for oil and gas exploration to the Bureau of Land Management (BLM) Grand Junction Field Office (GJFO) in August 2011. It was updated in February 2013 with minor clarifying revisions. Fram removed hydraulic fracturing from their proposal in an April 2014 update to the Whitewater MDP. This proposal replaces a much larger development proposal for the Whitewater Unit submitted by Fram in spring 2010 that included lands in both Delta and Mesa counties. Based on existing commodity prices, geology, and other resource concerns, development in the southern portion of the Whitewater Unit is not reasonably foreseeable. The Whitewater MDP proposes a 4 year program of oil and gas exploration on federal leases in Mesa County. Fram proposes to drill up to 108 wells on 12 new well pads. The proposal consists of construction, operation, maintenance and abandonment of well pads, wells, roads, gas gathering pipelines, oil gathering pipelines and produced water gathering pipelines.

In addition to Fram's proposal, BLM analyzed two additional alternatives: the Single Access Alternative and the B Road Alternative. The Single Access Alternative does not provide a northern access route into the Project Area and would require that all construction and operation be accessed from the southern access route. The B Road Alternative provides an alternate northern access to C Road which is the northern access route in Fram's Proposal, hereafter referred to as the Project.

An Environmental Assessment (EA) prepared by the BLM GJFO, responds to the Whitewater MDP. Construction and operation of the Whitewater MDP would allow for production of up to 8.7 million barrels of oil over the life of the project, estimated to be 20 years. Natural gas would be co-produced with oil but is not anticipated to be produced in quantities that could be compressed and sold to markets.

FINDING OF NO SIGNIFICANT IMPACT

Based upon a review of the following NEPA document, I have determined that the B Road Alternative is not a major federal action and would 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).

Environmental Assessment (DOI-BLM-CO-130-2012-0003-EA),
Fram Whitewater Unit Master Development Plan, June 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.

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 the units created by combining multiple leases generally originate from the 1970s and '80s and still produce today. 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, because existing roads facilitate most access to the area. Direct and indirect impacts related to Project-related construction would occur for a period of about 4 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 Project were described in the BLM EA. In addition to Project Design Features proposed by Fram 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 air quality, soils, hydrology and water quality, Invasive, non-native species, vegetation, wetland and riparian zones, threatened and endangered animal and plant species, BLM-sensitive species, migratory birds, wildlife, cultural resources, paleontological resources, visual resources, wastes, recreation, range management, forest management, and fire and fuels.

Benefits of the Project would include an increase in jobs over a 4-year period and the potential for production of up to 8.7 million barrels of oil over 20 years, which would contribute to meeting the nation's energy demands. None of the environmental effects discussed in the EA are 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 Design Features such as pipeline gathering systems, remote telemetry and carpooling. Fram's 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. Implementation of Fram's 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.

Fram's plan to use Tier 2 drilling rig engines (reduced emissions) informed and supported BLM's development of an air emissions inventory for the Project and modeling for assessment of possible air quality impacts. This modeling indicates that the Project 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. Fram would conduct monitoring at all well pad locations according to COGCC Rule 609, Statewide Groundwater Baseline Sampling and Monitoring. Up to four initial baseline samples and subsequent monitoring samples would be collected from water sources within a one-half mile radius of a proposed well pad. Initial sampling would be conducted within 12 months prior to setting conductor pipe in the first well on a pad.

Impacts to public health and safety would be minimal as a result of implementing the above measures.

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, prime farmlands, 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 within 100 feet of wetlands; however, wetland vegetation was documented along Kannah Creek, Brandon Ditch diversions and North Fork Kannah Creek tributaries near Lands End Road. Riparian areas occur as narrow zones adjacent to drainages and wetland areas. In these areas, disturbance widths would be reduced and in areas that have not been previously surveyed, a monitor would be on-site to identify potential wetlands. A wetland delineation would be conducted for identified wetlands and Fram would obtain all necessary permits from the U.S. Army Corps of Engineers, if impacts to wetlands became unavoidable.

None of the unique characteristics above would be significantly impacted, because 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 been 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 Project 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 Project 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 Fram would 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. Nineteen cultural resource sites determined to be eligible or potentially eligible to the NRHP have been identified within or adjacent to the proposed areas of disturbance. Mitigation measures in the EA would require project components to be moved to avoid eligible or potentially eligible sites, including proposed well pad 1-2-25-2 and access and pipelines for Federal 12-97-7-1, Federal 2-2-2-1, Federal 12-97-30-1 and Federal 13-97-8-2. Proposed pipeline disturbance that would impact sites 5ME.3827, 5ME.3832, 5ME.3833, 5ME.8006, 5ME.8037, 5ME.16144, 5ME.18185, 5ME.18511, 5ME.18519 and 5ME.18530.1 would also be rerouted around the sites. Monitoring and fencing would also be required where appropriate, to protect eligible and potentially eligible sites. Site-specific mitigation measures for all 19 eligible or potentially eligible sites are fully described in a treatment plan that has been developed between the BLM, the proponent, tribes, and the SHPO. Additional tribal consultation is being sought for the treatment plan. The BLM, Fram, and the SHPO signed an MOA agreeing to the site specific mitigation measures. Alternative mitigation would be utilized as part of the Section 106 process because of the high potential to impacts to unknown sites on the private land where access was denied and from cumulative impacts as a result of the Project. This mitigation has been worked out collaboratively among the BLM, the Fram, and the SHPO and could include any or all of the following: data recovery, testing, interpretation of cultural resources for the public via websites, public museum displays, or written materials such as brochures or signage.

The degree to which the Project 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 formal ESA consultation for the Proposed Action. The PBA describes expected effects to ESA-listed species (Colorado River Fishes and their critical habitat and Colorado hookless cactus). Site-specific minimization measures are included in the PBA to avoid or minimize direct, indirect and cumulative impacts to the ESA-listed species.

In April 2002, the FWS issued a Final Biological Opinion for the City of Grand Junction Water Pipeline Replacement Project. The Biological Opinion allowed for continued average annual water depletion by the city's pipelines of 6,400 acre-feet based on requirements in the Biological Opinion. The water purchased by Fram (13.88 acre-feet) from the City of Grand Junction would not cause the allowed total depletion to exceed 6,400 acre-feet included in the FWS consultation.

Fram committed to conservations 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 September 3, 2013, the FWS issued a Programmatic Biological Opinion stating that with the proposed conservation measures include in the Biological Assessment, the proposed Fram Operating, LLC Whitewater Unit Master Development is not likely to jeopardize the continued existence of the Colorado hookless cactus, or the four Colorado River endangered fish species. Further, they found that the Proposed Action would not result in the destruction or adverse modification of critical habitat for the Colorado River Fish. The conservation measures are included as Conditions of Approval in the EA. Implementation of the B Road Alternative requires that construction be in accordance with the conservation measures set forth in the Programmatic Biological Opinion.

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 Project 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-130-2012-0003-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 GJFO Interdisciplinary Team and other Field Office staff. Based on the information in the EA, it is my determination that: 1) the implementation of the B Road Alternative would not have significant environmental impacts; 2) the B Road Alternative is in conformance with the Grand Junction Resource Management Plan; and 3) the B Road Alternative does not constitute a major federal action having significant effect on the human environment. Therefore, an EIS is not required.

Approved:

Katie A. Stevens

Katie A. Stevens
Field Manager
Grand Junction Field Office

6-13-2014
Date

Attachment A

Legal Description

Whitewater Unit MDP Project Area
Legal Description

Federal Lands

Ute Meridian, Mesa County, Colorado

T. 1 S., R. 1 E.,	Sec. 25, S½SE¼
	Sec. 35, E½
T. 1 S., R. 2 E.,	Sec. 10, S½, S½NW¼, SW¼NE¼
	Sec. 11, S½S½, NW¼SW¼
	Sec. 13, SW¼, S½SE¼
	Sec. 14 & 15
	Sec. 16, S½, S½N½
	Sec. 17, SE¼, S½NE¼
	Sec. 19, SE¼
	Sec. 20, NE¼, SW¼SW¼
	Sec. 21, SW¼NW¼, W½SW¼, E½
	Sec. 22, NW¼, W½SW¼, NE¼SW¼
	Sec. 23, NW¼NW¼, E½NW¼, NE¼, E½SE¼, SW¼SW¼
	Sec. 24 & 25
	Sec. 26, E½, N½NW¼, SE¼SW¼
	Sec. 27, S½SW¼, SW¼SE¼
	Sec. 28, NW¼NW¼, SE¼NW¼
	Sec. 29, All except the SE¼NE¼
	Sec. 30, E½, SE¼NW¼, E½SW¼, SW¼SW¼
	Sec. 31, All except the NE¼NE¼
	Sec. 32, SW¼NW¼, N½NE¼, SW¼, W½SE¼
	Sec. 33, All except the N½NE¼
	Sec. 34, W½NW¼, SW¼SW¼
	Sec. 35, W½SW¼, SE¼SW¼, SW¼SE¼
	Sec. 36, N½NW¼, SE¼NW¼, NE¼, N½SE¼
T. 2 S., R. 1 E.,	Sec. 1, E½, NW¼
	Sec. 2, NE¼
T. 2 S., R. 2 E.,	Sec. 1, NE¼NW¼, N½NE¼
	Sec. 2, N½NW¼, SE¼NW¼, NE¼, NW¼SE¼, E½SW¼, SW¼SW¼
	Sec. 3, NW¼, W½NE¼, NE¼NE¼, N½SW¼, NW¼SE¼

	Sec. 4, All except the NW¼NW¼, NE¼NE¼NW¼, SE¼SW¼, S½SE¼
	Sec. 5, All except the NE¼NE¼
	Sec. 6
	Sec. 8, NW¼, NW¼NE¼, E½E½, SE¼SW¼, SW¼SE¼
	Sec. 9, NW¼NW¼, SE¼NE¼, S½S½
	Sec. 10, SW¼NW¼, N½NE¼, SE¼SW¼
	Sec. 11, N½NW¼
	Sec. 12, S½
	Sec. 13, N½, N½S½
	Sec. 14
	Sec. 15, All except the W½NW¼
	Sec. 16
	Sec. 17, E½NE¼, SE¼
	Sec. 21, NW¼, NE¼SW¼, E½
	Sec. 22, W½, NE¼, NW¼SE¼
	Sec. 23, NW¼NW¼
	Sec. 26, W½NW¼
	Sec. 27, NW¼, E½NE¼, N½SW¼, SW¼SW¼
	Sec. 28, N½, N½S½, SE¼SE¼
	Sec. 33, SW¼NE¼, E½NE¼, N½SE¼
	Sec. 34, W½NW¼, NW¼SW¼
T. 3 S., R. 2 E.,	Sec. 1, NE¼NE¼, SW¼NW¼, SW¼SW½, S½SE¼
	Sec. 2, SE¼NE¼, E½SE¼, SW¼SE¼, SW¼SW¼

<u>6th Principal Meridian, Mesa County, Colorado</u>

T. 11 S., R. 98 W.,	Sec. 25, W½
	Sec. 26, N½NE¼, S½SE¼
	Sec. 35 & 36
T. 12 S., R. 98 W.,	Sec. 1, 2 & 11
	Sec. 12, All except the SW¼SW¼
	Sec. 13, All except the NW¼NW¼
	Sec. 14, S½S½
	Sec. 23, N½, N½S½
	Sec. 24, N½, N½SW¼, NW¼SE¼

	Sec. 25, S½NE¼
T. 12 S., R. 97 W.,	Sec. 6, 7, 18, & 19
	Sec. 20 & 29 (USFS)
	Sec. 30, All except NW¼NW¼, SW¼SE½
	Sec. 32, NE¼NW¼, N½NE¼
	Sec. 33, N½N½, E½SE¼, SW¼SE¼
T. 13 S., R. 98 W.,	Sec. 1, SE¼SE¼
	Sec. 11, S½S½
	Sec. 12, SE¼NW¼, NE¼
T. 13 S., R. 97 W.,	Sec. 4
	Sec. 5, All except the N½NW¼, NW¼NE¼
	Sec. 6, S½NE¼, SE¼, E½SW¼, SW¼SW¼
	Sec. 7, All except the NW¼SW¼
	Sec. 8 & 9