

U.S. Department of Interior
Bureau of Land Management
Glenwood Springs Field Office
50629 Highway 6 & 24
Glenwood Springs, CO 81601

Statutory Categorical Exclusion: CO140-2006-136.

Project: Application for Permit to Drill; GM11-6, GM311-6, GM411-6.

Location: NENW, Sec 6, T7S., R95W.

Proposal: Williams Production RMT proposes to drill the above named wells on the existing PA21-6, drilled September 2004. A Surface Use Agreement with ExxonMobile is attached to the APDs.

Lease stipulations and Conditions of Approval. Stipulations in federal lease # COC62162 remain in effect. This location is within the planning area of the Wheeler to Webster Geographic Area Plan. Site-wide Conditions of Approval developed in that analysis and site-specific Condition of Approval developed for this location will be attached to individual APDs.

NEPA Compliance:

Category #2 of Section 390 Categorical Exclusions of Oil and Gas Development: *Drilling an oil and gas location or well pad at a site at which drilling has occurred with 5 years prior to the date of spudding the well.* PA21-64 (this location) was spudded 9/29/2004 and completed 11/20/2004 according the COGIS well information.

Category #3: *drilling an oil or gas well within a developed field for which an approved landuse plan or any environmental document prepared pursuant to NEPA analyzed drilling as a reasonably foreseeable activity so long as such a plan or document was approved within five years prior to the date of spudding the well.* The Wheeler to Webster Geographic Area Plan encompassing this location was approved 7/24/2002.

Prepared by: Bill Barter .

Approval: It is my decision to approve the proposed action with the above referenced terms and conditions.


Steve Bennett, Associate Field Manager

8-29-06
Date

CONDITIONS OF APPROVAL

Standard Mitigation for all GAP Wells

I. Roads:

1. All BLM roads in Cottonwood Gulch will be subject to gravelling by December 1, 2005. The type of gravel to be used will include the use of one of the following:
 - 1 ½ inch CDOT (Colorado Department of Transportation) Class 5 gravel wet and rolled in.
 - Locally obtained road materials approved by the Authorized Officer
2. Graveling of roads should be periodically re-graveled as directed by the authorized officer. Initial gravel application will be a minimum of 4 inches. When rutting within the traveled way becomes greater than 6 inches, additional gravel will be applied.
3. All culverts that have currently failed or culverts not aligned in the natural drainage of the channel should be replaced and aligned with the natural channel of the drainage with a gradient that maintains the natural drainage velocity to decrease sedimentation and erosion. Destroyed, damaged or inoperable culverts will be removed from the GAP area and disposed of by Williams Production RMT.
4. The size of the culvert must be large enough to pass a 10-year flood without development of static head at the entrance. Balance the cumulative roadway grade and culvert size to avoid serious head and velocity damage for a 25-year flood (BLM Manual Section 9113, H-a. Drainage Elements). Culverts should be inspected annually to ensure they are functioning properly and promptly maintained (e.g. remove any debris causing blockage) or replaced when necessary.
5. Williams Production RMT will consult with the Army Corps of Engineers (for 404 permits) and from the State of Colorado Water Quality Control Division (for stormwater permits) prior to commencing construction activities related with said permits within the proposed action area. Written documentation to the Authorized Officer is required to indicate that appropriate permits have been obtained or are not required by the permitting agencies.
6. As deemed necessary by the Authorized Officer, geo-textile fabrics or similar material may be required on steep raw areas that are difficult to establish vegetation on, particularly steep road cuts and the larger cut banks around well pads. The use of these soil stabilizing materials will aid in soil retention. To improve vegetation establishment consider the use of hydromulch which will adhere to steep slopes and may assist with vegetation establishment and reduce offsite sediment concerns to downstream fisheries.

II. Production, Construction, and Reclamation.

1. The operator is responsible for applying dust abatement measures as needed or directed by the Authorized Officer to reduce the emissions of fugitive dust from access roads. The level and type of treatment (watering or application of various dust agents, surfactants and road surfacing material) may be changed in frequency, intensity, etc., and must be approved by the Authorized Officer. Dust control is needed to prevent heavy plumes of dust from road use that create safety problems and disperses heavy amounts of particulate matter on adjacent vegetation. If additional mitigation is required in addition to that already identified in the Wheeler to Webster GAP EA 2002, the operator will coordinate those additions with the Authorized Officer.
2. A minimum of 2 feet of freeboard will be maintained in the reserve pit, between the maximum fluid level and pad level. Pits will be designed to exclude all surface runoff.
3. All disturbed areas not necessary for drilling and producing operations will undergo reclamation after completing dirtwork and operations (interim reclamation). If the well is a producer, the surface area of the drill pad not needed for facilities or operations and unused portions of the road will be reclaimed to BLM standards. If the well is not a producer “final reclamation” standards apply.
4. Reserve pit fluids will be back filled within one year of construction or to the end of the succeeding summer (August 31) to allow for evaporation of fluids, unless an alternative method of disposal is approved. The back filling of the reserve pit will be done in such a manner that the mud and associated solids will be confined to the pit and not squeezed out and incorporated in the surface materials. There will be a minimum of 3 feet of cover (overburden) on the pit. When work is complete, the pit area will support the weight of heavy equipment without sinking.
5. All pits, cellars, rat holes and other bore holes unnecessary for further lease operations, excluding the reserve pit, will be back-filled immediately after the drilling rig is released to conform to surrounding terrain. Pits, cellars and/or bore holes that remain on location must be fenced as specified for the reserve pit.
6. Compaction and construction of the berms surrounding the tank batteries will be designed to prevent lateral movement of fluids through the utilized materials, prior to storage of fluids. The berms must be constructed to contain at a minimum 110 percent of the storage capacity of the largest tank within the berm. All loading lines will be placed inside the berm.
7. All surface disturbances shall be recontoured and revegetated according to site-specific Condition of Approval .

8. All slopes reclaimed at a slope steeper than 3:1 will employ extraordinary seeding and/or erosion control measures, such as hydroseeding, mulching and/or geotextiles (to be determined at the time of reclamation by the BLM Authorized Officer).
9. The reclamation contractor shall utilize a seed drill capable of correctly planting the various types of seeds included in the specified seed mixes, at the proscribed rates, and at the appropriate depth. Multiple seed boxes for different types of seed may be necessary.
10. For seed planted using broadcast methods, raking or harrowing immediately before and after seeding will be necessary to ensure adequate seed/soil contact. Compaction of seed after broadcasting with dozer tracks (trackwalking) is acceptable.
11. If it is determined by the Authorized Officer that the above reclamation standards are not being met, the operator will be required to submit a plan to correct the problem. Approval of the plan may require special reclamation practices such as mulching, the method and time of planting, the use of different plant species, soil analysis to determine the need for fertilizer, fertilizing, seed-bed preparation, contour furrowing, watering, terracing, water barring, and the replacement of topsoil.
12. Prior to construction, an Integrated Weed Management Plan (IWMP) shall be developed by Williams in consultation with the BLM for the entire GAP area. This IWMP shall be implemented throughout the development, production, and abandonment phases of the proposed project.

Historic, Archaeological and Paleontological:

The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic, archaeological, paleontological, or sites with scientific value or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the Authorized Officer.

Education

All persons in the area who are associated with this project must be informed that if anyone is found disturbing historic, archaeological, or scientific resources, including artifacts, the person or persons will be subject to prosecution.

Discovery

Pursuant to 43 CFR 10.4(g), the BLM Authorized Officer must be notified, by telephone, 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), activities must stop in the vicinity of the discovery and the discovery must be protected for 30 days or until notified to proceed by the Authorized Officer.

If in connection with operations under this contract the project proponent, its contractors, subcontractors, or the employees of any of them, discovers, encounters, or becomes aware of any objects or sites of cultural or paleontological value or scientific interest, such as historic or prehistoric ruins, graves or grave markers, fossils, or artifacts, the proponent shall immediately suspend all operations in the vicinity of the cultural or paleontological resource and shall notify the BLM Authorized Officer of the findings (16 USC 470h-3, 36 CFR 800.112). Operations may resume at the discovery site upon receipt of written instructions and authorization by the Authorized Officer. Approval to proceed will be based upon evaluation of the resource. Evaluation shall be by a qualified professional selected by the Authorized Officer from a federal agency insofar as practicable. When not practicable, the holder shall bear the cost of the services of a non-federal professional.

Within five working days the Authorized Officer 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 site can be used (assuming in situ preservation is not necessary); and
- a time frame for the Authorized Officer to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the Authorized Officer are correct and that mitigation is appropriate.

The proponent may relocate activities to avoid the expense of mitigation and/or the delays associated with this process, as long as the new area has been appropriately cleared of resources and the exposed material are recorded and stabilized. Otherwise, the proponent will be responsible for mitigation costs. The Authorized Officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the Authorized Officer that the required mitigation has been completed, the operator will be allowed to resume construction.

Antiquities, historic, prehistoric ruins, paleontological or objects of scientific interest that are outside of the authorization boundaries but directly associated with impacted resources will also be included in this evaluation and/or mitigation.

Antiquities, historic, prehistoric ruins, paleontological or objects of scientific interest, identified or unidentified, that are outside of the authorization and not associated with the resource within the authorization will also be protected. Impacts that occur to such resources that are related to the authorization activities will be mitigated at the proponent's cost.

13. Should scientifically important fossils be encountered during operations, contact the BLM immediately and avoid any damage to the resource. If scientifically important fossils are encountered during operation and cannot be avoided, additional mitigation measures may be necessary.

14. Inadvertent Discovery: The National Historic Preservation Act (NHPA) requires that if newly discovered cultural resources are identified during project implementation, work in that area must stop and the agency Authorized Officer notified immediately (36 CFR 800.13). The Native American Graves Protection and Repatriation Act (NAGPRA), requires that if inadvertent discovery of Native American Remains or Objects occurs, activity must cease in the area of discovery, a reasonable effort made to protect the item(s) discovered, and immediate notice made to the BLM Authorized Officer, as well as the appropriate Native American group(s) (IV.C.2). Notice may be followed by a 30-day delay (NAGPRA Section 3(d)). Further actions also require compliance under the provisions of NHPA and the Archaeological Resource Protection Act.

15. It will be the responsibility of the operator to comply with the Migratory Bird Treaty Act with respect to “take” of migratory bird species. As such, the operator is requested to prevent use by migratory birds of reserve pits, produced water pits, and evaporation pits, that store or are expected to store fluids which may pose a risk to such birds (e.g., migratory waterfowl, shorebirds, wading birds and raptors) during completion and after completion activities have ceased. Several established methods to prevent bird access are known to work. Methods may include but are not limited to netting, the use of bird-balls, or other alternative methods that effectively prevent bird use. All lethal and non-lethal events that involve migratory birds will be reported to the Petroleum Engineer Technician immediately.

Site Specific Conditions of Approval

1. All pipelines will be kept within the disturbed areas of the pad and the roadway.
2. The project proponent is required to monitor for the presence of any Colorado-listed noxious weeds at least once or twice annually during the growing season until final reclamation of the pad is complete. The project proponent will promptly treat and control any noxious weeds. A Pesticide Use Proposal must be approved by BLM prior to the use of herbicides.

3. Reclamation Plan. Refer to Appendix I. Surface Reclamation of the 6/98 GSFO's Draft Supplemental EIS for Oil & Gas Leasing Development (pages I-1 through I-8) for specific reclamation goals, objectives, timelines, measures and monitoring methods. These guidelines will be followed in completing the reclamation of disturbed surfaces on well pads, access roads and pipelines

Some effective practices that will be implemented during reclamation include, but are not limited to: proper siting of the well pad to minimize impacts, the immediate seeding of disturbed areas after construction, proper storage and redistribution of topsoil, reshaping cut and fill slopes, seeding with specified seed mix within the first available growing season after disturbance, deep ripping (>18 inches on 2 foot centers), fencing reclaimed areas to protect from livestock use, and the use of riprap, slash or other erosion control structures to help control sediment loss.

The 4 Reclamation Categories defined on Page I-8 of Appendix I (6/98 GSFO's Draft Supplemental EIS for Oil & Gas Leasing Development) will be used in gauging the progress of reclamation monitoring.

Seed Mix Application Practices

4. A BLM seed mix designed to meet interim reclamation standards using a mixture of native shrubs and grasses, and native or desirable non-native forbs is recommended; however, because this well pad is located on private surface, the private landowner would ultimately determine the seed mix to be used for reclamation. Revegetating the area will help prevent noxious and invasive weed establishment, maintain big game winter range habitat and prevent erosion. The following seed mix and rates are recommended for use on all disturbed surfaces within the project area:

| <u>Species of Seed</u> | <u>Variety</u> | <u>Drilled Application Rate* (PLS lbs/acre)</u> |
|------------------------|----------------|---|
| 4 wing saltbush | Rincon | 8.7 |
| Shadscale saltbush | | 4.7 |
| Wyoming big sagebrush | Hobble Creek | 0.2 |
| Western wheatgrass | Arriba | 1.8 |
| Galleta | Viva | 1.3 |
| Alkali sacaton | Salado | 0.1 |
| Sandberg bluegrass | | 0.2 |
| Sainfoin | Eski | 13.1 |
| TOTAL | | 30.1 PLS lbs/acre |

5. In areas that cannot be drilled, broadcast seed at 2 times the application rate and cover ¼ to ½ deep with a harrow or drag bar.

The above rate of application is listed in pounds of pure live seed (PLS)/acre. The seed will be certified free of noxious weeds. All seed to be applied to public land must have a valid seed test, within one year of the acceptance date, from a seed analysis lab by a registered seed analyst (Association of Official Seed Analysts). The seed lab shall show no more than 0.5 percent by weight of “other weed” seeds; and the seed lot shall contain no “noxious, prohibited, or restricted weed” seeds according to the All States Noxious Test. Seed may contain up to 2.0 percent of “other crop” seed by weight which includes the seed of other agronomic crops and native plants; however, a lower percent of other crop seed is recommended. Seed tags or other official documentation shall be supplied to the Glenwood Springs BLM Energy Office Ecologist at least 14 days prior to the date of proposed seeding for acceptance. Seed which does not meet the above criteria shall not be applied to public lands.

6. Upon completion of backfilling, leveling, ripping to minimum 18 inch depth on 2 foot centers, and recontouring, the stockpiled topsoil will be evenly spread over the reclaimed areas(s). Prior to reseeding, all disturbed surfaces will be scarified and left with a rough surface. No depressions will be left that would trap water and form ponds.

7. The prepared seedbed will be seeded within 24 hours after completing dirt work unless a change is requested by the operator and approved by the Authorized Officer. Prepare the seedbed by contour cultivating 4-6 inches deep. Drill seed ¼ to ½ inch deep following the contour. All seeding will be conducted after September 1 and prior to ground frost. Spring seeding will be done after the frost leaves the ground and no later than May 15th. If the seeding is unsuccessful, operator will be required to make subsequent seedings until the reclamation objectives identified in Appendix I. Surface Reclamation of the 6/98 GSFO’s Draft Supplemental EIS for Oil & Gas Leasing Development are met.

Site Protection Practices

8. The pad will be fenced to exclude livestock grazing for the first two growing seasons or until seeded species become firmly established, whichever comes later. The seeded species will be considered firmly established when at least 50% of the new plants are producing seed. The Authorized Officer will approve the type of fencing. Fencing shall be to BLM standards.

9. The operator will submit an annual reclamation report by December 31 to the Authorized Officer. The report will document compliance with all aspects of the reclamation objectives. The report will specify if the reclamation objectives are likely to be achieved and actions needed to meet these objectives.

10. Areas being reclaimed will be fenced to exclude livestock until reclamation has met the final goal of reclamation. (See plans for surface reclamation below).

11. To reduce the direct impacts from the loss of wildlife habitat within high value or crucial big game winter range no l pad construction, drilling, and completion activities will be permitted from January 15 to March 15.

12. Noxious weeds which may be introduced due to soil disturbance and reclamation will be treated by methods to be approved by the Authorized Officer.

13. The paint color to be used on all surface facilities is Desert Tan (10YR 6/3).

14. Plans for Reclamation of the Surface: Refer to Appendix I., Surface Reclamation of the 1998 Draft Supplemental Environmental Impact Statement for Oil and Gas Leasing Development (pages I-1 through I-8) for specific reclamation goals, timelines, measuring methods, and monitoring methods. These guidelines will be followed in completing the reclamation of well pads, access roads and pipeline corridors.

15. The operator is responsible for applying dust abatement measures as needed or directed by the Authorized Officer (AO). The level and type of treatment may be changed in intensity and must be approved by the AO to control the dust such as from watering to application of various dust control agents, surfactants and road surfacing material. Dust control is needed to prevent heavy plumes of dust from road use that create safety problems and disperses heavy amounts of particulate matter on adjacent vegetation.

16. The operator will submit an annual reclamation report by December 31 to the Authorized Officer. The report will document compliance with the above requirement for all aspects of the reclamation objectives. The report will specify if the reclamation objectives are likely to be achieved and actions needed to meet those objectives.

17. Education:

All persons in the area who are associated with this project must be informed that if anyone is found disturbing historic, archaeological, or scientific resources, including collecting artifacts, the person or persons will be subject to prosecution.

Discovery:

Pursuant to 43CFR10.4(g), the BLM authorized officer must be notified, by telephone, with written confirmation, immediately upon the discovery of human remains, funerary items, sacred objects, or objects of cultural patrimony. Further, pursuant to 43CFR10.4 (c) and (d), activities must stop in the vicinity of the discovery and the discovery must be protected for 30 days or until notified to proceed by the authorized officer.

If in connection with operations under this contract the project proponent, his contractors, subcontractors, or the employees of any of them, discovers, encounters or becomes aware of any objects or sites of cultural or paleontological value or scientific interest such as historic or prehistoric ruins, graves or grave markers, fossils, or artifacts, the proponent shall immediately suspend all operations in the vicinity of the cultural or paleontological resource and shall notify the BLM authorized officer of the findings (16 U.S.C. 470h-3,

36CFR800.112). Operations may resume at the discovery site upon receipt of written instructions and authorization by the authorized officer. Approval to proceed will be based upon evaluation of the resource. Evaluation shall be by a qualified professional selected by the authorized officer from a federal agency insofar as practicable. When not practicable, the holder shall bear the cost of the services of a non-federal professional.

Within five working days the authorized officer will inform the holder as to:

- whether the materials appear eligible for the National Register of Historic Places;
- The mitigation measures the holder will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and,
- a time frame for the authorized officer to complete an expedited review under 36 CFR 800.11, or any agreements in lieu thereof, to confirm through the State Historic Preservation Officer that the findings of the authorized officer are correct and the mitigation is appropriate.

The proponent may relocate activities to avoid the expense of mitigation and/or the delays associated with this process, as long as the new area has been appropriately cleared of resources and the exposed materials are recorded and stabilized. Otherwise, the proponent will be responsible for mitigation costs. The authorized officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the authorized officer that the required mitigation has been completed, the proponent will then be allowed to resume construction.

Antiquities, historic, prehistoric ruins, or objects of scientific interest that are outside of the authorization boundaries but directly associated with the impacted resource will also be included in this evaluation and/or mitigation.

Antiquities, historic, prehistoric ruins, or objects of scientific interest, identified or unidentified, that are outside of the authorization and not associated with the resource within the authorization will also be protected. Impacts that occur to such resources that are related to the authorizations activities will be mitigated at the proponent's cost including Native American consultation cost.

All persons associated with operations under this authorization must be informed that any objects or sites of paleontological or scientific value, such as vertebrate or scientifically important invertebrate fossils, shall not be damaged, destroyed, removed, moved or disturbed. If in connection with operations under this authorization any of the above resources are encountered the proponent shall immediately suspend all activities in the immediate vicinity of the discovery that might further disturb such materials and notify the BLM authorized officer of the findings. The discovery must be protected until notified to proceed by the authorized officer.

(As feasible, the proponent shall suspend ground-disturbing activities at the discovery site and immediately notify the BLM authorized officer of any finds. The BLM authorized officer will, as soon as feasible, have a BLM-permitted paleontologist check out the find

and record and collect it if warranted. If ground-disturbing activities cannot be immediately suspended, the proponent shall work around or set the discovery aside in a safe place to be accessed by the BLM-permitted paleontologist.)

Notice: Check the lease for stipulations concerning Timing Limitations, No Surface Occupancy, and Controlled Surface Use.