

**U.S. Department of the Interior
Bureau of Land Management
Glenwood Springs Energy Office
2425 South Grand Avenue, Suite 101
Glenwood Springs, Colorado 81601**

Statutory Categorical Exclusion CO140-2007-089

Project: Application for Permit to Drill: GM 43-36, GM 44-36, and GM 444-36.

Location: SW $\frac{1}{4}$ SE $\frac{1}{4}$, Section 36, Township 6 South, Range 96 West, Sixth Principal Meridian.

Proposal: Williams Production RMT proposes to directionally drill the above-described wells into Federal lease 62163. The surface is owned by Williams Production. The pad has three producing gas wells. No new surface disturbance is anticipated.

Lease Stipulations and Conditions of Approval: All stipulations attached to Federal Lease COC62163 and the Wheeler to Webster Geographic Area Plans (2002 and 2005) remain in effect. Conditions of Approval will be attached to individual APDs.

Federal lease COC62163, dated April 1999, carries the following lease stipulations: CSU-02, CSU-04, CSU-05, TL-06, TL-01, NSO-02, NSO-02, NSO-07, NSO-11, NSO-15, NSO-18, NSO-20, LN-01, LN-02, LN-03, LN-04, LN-05, LN-06, and LN-10.

NEPA Compliance: The following categories of Statutory Categorical Exclusions (SCEs) pursuant to Section 390 of the Energy Policy Act of 2005 apply to this proposal:

Category 1: *Individual surface disturbances of less than five (5) acres so long as the total surface disturbance on the lease is not greater than 150 acres and site-specific analysis in a document prepared pursuant to NEPA has been previously completed.* No new surface disturbance is anticipated.

Category 2: *Drilling an oil and gas location or well pad at a site at which drilling has occurred within five (5) years prior to the date of spudding the well.* GM 333-36 was completed in July 2002

Category 3 *Drilling an oil or gas well within a developed field for which an approved land use plan or any environmental document prepared pursuant to NEPA analyzed drilling as a reasonably foreseeable activity, so long as such plan or document was approved with five (5) years prior to the date of spudding the well.* The location of the proposed action is in the planning area of the Webster to Wheeler Geographic Area plans (July 2002, May 2005).

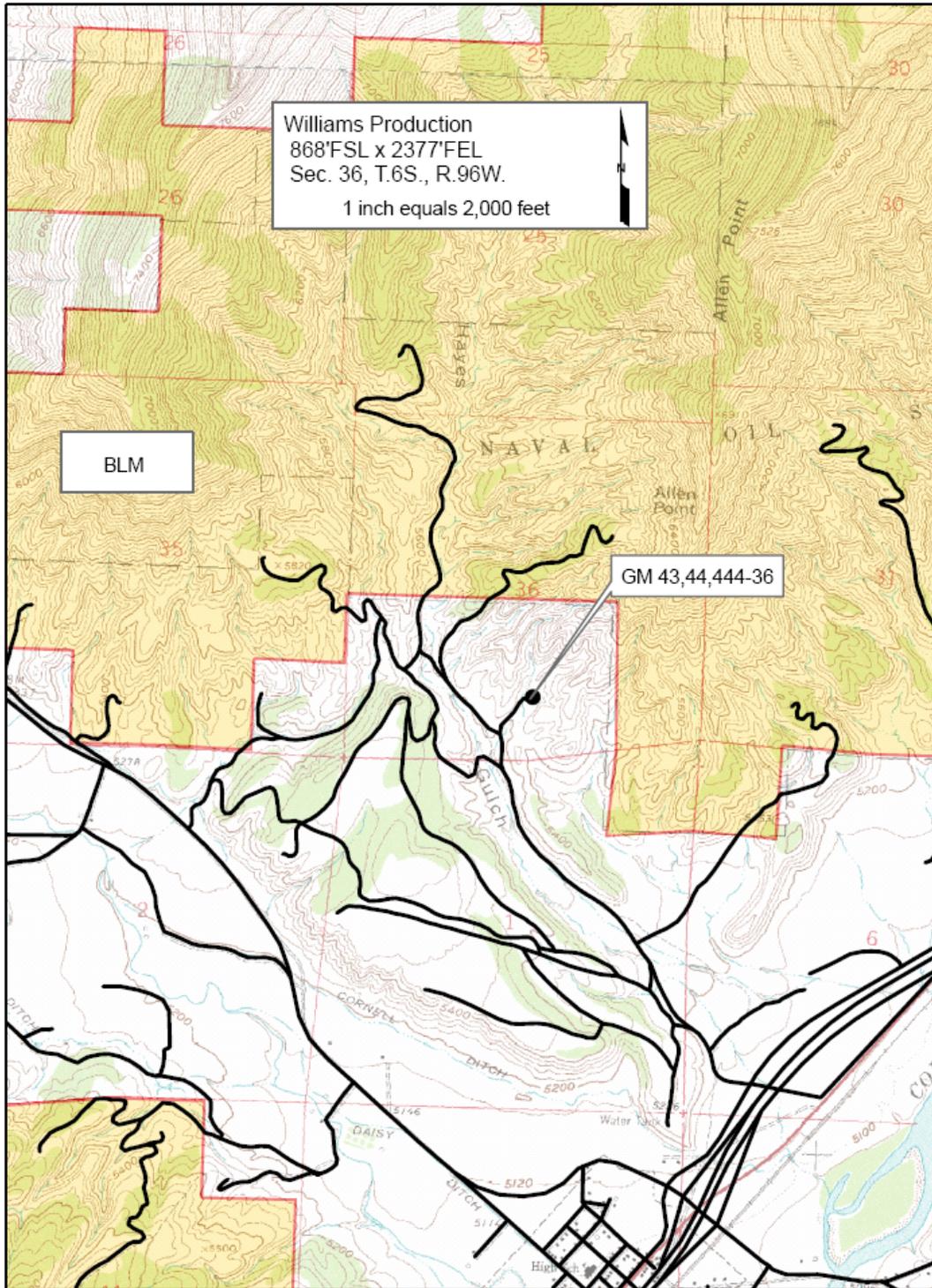
Prepared by: Bill Barter, Natural Resource Specialist

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



Allen B. Crockett, Ph.D.
Supervisory Natural Resource Specialist

5/23/07
Date



SURFACE USE CONDITIONS OF APPROVAL
Statutory Categorical Exclusion CO140-2007-07-089
Williams Proposal for Three Natural Gas Wells

1. Reclamation. Reclamation goals, objectives, timelines, measures, and monitoring methods for final reclamation of oil and gas disturbances are described in Appendix I (Surface Reclamation) of the 1998 Draft Supplemental EIS (DSEIS). The specific measures described below shall be followed during interim reclamation of disturbed surfaces associated with well pads, access roads, and pipelines. These measures, except seedbed preparation, shall also apply to temporary reclamation of topsoil storage piles and surfaces that are subject to interim reclamation but not scheduled to undergo interim reclamation for more than 1 year.
 - a. Seedbed Preparation. For interim reclamation, all slopes shall be reshaped prior to seedbed preparation. Initial seedbed preparation shall consist of backfilling, leveling, and ripping all areas to be seeded to a minimum depth of 18 inches with a furrow spacing of 2 feet, followed by recontouring the surface and then spreading the stockpiled topsoil evenly. Prior to seeding, the seedbed shall be scarified and left with a rough surface. No depressions shall be left that would trap water and form ponds. Final seedbed preparation shall consist of contour cultivating to a depth of 4 to 6 inches within 24 hours prior to seeding. NOTE: Seedbed preparation is not required for topsoil storage piles or other areas of temporary reclamation.

Requests for use of soil amendments, including basic product information, shall be submitted to the BLM for approval.
 - b. Seed Mixes. Selection of seed to be used in temporary or interim reclamation shall comply with the menu-based seed mixes in the letter provided to oil and gas operators dated April 16, 2007; however, for private surfaces the landowner would ultimately determine the seed mix to be used for reclamation. The seed shall be certified free of noxious weeds. 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 BLM Glenwood Springs Energy Office Ecologist at least 14 days prior to the date of proposed seeding for acceptance. Contact Beth Brenneman at 970-947-5232 or beth_brenneman@blm.gov. Seed that does not meet the above criteria shall not be applied to public lands.
 - c. Seeding Procedures. Seeding shall be conducted no more than 24 hours following completion of final seedbed preparation. A seed mix consistent with BLM standards in terms of species and seeding rate for the specific habitat type shall be used on all disturbed BLM lands (see Attachments 1 and 2 of the letter provided to operators dated April 16, 2007). Revegetating the disturbed area promptly will help prevent erosion and invasion by weeds and provide food and cover for wildlife.

Where practicable, seed shall be installed by drill-seeding to a depth of 0.25 to 0.5 inch. Where drill-seeding is impracticable, seed may be installed by broadcast-seeding at twice the drill-seeding rate, followed by raking or harrowing to provide 0.25 to 0.5 inch of soil cover. Hydroseeding and hydromulching may be used in temporary reclamation or in areas where drill-seeding or broadcast-seeding/raking are impracticable. Hydroseeding and hydromulching must be conducted in two separate applications to ensure adequate contact of seeds with the soil.

If interim revegetation is unsuccessful, the operator shall implement subsequent reseeding until interim reclamation standards are met. Requirements for reseeding of unsuccessful temporary reclamation will be considered on a case-by-case basis.

- d. Mulch. Mulch shall be applied within 24 hours following completion of seeding. In areas of interim reclamation that used drill-seeding or broadcast-seeding/raking, mulch shall consist of crimping certified weed-free straw or certified weed-free native grass hay into the soil. Hydromulching may be used in areas of interim reclamation where crimping is impracticable, in areas of interim reclamation that were hydroseeded, and in areas of temporary reclamation regardless of seeding method.

NOTE: As an exception to this provision, mulch is not required in areas where erosion potential mandates use of a biodegradable erosion-control blanket (straw matting).

- e. Erosion Control. Cut-and-fill slopes shall be protected against erosion with the use of water bars, lateral furrows, or other measures approved by the authorized officer. Biodegradable straw matting, bales or wattles of weed-free straw or weed-free native grass hay, or well-anchored fabric silt fence shall be used on cut-and-fill slopes and along drainages to protect against soil erosion. Additional BMPs shall be employed as necessary to ensure reduced offsite erosion and to protect drainages from sediment.
 - f. Site Protection. The pad shall be fenced to BLM standards to exclude livestock grazing for the first two growing seasons or until seeded species are 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.
 - g. Monitoring. The operator shall conduct annual monitoring surveys of reclaimed areas and shall submit an annual monitoring report to the authorized officer by December 31 of each year. The monitoring program shall use the four Reclamation Categories defined in Appendix I of the 1998 DSEIS to assess progress toward reclamation objectives. The annual report shall document whether attainment of reclamation objectives appears likely. If one or more objectives appear unlikely to be achieved, the report shall identify appropriate corrective actions. Upon review and approval of the report by the BLM, the operator shall be responsible for implementing the corrective actions or other measures specified by the authorized officer.
2. Weed Control. The Operator shall regularly monitor and promptly control noxious weeds or other undesirable plant species as set forth in the Glenwood Springs Energy Office *Noxious and Invasive Weed Management Plan for Oil and Gas Operators*, dated March 2007. A Pesticide Use Proposal (PUP) must be approved by the BLM prior to the use of herbicides.
 3. Pre-Construction Notice. At least forty-eight (48) hours prior to construction of access road, pipeline and/or well pad, the operator shall notify BLM representative of construction startup plans.
 4. Facility Color. The paint color to be used on all surface facilities including the metal containment rings surrounding the tank batteries is Desert Tan (10YR 3/6).
 5. Dust Abatement. The operator is responsible for applying dust abatement measures as needed or directed by the Authorized Officer. The level and type of treatment (watering or application of various dust agents, surfactants, and road surfacing material) may be changed in intensity 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.
 6. Reserve Pit Freeboard. A minimum of 2 feet of freeboard shall be maintained in the reserve pit. Freeboard is measured from the highest level of drilling fluids and cuttings in the reserve pit to the lowest surface elevation of ground at the reserve pit perimeter.

7. Raptor Nesting. Raptor nest surveys for GV24-36 (May 2007) did not result in location of raptor nest structures within 0.25 mile of a well pad or 0.125 mile of an access road, pipeline, or other surface facility. Although BLM considers surveys conducted for a NEPA Environmental Assessment to be valid for 5 years, new nests may be built and occupied between the initial surveys and project implementation. To ensure compliance with the Migratory Bird Treaty Act, the Operator should schedule construction or drilling activities to begin outside the raptor nesting season (February 1 to August 15) if practicable. If initiation of construction or drilling during these dates cannot be avoided, the Operator is responsible for complying with the Migratory Bird Treaty Act, which prohibits the “take” of birds or active nests (those containing eggs or young), including nest failure caused by noise and human activity. Contact Jeff Cook, Glenwood Springs Energy Office Wildlife Biologist, at 970-947-5231 or jeffrey_cook@blm.gov.
8. Weed Control. The Operator shall regularly monitor and promptly control noxious weeds or other undesirable plant species as set forth in the Glenwood Springs Energy Office *Noxious and Invasive Weed Management Plan for Oil and Gas Operators*, dated March 2007. A Pesticide Use Proposal (PUP) must be approved by the BLM prior to the use of herbicides.
9. Protection of Migratory Birds. It will be the responsibility of the operator to comply with the Migratory Bird Treaty Act with respect to “take” of migratory bird species. The term “take” means to harass, harm, pursue, hunt, shoot, wound, kill, trap, capture, or collect, or to attempt to engage in any such conduct. 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 access/use. Regardless of the method used, it will be applied within 24 hours after completion activities have begun. All lethal and non-lethal events that involve migratory birds will be reported to the Natural Resource Specialist immediately upon their discovery.
10. Cultural Resource Education/Discovery. 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.

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, 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, 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 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)
- a timeframe 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 operator 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 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 the authorization and not associated with the resource within the authorization will also be protected. Impacts that occur to such resources, which are related to the authorizations activities, will be mitigated at the proponent's cost including Native American consultation cost.

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.

11. Paleontological Resources. 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.

DOWNHOLE CONDITIONS OF APPROVAL
Applications for Permit to Drill

Company/Operator: Williams Production RMT Company

Surface Location: SWSE Section 36, Township 6 South, Range 96 West, 6th P.M.

<u>Well Name</u>	<u>Well No.</u>	<u>Bottomhole Location</u>	<u>Lease</u>
Williams GM	43-36	NESE Sec. 36, T. 6S., R. 96W.	COC-62163
Williams GM	44-36	NESE Sec. 36, T. 6S., R. 96W.	COC-62163
Williams GM	444-36	SESE Sec. 36, T. 6S., R. 96W.	COC-62163

The downhole COAs identified in the Williams Production RMT Company Master APD (Approved April 27, 2006) for the Grand Valley Field Area A shall apply.

Please contact Steve Ficklin (970-947-5213) or Jennifer Gallegos (970-947-5220) of the Glenwood Springs Energy office at least 24 hours:

- 1) pre- and post-spud
- 2) prior to running the surface and production casing
- 3) conducting the BOP test