

**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: CO140-2008-120

Project: COC 73134 – Access road right-of-way to include acceleration and deceleration lanes along Garfield County Road 320. This access road leads onto private lands.

Surface Location: T. 6 S., R. 93 W., sec. 21, SW¼NW¼, 6th P.M., Garfield County, Colorado.

Company: Laramie Energy II, LCC., 1521 Larimer Street, Suite 100, Denver, Colorado 80202.

Contact: Wayne P. Bankert, Laramie Energy II, LLC., 601 28-1/2 Road, Suite D, Grand Junction, Colorado 81506. (970) 683-5419.

Proposal: Laramie Energy II, LLC. (“Laramie”) is requesting a road right-of-way (COC 73134) to access private lands located in T. 6 S., R. 93 W., sec. 20, NE½, Garfield County, Colorado, 6th PM.

Laramie II consulted with both the Garfield County Roads Department and the Sorenson Engineering to determine the best site for the access road off of CR 320. The proposed access includes 590 ft of widening of CR 320 to allow for acceleration and deceleration lanes. This portion of the road will require paving, as well as the apron to the entrance of the access. In addition, approximately 80 ft. of access road with a 16 ft. graveled travel surface will be constructed to the property line between the BLM and the adjacent landowner.

The acceleration and deceleration lanes will be designed to Colorado Department of Transportation access code requirement. The proposed road is currently flagged. The area where the new construction is to take place is flat with scrub brush and grasses.

This area is located in a Visual Resource Management Area designated as VRM Class II due to its proximity to the Colorado River and the I-70 corridor. However, it is located within and next to urban environments, which include houses, roadways, churches, and other types of urban structures.

Laramie has a storm water management plan in place for the South Rifle Project Area. The CDPHE permit number is COR-0378. The current access road will be maintained under this plan and the newly constructed road would have BMP’s in place to control storm water run-off.

Exemptions: Laramie is requesting an exemption to the No Surface Occupancy (NSO-3) Major Rivers Corridors due to the fact that the proposed site is immediately adjacent to a heavily travelled main county road. For this reason, there should be no impact on special status fish, scenic or recreation values, minimal riparian values, little water/quality filtering values. There is no amphibian habitat and no waterfowl and shorebird production values.

Waivers: Laramie requests a waiver to the Big Game Winter timing restriction from December 1 to April 30. The proposed site is immediately adjacent to a heavily travelled main county road (CR 320) and is less than one mile from the populated area of Rifle, Colorado. There are private residences with

NSO. Additionally, the site does not contain and is not adjacent to habitat for amphibians or for waterfowl and shorebird nesting.

Waivers: Laramie II requests a waiver to the Big Game Winter Timing Limitation (TL-01), which prohibits construction, drilling, and completion activities but not production and operation activities from December 1 through April 30. The proposed site is adjacent to a heavily travelled main county road and is less than 1 mile from the heavily populated area of Rifle, Colorado. Private residences with domestic pets are located immediately east and west of the proposed access area. Therefore, the proposal should have no additional impact on wintering wildlife.

Conditions of Approval: Surface use stipulations to be incorporated into the approved right-of-way grant are attached to this SCE.

NEPA Compliance: Category #1 of Section 390 Categorical Exclusions of Oil and Gas Development includes the following criteria: " *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.*" This area is located within the Grass Mesa Geographical Area Plan (GAP) area analyzed under CO140-2004-0081EA, dated November 4, 2004.

TABLE OF RIGHTS-OF-WAY WITHIN THE PROPOSED R/W AREA
6th P.M., Garfield County, Colorado
Township 6 South, Range 93 West, Section 21

Serial No.	Company	Aliq Loc	Case Type	Status
COC 0112672	Tri-State Gen & Transmission	S2NW;	R/W Pwr Trans	Authorized
COC 23591	Q-West Corp	SWNW;	R/W Tele	Authorized
COC 54361	Public Serv/RMNG	SWNW;	R/W Pipeline	Authorized
COC 56035	EnCana (USA) O&G	S2NW;	O&G Lease	Authorized

Prepared by: D.J. (Darci) Beaupeurt, Realty Specialist

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



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

8-14-08

Date

EXHIBIT A

Laramie Energy II, LLC
BLM ROW Request Access Photos
SWNW Sec. 21, Twn. 6S, R93W 6th PM
Garfield County, CO



View West From Proposed Access Along CR 320



View East From Proposed Access Along CR 320



View North From Proposed Access Along CR 320

(WAITING FOR ELECTRONIC COPY OF VICINITY MAP)

EXHIBIT B
STIPULATIONS
Statutory Categorical Exclusion
CO140-2008-120
Laramie Energy II, LLC.
COC 73134
Access Road with Acceleration and Deceleration Lanes

1. Administrative Notification. The operator shall notify the BLM representative at least 48 hours prior to initiation of construction.
2. Dust Abatement. The operator shall implement dust abatement measures as needed to prevent fugitive dust from vehicular traffic, equipment operations, or wind events. The authorized officer may direct the operator to change the level and type of treatment (watering or application of various dust agents, surfactants, and road surfacing material) if dust abatement measures are observed to be insufficient to prevent fugitive dust.
3. Road Construction and Maintenance. The access road shall be constructed and maintained to industry and BLM “Gold Book” standards, including crowned and ditched with appropriate erosion controls. **The centerline of the right-of-way and the exterior limits shall be clearly flagged prior to any construction activity to prevent disturbance outside of the permitted right-of-way.**
4. Existing Right-of-Way Holders. The holder shall obtain an agreement with any existing rights-of-way holders prior to any disturbance or construction across or adjacent to any existing right-of-way.
5. Drainage Crossings and Culverts. Construction activities at perennial, intermittent, and ephemeral drainage crossings (e.g. burying pipelines, installing culverts) shall be timed to avoid high flow conditions and shall consist of either a piped stream diversion or the use of a coffer dam and pump to divert flow around the disturbed area.

Culverts at drainage crossings shall be designed and installed to pass a 25-year or greater storm event. On perennial and intermittent streams, culverts shall be designed to allow for passage of aquatic biota. The minimum culvert diameter in any installation for a drainage crossing or road drainage shall be 18 inches. Contact Noel Ludwig, Glenwood Springs Energy Office Hydrologist, at 970-947-5215 or Noel_Ludwig@blm.gov. Crossings of drainages deemed to be jurisdictional waters of the U.S. pursuant to Section 404 of the Clean Water Act may require additional culvert design capacity. Due to the flashy nature of area drainages and anticipated culvert maintenance, the U.S. Army Corps of Engineers recommends designing drainage crossings for the 100-year event. Contact Sue Nall at 970-243-1199 x16 or susan.nall@usace.army.mil.

6. Saturated Conditions. When saturated soil conditions exist on or along the proposed right-of-way, construction shall be halted until soil material dries out or is frozen sufficiently for construction to proceed without undue damage and erosion to soils.
7. Fire Control. Special fire control stipulations may be in affect depending on when construction takes place. The grant holder shall coordinate with the BLM Authorized Officer and comply with any applicable fire control measures.
8. Garbage Control. All trash shall be confined in a covered container and hauled to an approved landfill. Burning of waste or oil is not approved.

9. Wetlands and Riparian Zones. The operator shall restore temporarily disturbed wetlands or riparian areas. The operator shall consult with the BLM Glenwood Springs Energy Office to determine appropriate mitigation, including verification of native plant species to be used in restoration. Contact Noel Ludwig, Glenwood Springs Energy Office Hydrologist, at 970-947-5215 or Noel_Ludwig@blm.gov.
10. Weed Control. The holder 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 Holders*, dated March 2007. A Pesticide Use Proposal (PUP) must be approved by the BLM prior to the use of herbicides. Annual weed monitoring reports shall be submitted by **December 31**. Contact Beth Brenneman, Glenwood Springs Energy Office Ecologist, at 970-947-5232 or beth_brenneman@blm.gov.
11. Range Improvements. Range improvements (fences, gates, reservoirs, pipelines, etc.) shall be avoided if possible. If range improvements are damaged the holder shall be responsible for repairing or replacing the damaged facilities.
12. Big Game Winter Range Timing Limitation. To minimize impacts to wintering big game, no construction, drilling or completion activities shall occur during a Timing Limitation (TL) period from **December 1 to April 30** annually. Contact Jeff Cook, Glenwood Springs Energy Office Wildlife Biologist, at 970-947-5231 or jeffrey_cook@blm.gov.
13. Migratory Birds. It shall be the responsibility of the operator to comply with the Migratory Bird Treaty Act (MBTA) with respect to “take” of migratory bird species. Under the MBTA, “take” means to pursue, hunt, shoot, wound, kill, trap, capture, or collect, or to attempt to engage in any such conduct. The operator shall prevent use by migratory birds of any pit containing fluids associated with oil or gas operations—including but not limited to reserve pits, produced water pits, frac-water pits, cuttings trenches (if covered by water/fluid), and evaporation pits. Fluids in these pits may pose a risk to migratory birds (e.g., waterfowl, shorebirds, wading birds, songbirds, and raptors) as a result of ingestion, absorption through the skin, or interference with buoyancy and temperature regulation. Several established methods to prevent bird access are known to be effective, such as netting or bird-balls. However, the USFWS has determined that the use of flagging is ineffective in deterring birds from using ponds or pits and provides no assurance of compliance with the MBTA. Regardless of the method used, it should be employed as soon as practicable after the pit has begun receiving liquids. At a minimum, the method shall be in place within 24 hours following the placement of fluids into a pit. Because of high toxicity to birds, oil slicks and oil sheens should immediately be skimmed off the surface of any pit that is not netted. The most effective way to eliminate risk to migratory birds is prompt drainage, closure, and reclamation of pits, which is strongly encouraged. All mortality or injury to species protected by the MBTA shall be reported immediately to the BLM project lead and to the U.S. Fish and Wildlife Service. For further assistance, contact Creed Clayton, USFWS Biologist assigned to the Glenwood Springs Energy Office, at 970-947-5219 or creed_clayton@fws.gov, and visit <http://www.fws.gov/mountain-prairie/contaminants/oilpits.htm>.
14. Ips Beetle. To avoid mortality of pinyon pines due to infestations of the *Ips* beetle, any pinyon trees damaged during road, pad, or pipeline construction shall be chipped after being severed from the stump or grubbed from the ground, buried in the toe of fill slopes (if feasible), or cut and removed from the site within 24 hours to a location approved by the Colorado State Forest Service.
15. Paleontological Resources. All persons associated with operations under this authorization shall 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 operator 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 BLM authorized officer. Where feasible, the operator 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 operator shall work around or set the discovery aside in a safe place to be accessed by the BLM-permitted paleontologist.

16. Cultural Education/Discovery. All persons in the area who are associated with this project shall 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 shall 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 shall stop in the vicinity of the discovery, and the discovery shall be protected for 30 days or until notified by the BLM authorized officer to proceed.

If, in connection with operations under this contract, the operator, its contractors, their subcontractors, or the employees of any of them discovers, encounters, or becomes aware of any objects or sites of cultural value or scientific interest such as historic ruins or prehistoric ruins, graves or grave markers, fossils, or artifacts, the operator shall immediately suspend all operations in the vicinity of the cultural 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 BLM authorized officer. Approval to proceed will be based upon evaluation of the resource. Evaluation shall be by a qualified professional selected by the BLM authorized officer from a Federal agency insofar as practicable. When not practicable, the operator shall bear the cost of the services of a non-Federal professional.

Within five working days, the BLM authorized officer will inform the operator as to:

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

The operator may relocate activities to avoid the expense of mitigation and 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 operator shall be responsible for mitigation costs. The BLM authorized officer will provide technical and procedural guidelines for relocation and/or to conduct mitigation. Upon verification from the BLM authorized officer that the required mitigation has been completed, the operator will be allowed to resume construction.

Antiquities, historic ruins, prehistoric ruins, and other cultural or paleontological objects of scientific interest that are outside the authorization boundaries but potentially affected, either directly or indirectly, by the proposed action shall also be included in this evaluation or mitigation. Impacts that occur to such resources as a result of the authorized activities shall be mitigated at the operator's cost, including the cost of consultation with Native American groups.

Any person who, without a permit, injures, destroys, excavates, appropriates or removes any historic or prehistoric ruin, artifact, object of antiquity, Native American remains, Native American cultural item, or archaeological resources on public lands is subject to arrest and penalty of law (16 USC 433, 16 USC 470, 18 USC 641, 18 USC 1170, and 18 USC 1361).

17. Visual Resources. To the extent practicable, existing vegetation shall be preserved when clearing and grading for pads, roads, and pipelines. The authorized officer may direct that cleared trees and rocks be salvaged and redistributed over reshaped cut-and-fill slopes or along linear features.