

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

Statutory Categorical Exclusion, CO140-2008-001

Project: Seventeen additional natural gas wells would be drilled and ancillary facilities would be constructed (water and gas pipelines) on Federal leases COC62162, COC62163, and COC27743. The proposed wells would be drilled from existing well pad DOE PM 2-31 and the pipelines would be located along the existing access road. The proposed project is located approximately 1 mile northeast of Parachute, Garfield County, Colorado. *All surface activities are within Federal lease COC62162.*

Location: NENW, Section 31, Township 6 South, Range 95 West, Sixth Principal Meridian

Proposal: Williams Production RMT Company proposes to directionally drill the following 17 wells from the existing DOE PM 2-31 location described above: Federal GM 43-25 will access Federal lease COC27743, Federal GM 444-25 will access Federal lease COC62163, and Federal PA 13-30, PA 23-30, PA 314-30 PA 323-30, PA 324-30, 424-30, PA 524-30, PA 12-31, PA 311-31, PA 312-31, PA 322-31, PA 411-31, PA 412-311, PA422-31, and PA 511-31 will access Federal lease COC62162. The surface location of all wells is within Federal lease COC62162.

To accommodate the additional wells the pad will have to be rebuilt and the interim reclamation disturbed (Fig 1). The new pad size will be approximately 2.25 acres with no new surface disturbance outside of the original pad configuration. The gas and water lines will be constructed within existing disturbances (Fig. 2).

Lease Stipulations and Conditions of Approval: All stipulations attached to Federal leases COC62162 remain in effect (see table 1).

Table 1. Lease Stipulations and Lease Notices, Federal Lease COC62162 (1999)

Description of Lands	Stipulations
Sec. 31: Lots 1-12; N2SE, SWSE	Controlled Surface Use (CSU): VRM Class II Areas: Protection may include special design requirements, relocation of operations by more than 200 meters, and other measures to retain overall landscape character. Such measures would be designed to blend the disturbance in with the natural landscape so that it does not attract attention from KOPs.
Sec. 31: Lots 1-12; NESE, W2SE	CSU: Erosive Soil and Slopes > 30%: Special design, construction, operation and reclamation measures will be required to limit the amount of surface disturbance, reduce erosion potential, maintain site stability and productivity, and insure successful reclamation in identified areas of highly erosive soils of slopes greater than 30%. Highly erosive soils in the “severe” and “very severe” classes – NRCS mapping. Areas identified in the RMP are included (Erosion hazard areas and water quality management areas). The SUPO of the APD for wells on erosive soils or slopes >30% MUST include specific measures to comply with the GSRA Reclamation policy, such as stabilizing the site to prevent settling, slumping, and highwall

	<p>[cutslope] degradation, and controlling erosion to protect the site and adjacent areas from accelerated erosion and sedimentation and siltation of nearby surface waters.</p> <p>Specific performance objectives for the plan include:</p> <ul style="list-style-type: none"> • Limitation of disturbance to 3.0 acres for pad • Limitation of interim “in use” area to 0.5 acres; and • Maximizing area of interim reclamation that is shaped to a grade of 3:1 (h:v) or less; any planned highwall [cut slope] must be demonstrated to be safe and stable and include enhanced reclamation and erosion prevention measures as needed. <p>Operator must submit evaluation of site’s reclamation potential based on problematic characteristics of the site (slope, aspect, vegetation, depth of soils, soil salinity and alkali content)</p> <p>[Other special measures are included.]</p>
Sec. 31: Lots 1-12; N2SE, SWSE	<p>Timing Limitation L: No surface use (does not apply to operation and maintenance of production facilities) from December 1 to April 30 for the purpose of protecting Big Game Winter Habitat (Mule Deer, Elk, Pronghorn Antelope and Bighorn sheep) which includes severe big game winter range and other high value winter habitat as mapped by CDOW.</p>
Sec. 31: Lots 1-11; N2SE	<p>No Surface Occupancy (NSO: Steep slopes: To maintain site stability and site productivity, on slopes greater than 50% (does not apply to pipelines).</p> <p>Exception criteria: if lessee demonstrates that operations can be conducted w/o causing unacceptable impacts and that less restrictive measures will protect the public interest, an exception may be approved by the authorized officer. A request must include an engineering plan and reclamation plan which provides a high level of certainty that such operations can be conducted consistent with the objectives of the GSRA Reclamation policy. Must demonstrate previous success with reclamation in similar sites.</p>
Sec. 31: Lots 1, 3-5, 7, 8, and 10; N2SE	<p>NSO: I70 Viewshed.</p> <p>Exception would be granted if protective measures can be designed to accomplish VRM Class II objectives.</p>
ALL LANDS within lease	<p>Lease Notice (LN: Within high value or crucial big game winter range, the operator is required to implement specific measures to reduce impacts of oil and gas operations on wildlife and their habitat. Such measures shall be developed in concert with BLM during the preparation of the EA. May include completion of habitat improvement projects designed to replace habitat lost through construction; reduction of human disturbance; using telemetry to collect well data; and access well site locations during times of day when wildlife is not likely to be present. Measures to reduce impacts would generally be considered when well [pad] density exceeds four wells [pads] per 640 acres, or when road density exceeds 3 miles per 640 acres.</p>
ALL LANDS within lease	<p>Special design and construction may be required in order to minimize visual impacts of drilling activities within 5 miles of all communities or populations centers throughout the GSRA, major BLM or county roads and state or Federal highways.</p>

Conditions of Approval (COAs) for the proposed action will be attached to individual Applications for Permit to Drill (APDs) for the new wells cited above.

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

Category 1: *“Individual Surface disturbance of less than five acres so long as the total 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.”*

The Wheeler to Webster Geographic Area Plan for Gas Wells, signed in May 2005, addressed the addition of six wells to the DOE PM 2-31 well pad.

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 within five (5) years prior to the date of spudding the well.”*

The proposed location is within the Roan Plateau Planning Area. Existing leased areas were identified and drilling was analyzed in this area in the Roan Plateau Resource Management Plan Amendment and Environmental Impact Statement. The Record of Decision for the Roan Plateau Plan was signed on June 8, 2007.

Prepared by: Bridget Kobe Clayton, 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., J.D.
Supervisory Natural Resource Specialist



Date

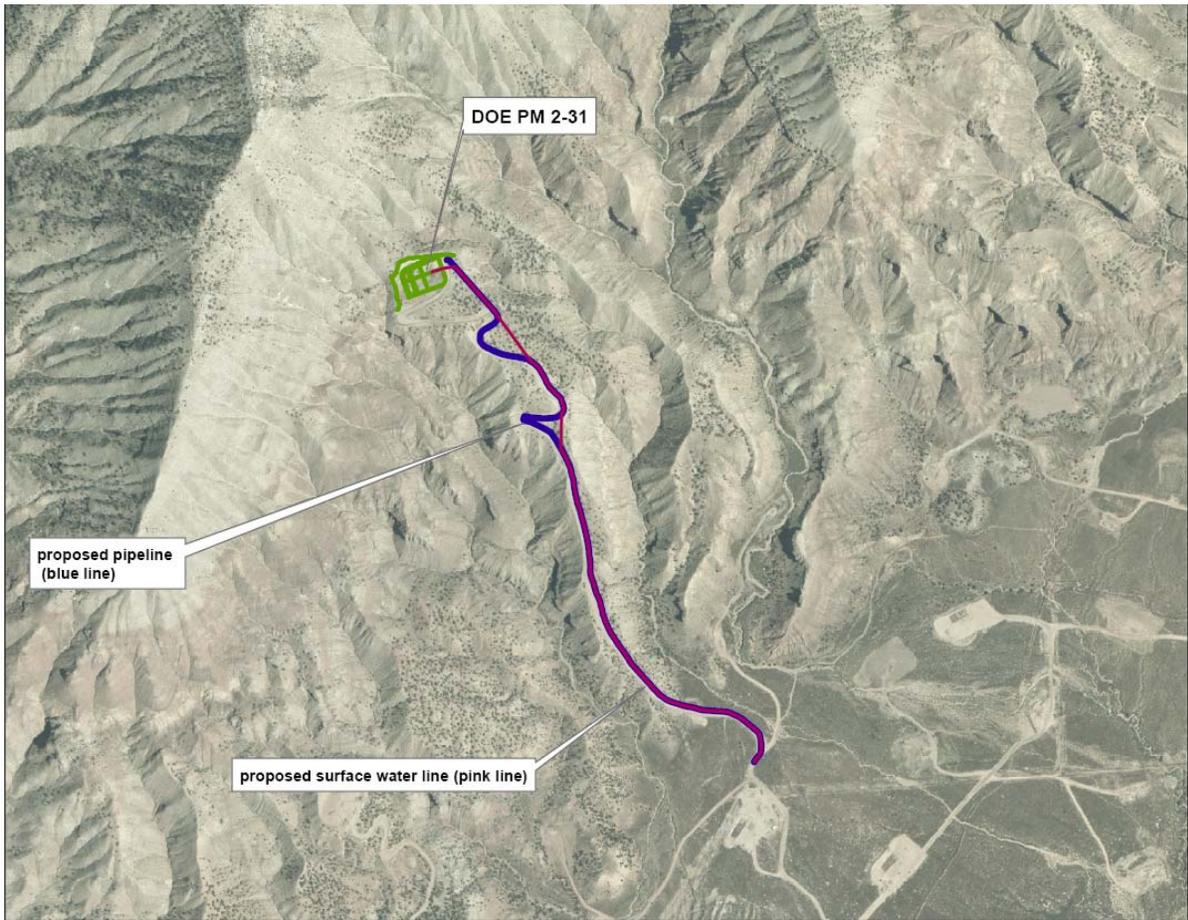


Fig. 1

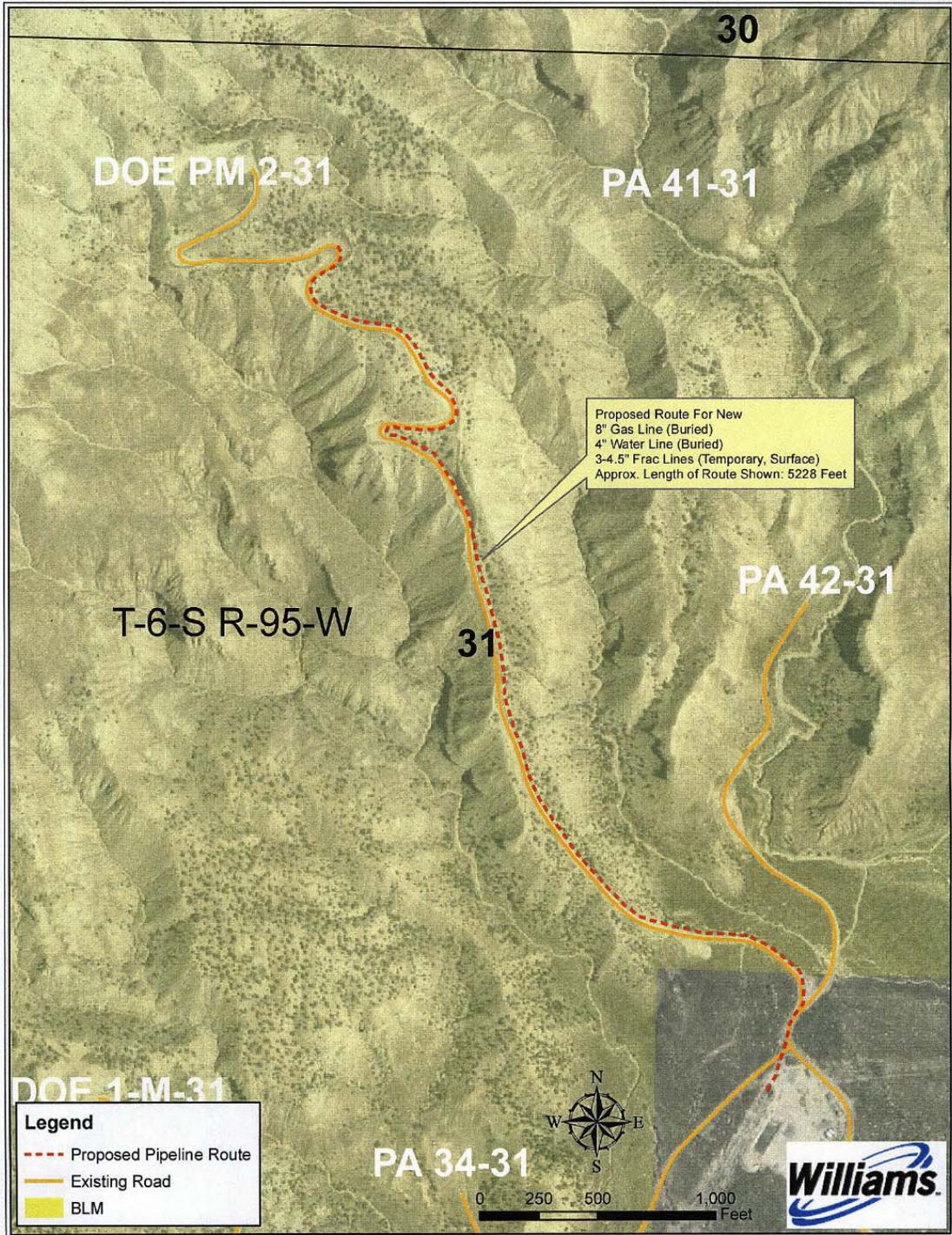


Fig. 2

SURFACE USE CONDITIONS OF APPROVAL

The following Conditions of Approval (COAs) are in addition to resource protections provided by lease stipulations and applicable Federal laws.

1. Administrative Notification: At least 48 hours prior to construction, the operator shall notify the BLM representative of construction startup plans.
2. Dust Abatement. The operator shall implement dust abatement measures as needed or directed by the BLM 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 BLM authorized officer. Magnesium chloride or other chemical suppressant shall not be applied within 100 feet of any drainage.
3. Road Upgrades and Maintenance. To provide road drainage on steep grades, the operator shall install and maintain BMPs that include but are not limited to aggregate surfacing, water bars, culverts, and inboard ditches designed to minimize rilling, rutting, and erosion.
4. Pipeline Installation. During pipeline burial in the road, the operator shall stockpile excavated material in a way that avoids side casting onto steep slopes.
5. 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.

As 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.

Contact Karen Conrath, GSEO Geologist, at 970-947-5235 or karen_conrath@blm.gov.

6. 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).

7. Migratory Birds. It shall be the responsibility of the operator to comply with the Migratory Bird Treaty Act with respect to "take" of migratory bird species. "Take" means to harass, harm, 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 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 should be applied within 24 hours after completion activities have begun. All mortality or injury to species protected by the Migratory Bird Treaty Act shall be reported immediately to the BLM project lead.
8. Raptor Nesting. To protect nesting raptors, a survey shall be conducted prior to construction and drilling activities that are to be initiated during the raptor nesting season (February 1 to August 15). The survey shall include all potential nesting habitat within 0.25 mile of proposed well pads and 0.125 mile of any access roads, pipeline, or other surface facilities. Results of the survey shall be submitted to the BLM. Contact Jeff Cook, Glenwood Springs Energy Office Wildlife Biologist, at 970-947-5231 or jeffrey_cook@blm.gov. If a raptor nest is located within the buffer widths specified above, a 60-day Timing Limitation (TL) shall be applied to prohibit initiation of construction and drilling activities *[subject to site-specific adjustment by BLM based on factors such as visual*

screening and the type, timing, and duration of the proposed action]. The dates of this TL will be based on the particular species of raptor.

9. **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. For private surfaces, the menu-based seed mixes are recommended, but the landowner would have ultimate authority over the seed mix to be used in reclamation. The seed shall be certified free of noxious weeds. Seed may contain up to 2.0 percent of “other crop” seed by weight, including 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 (Beth Brenneman, 970-947-5232 or beth_brenneman@blm.gov) at least 14 days before the date of proposed seeding for acceptance. 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 BLM lands affected by the project (see Attachments 1 and 2 of the letter provided to operators dated April 16, 2007).

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 reduce erosion and offsite transport of 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.

Contact Beth Brenneman, Glenwood Springs Energy Office Ecologist, at 970-947-5232 or beth_brenneman@blm.gov.

10. 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. Contact Beth Brenneman, Glenwood Springs Energy Office Ecologist, at 970-947-5232 or beth_brenneman@blm.gov.
11. Facility Paint Color. The paint color to be used on all surface facilities shall be approved by the BLM Authorized Officer.

DOWNHOLE CONDITIONS OF APPROVAL
Applications for Permit to Drill

Company/Operator: Williams Production RMT Company

Surface Location: NENW Section 31, Township 6 South, Range 95 West, 6th P.M.

<u>Well Name</u>	<u>Well No.</u>	<u>Bottomhole Location</u>	<u>Lease</u>
Federal PA	12-31	SWSW Sec. 31, T6S, R95W	COC-62162
Federal PA	13-30	NWSW Sec. 30, T6S, R95W	COC-62162
Federal PA	23-30	NESW Sec. 30, T6S, R95W	COC-62162
Federal GM	43-25	NESE Sec. 25, T6S, R96W	COC-27743
Federal PA	311-31	NENW Sec. 31, T6S, R95W	COC-62162
Federal PA	312-31	SWSW Sec. 31, T6S, R95W	COC-62162
Federal PA	314-30	NWSW Sec. 30, T6S, R95W	COC-62162
Federal PA	322-31	SWNW Sec. 31, T6S, R95W	COC-62162
Federal PA	323-30	NESW Sec. 30, T6S, R95W	COC-62162
Federal PA	324-30	SESW Sec. 30, T6S, R95W	COC-62162
Federal PA	411-31	NWNW Sec. 31, T6S, R95W	COC-62162
Federal PA	412-31	SWSW Sec. 31, T6S, R95W	COC-62162
Federal PA	422-31	SESW Sec. 31, T6S, R95W	COC-62162
Federal PA	424-30	SESW Sec. 30, T6S, R95W	COC-62162
Federal GM	444-25	SESE Sec. 25, T6S, R96W	COC-62163
Federal PA	511-31	NWNW Sec. 31, T6S, R95W	COC-62162
Federal PA	524-30	SESW Sec. 30, T6S, R95W	COC-62162

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

Please contact Steve Ficklin (970-947-5213) or Jon Cavanaugh (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

SURFACE USE CONDITIONS OF APPROVAL

Conditions of Approval attached to DOE PM 2-31 (Well Pad) will apply and remain in full force and effect.

1. Road Upgrades and Maintenance. To provide road drainage on steep grades, the operator shall install and maintain Best Management Practices (BMPs) that include but are not limited to aggregate surfacing, waterbars, culverts, and inboard ditches designed to minimize rilling, rutting, and erosion.
2. Pipeline Installation. During pipeline burial, the operator shall stockpile excavated material in a way that avoids side casting onto steep slopes and construction activities shall be restricted to existing disturbance.