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: CO140-2008-023

Project: (Helmer Gulch EA CO140-2006-084) Leverich COC 72164 (35-ft. access road), COC 72164A (12-in. buried natural gas pipeline), COC 72164B (4-in. flex-pipe produced water pipeline).

Proposed construction of access road, natural gas pipeline, and produced water pipeline across public lands in T. 6 S. R. 93 W, sec. 30, to access private lands and minerals in sec. 31, for development and transportation of natural gas resources and produced water.

Surface Location: T. 6 S., R. 93 W., sec. 30, NE¼SW¼, 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 72164) to access private lands located in T. 6 S., R. 93 W., sec. 30, SE¼, Garfield County, Colorado, 6th PM. The permanent right-of-way would be 35-ft wide, 4,341-ft long right-of-way (3.49 acres) which includes approximately 106-ft (0.085 acres) of actual new surface disturbance. The remaining 3910 ft (2.563 acres) includes an existing road. Approximately 325-ft (0.261) includes already disturbed areas. A 15-ft temporary use area (1.494 acres) would also be used during construction of the right-of-way.

This right-of-way would also include 350 feet of a 12-in. welded steel natural gas pipeline (COC 72164A) and a 4-inch flex-pipe line for produced, drilling, and completion waters (COC 72164B). These pipelines would be buried within a common trench area alongside the access road and separated by sand bags. The pipelines would be tied into an existing Canyon Gas pipeline (COC 70219). Both lines would be buried a minimal of 60-inches from the top of the pipe to the surface.

Conditions of Approval: Surface use Stipulations developed for this action would be attached to the approved Right-of-Way Grant.

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.* The RM11 well pad was previously addressed by Helmer Gulch GAP EA CO140-2006-084 (July 2006).

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

Section 30

Serial No.	Company	Aliq Loc	Case Type	Status
COC 64181	Laramie Energy II LLC	S2NE,SESW,SE;	O&G Lease	Authorized
COC 66794	EnCana O&G USA	SESW,SE;	R/W Pipeline	Authorized
COC 6679401	EnCana O&G USA	SWSE;	R/W (Temp Road)	Expired
COC 69594	Petrogulf Corp	ALL	O&G CA	Authorized
COC 70218	Petrogulf Corp	SE;	R/W Prod Wtr Pipe	Authorized
COC 670219	Canyon Gas Res	SE;	R/W Pipeline	Authorized
COC 030996	Public Serv Co Colo	SENE,NWSE;	R/W Pwr Trans	Authorized
COC 051718	Seas Oil Corp	SESW;	R/W Pipeline	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.

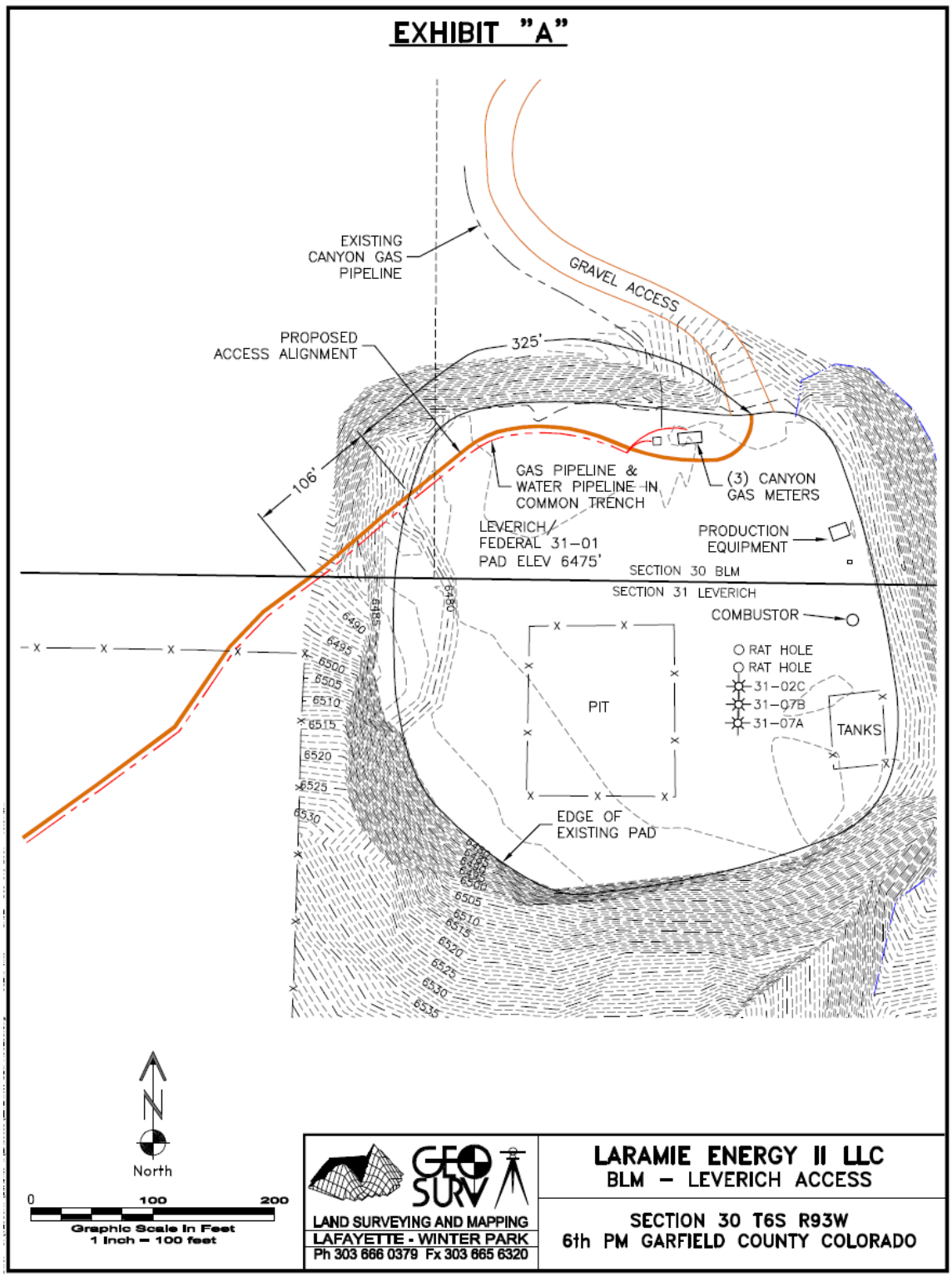
Acting

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

02/21/2008
Date

EXHIBIT A

Laramie Energy II LLC **February 2008**



Leverich Federal 31-01 Well Pad Location

EXHIBIT A (1)

Laramie Energy II LLC **February 2008**

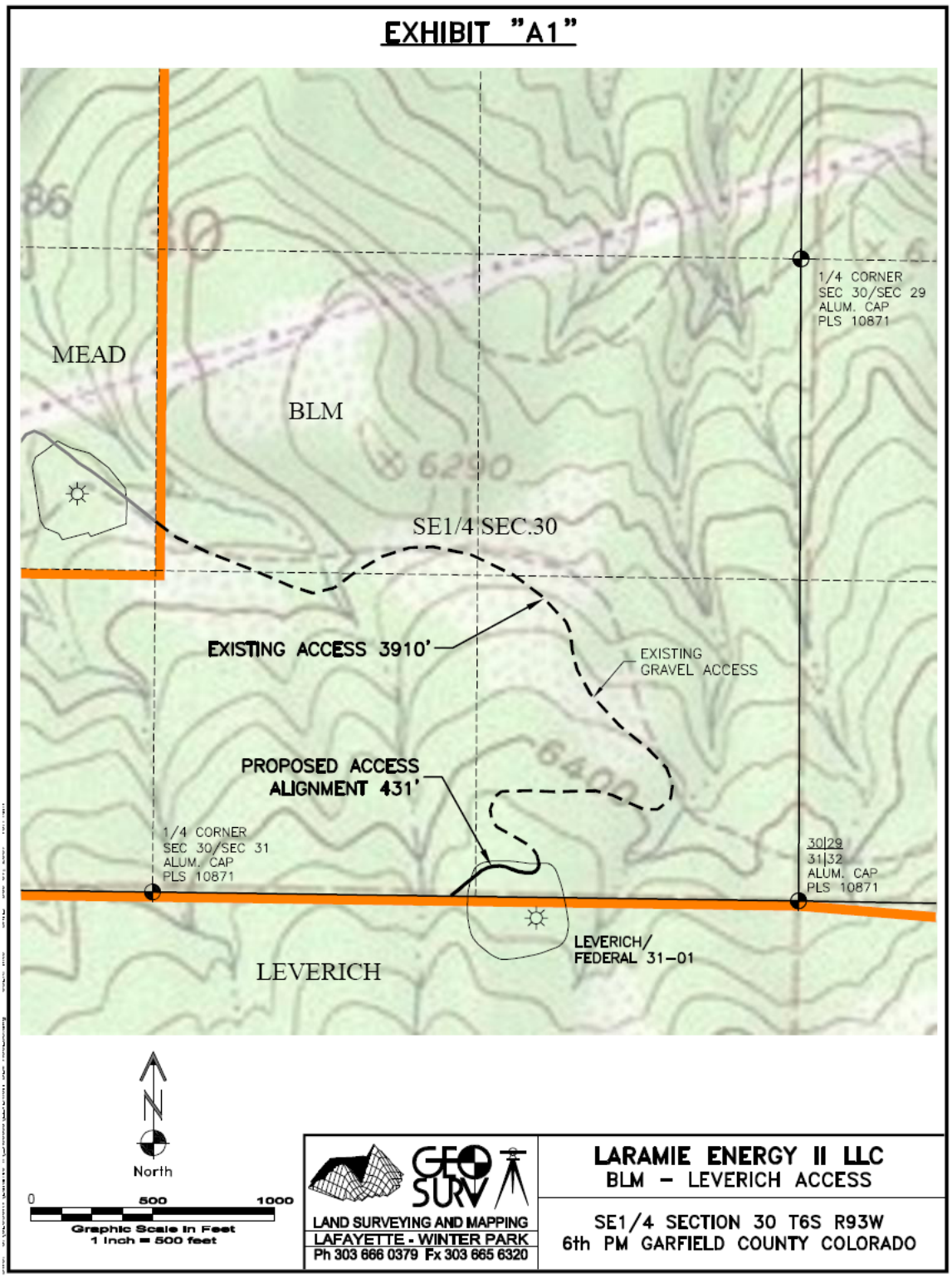


EXHIBIT B
STIPULATONS
Statutory Categorical Exclusion
CO140-2008-023
Laramie Energy II, LLC.
COC 72164, COC 72164A, COC 72164B
Access Road, Natural Gas Pipeline, Produced Water Pipeline

1. 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.**
2. 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
3. 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.
4. 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.
5. All trash shall be confined in a covered container and hauled to an approved landfill. Burning of waste or oil is not approved.
6. 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. (Contact Beth Brenneman, Ecologist, 970-947-5232 or
7. 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.
8. 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 shall 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 shall 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 shall inform the operator as to:

- whether the materials appear eligible for the National Register of Historic Places
- what mitigation measures the holder shall 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 shall 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 shall 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 shall be subject to arrest and penalty of law (16 USC 433, 16 USC 470, 18 USC 641, 18 USC 1170, and 18 USC 1361).

9. 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 shall be protected until notified by the BLM authorized officer to proceed.

   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 shall, 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.

10. *Ips* Beetle. To avoid pinyon tree mortality caused by infestations of the *Ips* beetle, any pinyon trees disturbed during road, pad, or pipeline construction work 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.

11. Winter Big Game TL. To protect winter wildlife habitat, no pipeline construction shall be allowed on BLM administered lands from January 1 to March 1. Exception: Under mild winter conditions, the

last 60 days of the five-month seasonal limitation period may be suspended after consultation with the CDOW (Colorado Division of Wildlife). Contact Jeff Cook, GSEO Wildlife Biologist, at 970-947-5231 or jeffrey_cook@blm.gov .

12. Wetlands and Riparian Zones. The operator shall restore temporarily disturbed wetlands or riparian areas. Disturbances to the riparian zone shall be recontoured and reclaimed after installation of pipe. 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 Jeff O'Connell, GSEO Hydrologist, at 970-947-5215 or jeffrey_o'connell@blm.gov.

13. Dust Abatement. The operator shall implement dust abatement measures as needed or directed by the BLM authorized officer.

14. Visual Resources. The proposed construction area is located in an area classified as Visual Resource Management (VRM) Class IV in the Glenwood Springs Resource Area (GSRA) 1984 Resource Management Plan (RMP).

    The following stipulations relate to reducing visual contrasts in the landscape, per the Helmer Gulch CO2006-084 Environmental Assessment:

    - All above-ground facilities shall be painted the following standard environmental color: Shale Green (5Y 4/2) to blend in with the vegetation background;
    - In areas viewed from I-70, clearing of vegetation may be required to feather and undulate the edges of the corridors. Contact D.J. Beaupeurt, Realty Specialist, for specifications at 970-947-5226 or dj_beaupeurt@blm.gov.
    - Efforts shall be made to leave as much existing vegetation as possible to screen the excavated disturbances.
    - During reclamation, vegetation debris and rocks shall be scattered intermittently throughout the corridor to break up color, texture, and form contrasts.
    - During the reclamation of cut and fill slopes, efforts shall be made to re-contour the slopes back to the original landscape as much as possible.
    - Final reclamation of all temporary construction areas shall begin as soon as possible and restored to preconstruction conditions as near as possible to reduce the exposure time of bare areas

15. Reclamation. The 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 until more than 1 year has elapsed following the surface disturbance.

    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 shall 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 percentage 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.

   Note that temporary reclamation allows use of a seed mix containing sterile hybrid non-native annual species in addition to native perennial species. Note also that for both temporary and interim reclamation, the BLM seed mixes no longer include forbs (broadleaf herbaceous species) or shrubs.

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 shall 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 shall be used in temporary reclamation or in areas where drill-seeding or broadcast-seeding/raking are impracticable. Hydroseeding and hydromulching shall 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 reseedings until interim reclamation standards are met. Requirements for reseeding of unsuccessful temporary reclamation shall 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 shall be considered firmly established when at least 50 percent of the new plants are producing seed. The authorized officer shall 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.

h. Deadline for Temporary and Interim Reclamation. The operator shall be allowed to construct the well pad to the maximum expected pad size necessary to drill and complete the number of wells proposed for this location. After 1 year from spudding the initial well, or 1 year after spudding any successive well(s), the operator shall implement and complete the standard interim reclamation practices identified above OR submit proposed best management practices to be approved by the authorized officer that shall be implemented on the "open" pad to control stormwater runoff, weed control, wildlife protection, dust abatement, and/or visual resource management. Areas subject to interim reclamation but scheduled to remain in a disturbed condition for more than 1 year shall undergo temporary reclamation, as described above. Contact Beth Brenneman, Glenwood Springs Energy Office Ecologist, at 970-947-5232 or beth_brenneman@blm.gov.

16. 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) shall 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.