

**U.S. Department of the Interior
Bureau of Land Management
Glenwood Springfield Office
2300 River Frontage Road
Silt, Colorado 81652**

Statutory Categorical Exclusion, DOI-BLM-C0-N040-2009-0105-SCX

Proposal: A proposal to modify the Sunnyside water pipeline system between the C17OU Pad and the E28OU Pad along the existing Collbran pipeline corridor to (1) increase the size of the water pipeline from 8-inch diameter flexsteel line to a 10-inch diameter steel pipeline to serve as the main water trunk line for the Orchard Unit, (2) expand the disturbance width of the pipeline corridor by 18 feet on a 3,000-foot segment of the water pipeline off the south slope of Samson Mesa to avoid construction conflicts with existing gas pipelines, (3) extend a lateral 6-inch steel water pipeline from the main water trunk line to the F21OU pad to serve the planned injection wells at that location, and (4) install an additional 6-inch diameter steel water pipeline within the same trench as the 10-inch diameter steel line from the F21OU lateral connection point to the EnCana property line in Section 29 to provide a future pipeline option for gas or water transport while avoiding conflicts with a known cultural site on the south edge of Samson Mesa.

Location: Township 8 South, Range 96 West, Sections 20, 21 and 29, Sixth Principal Meridian, Mesa County, Colorado.

Project Description: The Sunnyside water pipeline project lies approximately 5 miles east of DeBeque, Colorado, within the Orchard Federal Unit.

The proposed water pipeline changes would result in an increase in surface disturbance of 1¼ acres (3,000 feet x 18 feet) in order to safely install the 10-inch and 6-inch steel water pipelines along the steeper stretch of Collbran pipeline corridor as it drops off the south end of Samson Mesa to the E28OU pad (Figure 1). The upgrade of the water pipeline from 8-inch flexsteel line to 10-inch steel line has no direct bearing on the additional disturbance needs. The wider corridor is required to achieve safe working distance from the recently installed Collbran gas line. The 18-foot expansion would occur along the west side of the Collbran corridor. Trees would be hydroaxed within the expanded corridor to accomplish the vegetative clearing.

About 400 feet of the proposed buried water lines (10-inch and 6-inch steel) would be installed through a known cultural site located at the southern extent of Samson Mesa. This work must be accomplished without any additional surface disturbance outside the existing Collbran corridor. A construction fence would be installed along this 400-foot segment to clearly delineate the allowable work boundaries. EnCana has chosen to install the 6-inch line in the same trench as the 10-inch main line to provide for future pipeline expansion since it has become apparent that there is little room to accommodate any additional pipelines in the Collbran corridor after the Sunnyside lines are installed.

The 6-inch buried steel water pipeline would serve the planned injection wells being proposed on the F21OU pad. The line would run as a lateral from the 10-inch water main line and would be installed between the existing gas pipeline serving the F21OU well and the road ditch. Hence, no additional surface disturbance would occur to install the 6-inch lateral water line (Figure 2).

These water pipeline upgrades would help augment the water-gathering system within the Orchard Unit, and satisfy a portion of the Centralized Water Collection Condition of Approval identified in recently approved Orchard Master Development Plan (OMDP, page D-24). Use of the buried line to convey produced water between the two disposal wells on the two pads would reduce a substantial amount of truck traffic and associated impacts (Figure 3). The water pipeline upgrades would be installed along the disturbance corridor of the Collbran gas pipeline (BLM ROW grant COC72189); all work would adhere to the terms and conditions of the Collbran pipeline right-of-way grant. Aside from the 1¼ acre of new disturbance off the south end of

Samson Mesa, the Sunnyside water pipeline upgrades would be restricted to the existing Collbran pipeline disturbance corridor.

The Sunnyside water pipeline would be installed prior to the onset of the 60-day Condition of Approval for protection of big game winter habitat (January 1 through March 1 annually). Total length of the Sunnyside water pipeline would be 16,110 feet, with 6900 feet occurring on public land. The F21OU lateral would account for an additional 2000 feet of pipeline occurring on public land. Since the pipeline would be installed entirely within the Orchard Unit, the action would be authorized with a Sundry Notice.

The original Sunnyside buried gas pipeline upgrade occurred in 2007 and was analyzed in EA #CO140-2007-076. The F21OU gas pipeline was installed in summer 2005 and analyzed in EA#CO140-2005-046.

BLM Lease Stipulations and Conditions of Approval: Specific Conditions of Approval that would be included in the Sundry Notice for this action are attached.

NEPA Compliance: The following category of Categorical Exclusions pursuant to Section 390 of the Energy Policy Act (Act of 2005) applies to this proposal: #4. *Placement of a pipeline in an approved right-of-way corridor, so long as the corridor was approved within five (5) years prior to the date of placement of the pipeline.*

Prepared by: Jim Byers, Natural Resource Specialist 10/5/09

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

10.6.09

Date

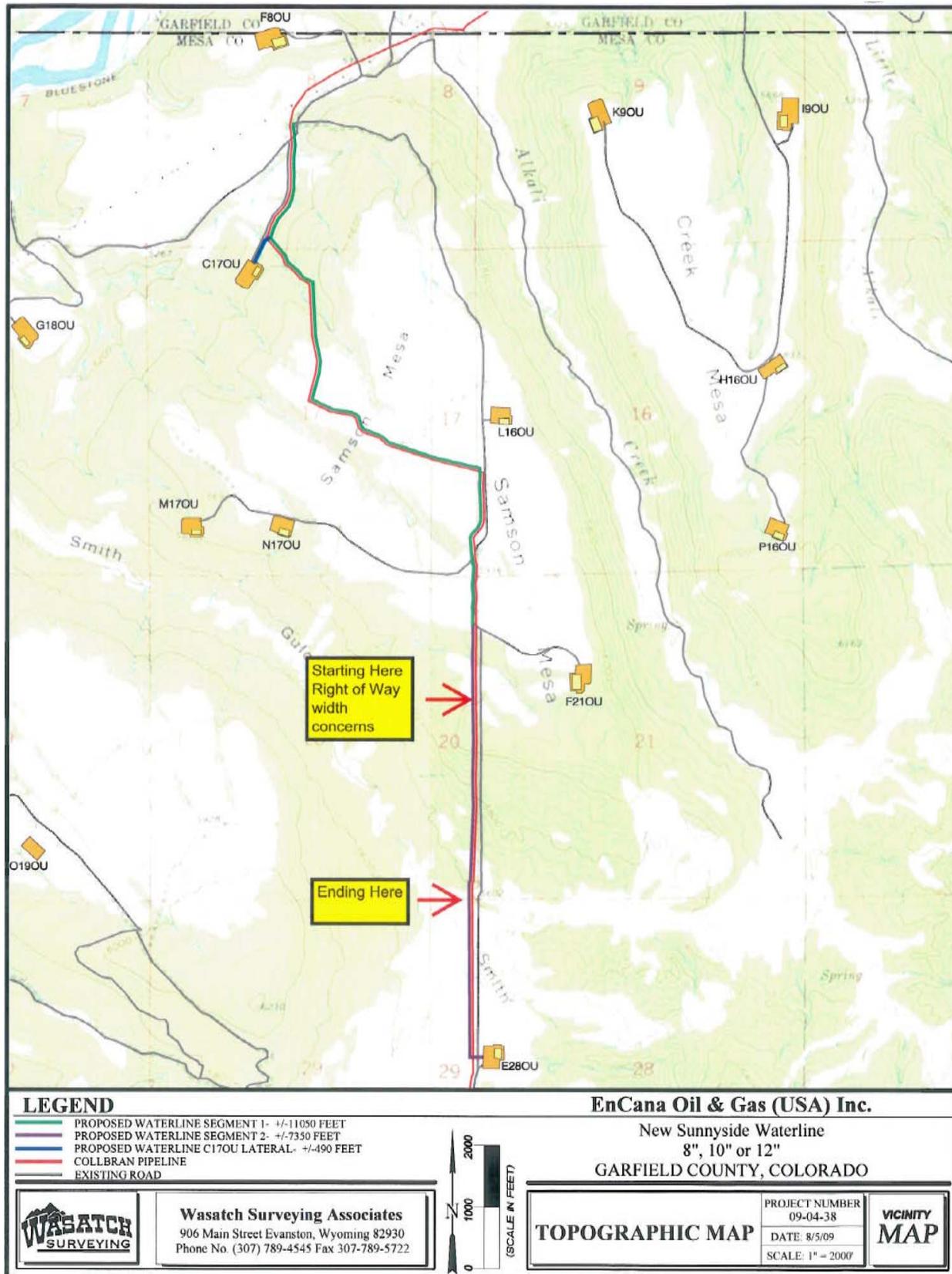


Figure 1. Proposed 18-foot disturbance width segment for the Sunnyside Water Pipeline

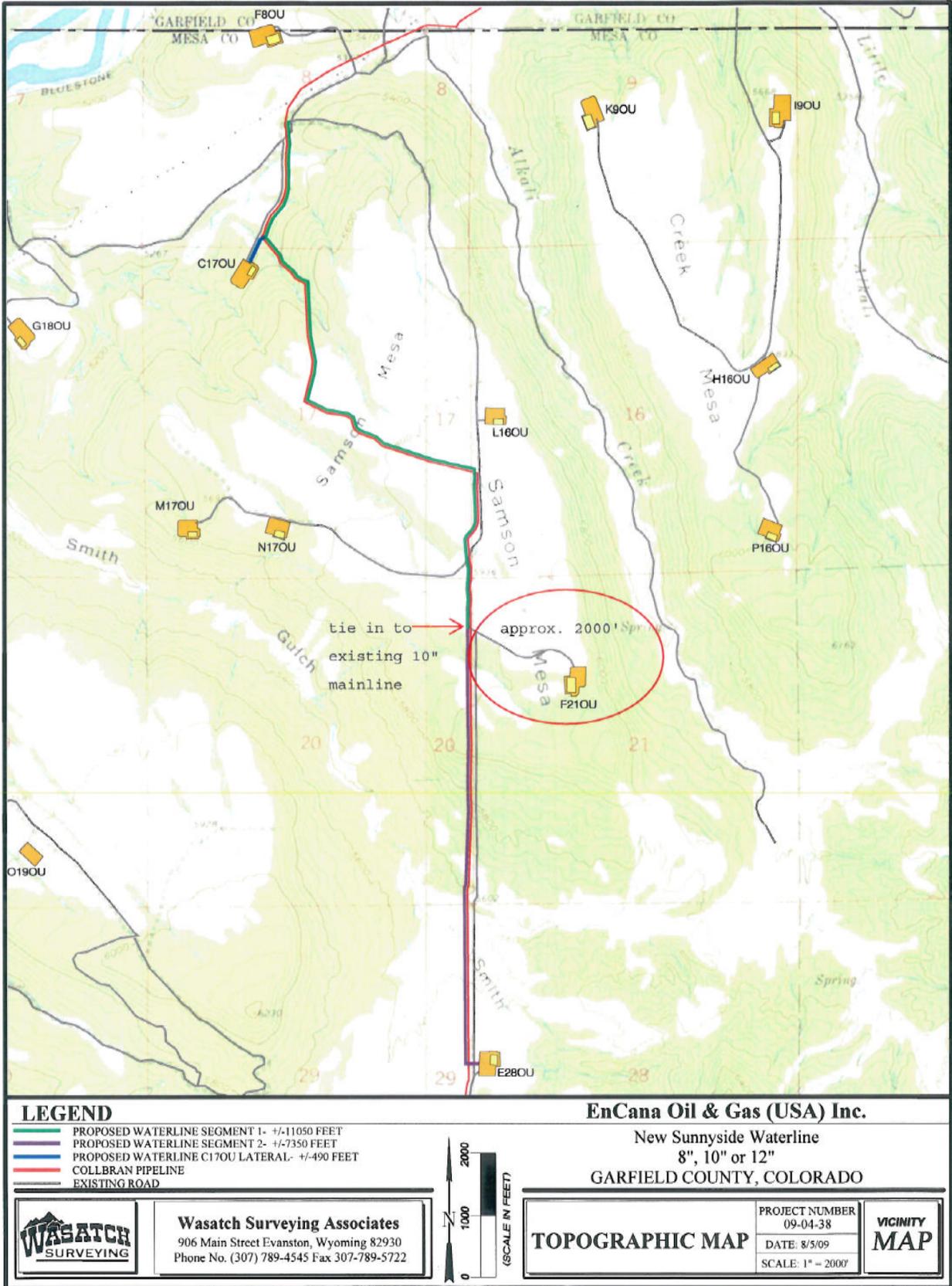


Figure 2. Proposed lateral 6-inch steel water pipeline serving the F210U pad.

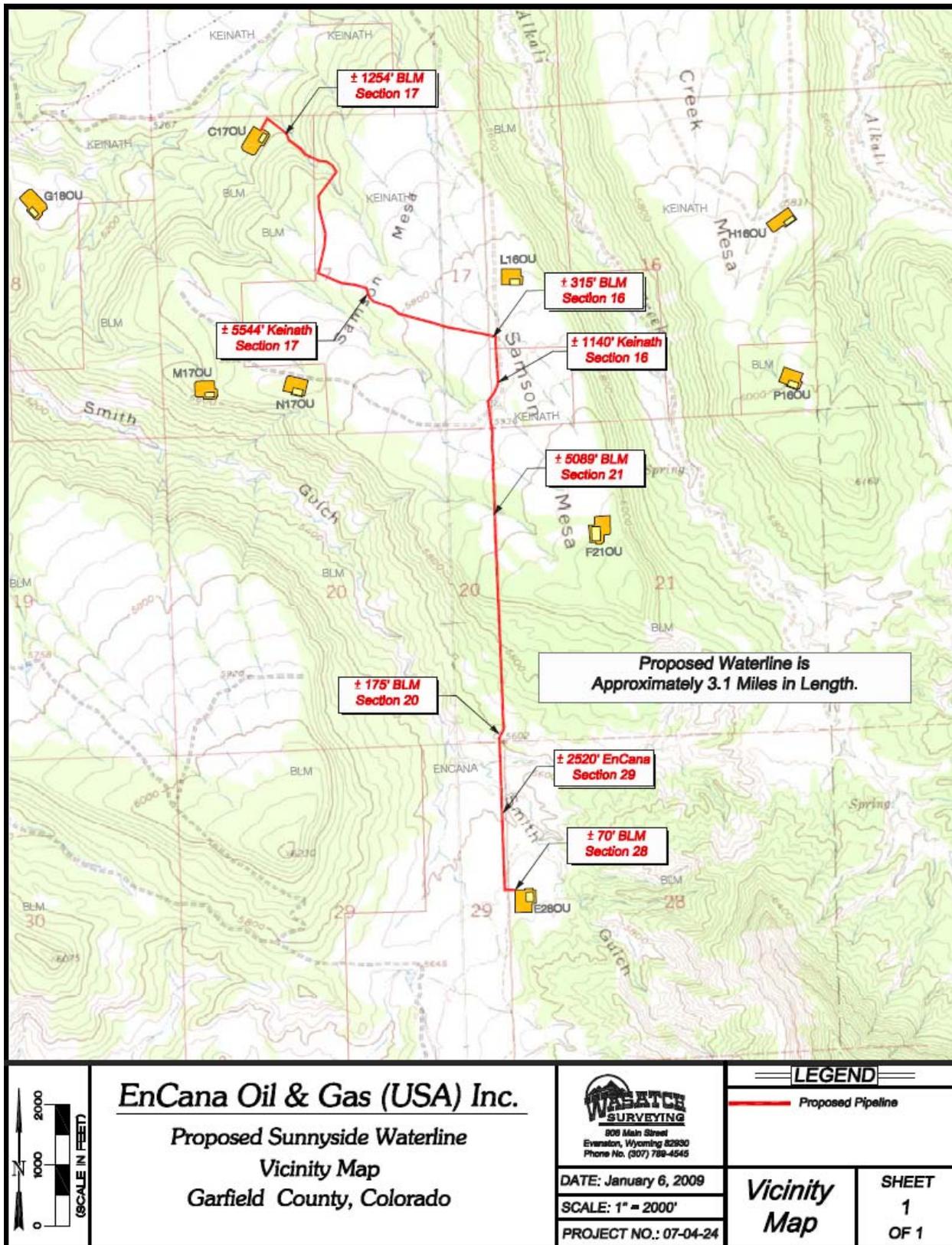


Figure 3. Proposed Sunnyside Water Pipeline Project.

**SURFACE USE CONDITIONS OF APPROVAL
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1. Startup Notification. The operator shall notify the BLM representative at least at 48 hours prior to initiation of construction. A meeting at the project site shall occur with EnCana and BLM representatives prior to construction startup.
2. Application of Collbran Pipeline Right-of-Way Grant (COC72189) Terms and Conditions. All terms and conditions listed in the right-of-way grant shall apply and remain in full force and effect, unless superseded by stipulations included in this exhibit. The installation of the buried water pipeline shall occur within the established disturbance limits of the Collbran Pipeline right-of-way. EnCana, or its subcontractor, shall be responsible for installing the 10-inch diameter flexpipe water pipeline in a buried trench that would be located approximately 8 feet from the Collbran gas pipeline trench.
3. Project Reclamation. Since the installation of EnCana's Sunnyside water pipeline will occur within the same pipeline corridor but after Enterprise's Collbran pipeline was constructed, EnCana and its subcontractor(s) shall install and reclaim the water pipeline to the same standards as identified in the Collbran pipeline Environmental Assessment and its associated Terms and Conditions of Right-of-Way Grant COC72189.
4. Agreements with Other Holders. The holder of this right-of-way shall obtain an agreement with Enterprise and any other holders of right-of-way grants for all or a portion of this right-of-way area prior to any disturbance or construction across or adjacent to an 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. Construction that disturbs any flowing stream shall utilize either a piped stream diversion or 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. 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 (USACE) recommends designing drainage crossings for the 100-year event. Contact the USACE Colorado/Gunnison Basin Regulatory Office at 970-243-1199.

Pipelines installed beneath stream crossings shall be buried at a minimum depth of 4 feet below the channel substrate to avoid exposure by channel scour and degradation. Following burial, the channel grade and substrate composition shall be returned to pre-construction conditions.

6. Jurisdictional Waters of the U.S. The operator shall obtain appropriate permits from the USACE prior to discharging fill material into waters of the U.S. in accordance with Section 404 of the Clean Water Act. Waters of the U.S. are defined in 33 CFR Section 328.3 and may include wetlands as well as perennial, intermittent, and ephemeral streams. Permanent impacts to waters of the U.S. may require mitigation. Contact the USACE Colorado/Gunnison Basin Regulatory Office at 970-243-1199.

7. 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.
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 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 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.

Sundry Notice for Sunnyside Water Pipelines and F21OU 6" Lateral Water Line
Operator: EnCana Oil & Gas (USA) Inc.

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).

9. Cultural Resource Site Protection. No additional surface disturbance shall be allowed along the Collbran Pipeline corridor within the vicinity of the existing cultural site located at the south edge of Samson Mesa. This section of the Sunnyside water pipeline shall be installed within the existing disturbance corridor. A construction fence shall be installed along both east and west sides of the corridor to delineate the working area.
10. 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 **January 1 to March 1** annually.
11. Raptor Nesting. Raptor nest surveys for the Environmental Assessment for the Orchard Master Development Plan for Oil and Gas Development completed in 2008 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. Therefore, a Raptor Nesting Timing Limitation COA is not attached to this SCX. 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, drilling, or completion activities 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.