

U.S. Department of the Interior
 Bureau of Land Management
 Colorado River Valley Field Office
 2300 River Frontage Road
 Silt, Colorado 81652

Statutory Categorical Exclusion, DOI-BLM-CO-N040-2010-0077-SCX

Project: Proposal to Bury Existing Surface Pipelines Serving the DOE1-M-25 and DOE1-M-35 Well Pads in Hayes Gulch northeast of Parachute.

Location: (DOE1-M-25 Pad): Township 6 South (T6S), Range 96 West (R96W), Section 25, Lot 1, SE¼SW¼, Section 36, Lot 1 NE¼NW¼; (DOE1-M-35 Pad): T6S, R96W, Section 35, Lots 9, 10 and 16, Sixth Principal Meridian.

Proposal: Williams Production RMT Company (“Williams”) proposes to remove the existing surface pipeline segments serving the DOE1-M-25 and DOE1-M-35 pads and bury the lines alongside the existing access roads. The pipelines, listed in Table 1 and shown on Figure 1, would be buried to resolve freezing problems that have arisen during winter weather. The surface line segments to be removed would be purged of gas and fluids, severed and sectioned, pulled across the ground surface and removed to an appropriate recycling location or storage yard on private land.

Table 1. Proposed Surface Pipelines to be Buried Along Access Roads			
<i>Well Pad</i>	<i>Pipeline Type to be Buried</i>	<i>Total Length</i>	<i>Length on BLM</i>
DOE1-M-25 Pad	One 8-inch Steel Gas Pipeline One 4-inch Steel Gas Pipeline One 5-inch Poly Water Line Three 2-inch Condensate Lines	3,223 feet	2,259 feet
DOE1-M-35 Pad	One 8-inch Steel Gas Pipeline One 4-inch Steel Gas Pipeline One 5-inch Poly Water Line Three 2-inch Condensate Lines	2,497 feet	2,497 feet

To accomplish the pipeline burials, an additional 15 feet of new surface disturbance would be needed alongside the existing roads serving the pads. The lines would generally be buried along the ditch side of the road. All six of the various line types would be buried within the same trench. This work would be accomplished during summer-fall 2010 and would be completed prior to the onset of the big game winter timing limitation (December 1, 2010).

For the DOE1-M-25 pad, the short-term disturbance (15 feet x 3,223 feet) project would be 1.1 acres with 0.8 acre occurring on public land. For the DOE1-M-35 pad, the short-term disturbance (15 feet x 2,497 feet) would be 0.9 acre, all occurring on public land. With the successful reclamation of the disturbed pipeline corridors, no long-term disturbance would result from these actions.

Resource surveys including sensitive plant and raptor resources were completed relative to the Approval of the Environmental Assessment #CO140-2007-0001-EA, “Proposed Grand Valley and Rulison Clustered Plans of Development (CPODs) as a Pilot Study to Assess Impacts on Mule Deer of Winter Oil and Gas Operations.” A new cultural resource raptor survey was conducted in August 2010 of the proposed project area with no findings recorded.

Lease Stipulations: Federal lease COC62163, covering the actions related to the DOE1-M-25 pipeline burial, has the following lease stipulations:

- **Timing Limitation for Protection of Big Game Winter Habitat (12/1 – 4/30).** Exception may be granted under mild winter conditions for the last 60 days after consultation with CDOW
- **Controlled Surface Use - Erosive Soil and Slopes Great than 30%.** Special design, construction, operation, and reclamation measures will be required to limit the amount of surface disturbance, to reduce erosion potential, to maintain site stability and productivity, and to insure successful reclamation in identified areas of highly erosive soils and of slopes greater than 30%. Highly erosive soils are soils in the “severe” and “very severe” erosion classes based on NARCS Erosion Condition mapping. Area identified in the RMP as Erosion Hazard Areas and Water Quality Management Areas are also included in this stipulation. Implementation may also include relocation of operation beyond 200 meters.

Federal lease COC27743, covering the actions related to the DOE1-M-35 pipeline burial, has the following lease stipulations:

- **Surface Disturbance:** The plan of operation must assure adequate protection of drainages, waterbodies, springs, or fish and wildlife habitat, steep slopes or fragile soil. The lessee agrees that during periods of adverse conditions due to the climactic factors such as thawing, heavy rains, or flooding, all activities creating irreparable or extensive damage, as determined by the surface managing agency, will be suspended or the plan of operation modified and agreed upon.
- **Protection of Cultural Resources.** The COAs listed in Appendix A identify the updated language for cultural resource protection.

BLM Conditions of Approval: Conditions of Approval (COAs) that would be included on the Applications for Permit to Drill (APDs) 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:

Category #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.

The initial installation of the surface pipelines was authorized in Environmental Assessment #CO140-2007-0001-EA (Proposed Grand Valley and Rulison Clustered Plans of Development (CPODs) as a Pilot Study to Assess Impacts on Mule Deer of Winter Oil and Gas Operations), which was approved on November 6, 2006. According to BLM Instruction Memorandum No. 2005-247, categorical exclusion #4 allows an existing roadbed may be used as a conduit for a new pipeline provided that the additional disturbance needed to safely install the new pipeline falls within the original corridor. This pipeline burial satisfies the conditions established in the memo since the pipelines would be buried within the initial road disturbances.

Extraordinary Circumstances Review for Statutory Categorical Exclusions: Before any Energy Policy Act Statutory Categorical Exclusion (SCX) is used, a sufficient review to determine if any of the following extraordinary circumstances apply must be conducted (516 DM 2, Appendix 2). If any of the extraordinary circumstances are applicable to the action being considered, either an EA or EIS must be

prepared for the action. Part 516 of the Departmental Manual (516 DM 2, Appendix 2) states that extraordinary circumstances exist for individual actions within SCXs that may:

- 2.1 Have significant impacts on public health or safety.
- 2.2 Have significant impacts on such natural resources and unique geographic characteristics as historic or cultural resources; park, recreation or refuge lands; wilderness areas; wild or scenic rivers; national natural landmarks; sole or principal drinking water aquifers; prime farmlands; wetlands (Executive Order 11990); floodplains (Executive Order 11988); national monuments; migratory birds; and other ecologically significant or critical areas.
- 2.3 Have highly controversial environmental effects or involve unresolved conflicts concerning alternative uses of available resources [NEPA Section 102(2)(E)].
- 2.4 Have highly uncertain and potentially significant environmental effects or involve unique or unknown environmental risks.
- 2.5 Establish a precedent for future action or represent a decision in principle about future actions with potentially significant environmental effects.
- 2.6 Have a direct relationship to other actions with individually insignificant but cumulatively significant environmental effects.
- 2.7 Have significant impacts on properties listed, or eligible for listing, on the National Register of Historic Places as determined by either the bureau or office.
- 2.8 Have significant impacts on species listed, or proposed to be listed, on the List of Endangered or Threatened Species, or have significant impacts on designated Critical Habitat for these species.
- 2.9 Violate a Federal law, or a State, local, or tribal law or requirement imposed for the protection of the environment.
- 2.10 Have a disproportionately high and adverse effect on low income or minority populations (Executive Order 12898).
- 2.11 Limit access to and ceremonial use of Indian sacred sites on Federal lands by Indian religious practitioners or significantly adversely affect the physical integrity of such sacred sites (Executive Order 13007).
- 2.12 Contribute to the introduction, continued existence, or spread of noxious weeds or non-native invasive species known to occur in the area or actions that may promote the introduction, growth, or expansion of the range of such species (Federal Noxious Weed Control Act and Executive Order 13112).

The proposed action has been reviewed, and none of the extraordinary circumstances described in 516 DM 2 applies to this project. Therefore, use of this statutory categorical exclusion is appropriate.

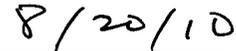
Prepared by: Jim Byers, Natural Resource Specialist 8/11/10

Contact Person: For additional information concerning this SCX review, contact Jim Byers, Natural Resource Specialist, Colorado River Valley Field Office, 2300 River Frontage Road, Silt, CO 81652 (phone: 970.876.9056).

Approval: It is my decision to approve the proposed action with the attached Conditions of Approval that will mitigate the expected impacts related to this project.



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



Date

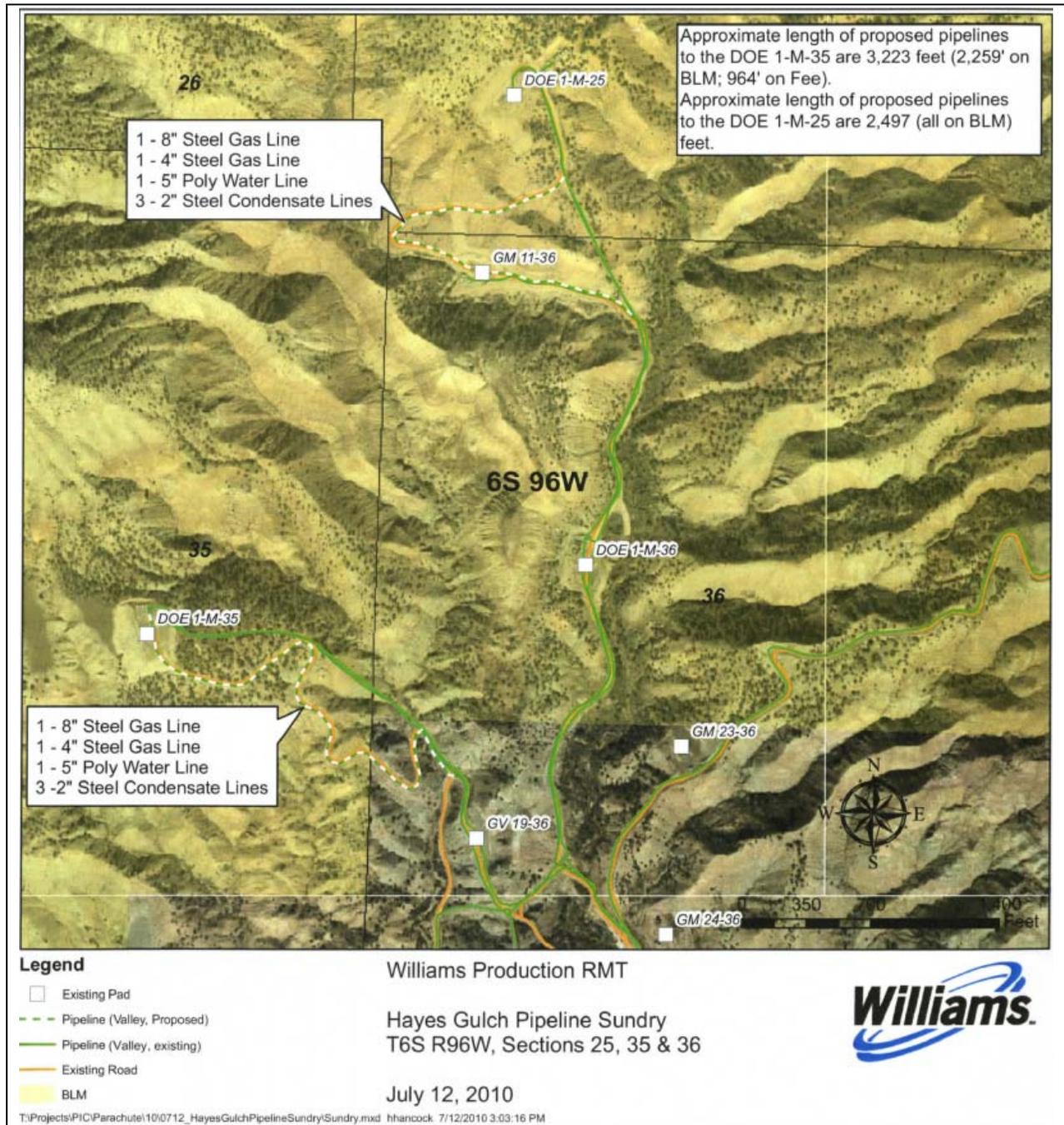


Figure 1. Project Location Map

**SURFACE USE CONDITIONS OF APPROVAL
DOI-BLM-CO-N040-2010-0077-SCX**

1. Startup Notification. The operator shall notify the BLM representative at least at 48 hours prior to initiation of construction.
2. Ancillary Facility Paint Color. The paint color to be used on any surface facilities related to the pipeline installations such as valve blocks, launchers or receivers shall be **Shadow Gray**.
3. Road Maintenance. Roads shall be crowned, ditched, surfaced, drained with culverts and/or water dips, and constructed to BLM Gold Book standards. Initial gravel application shall be a minimum of 6 inches. The operator shall provide timely year-round road maintenance and cleanup on the access roads. A regular schedule for maintenance shall include, but not be limited to, blading, ditch and culvert cleaning, road surface replacement, and dust abatement. When rutting within the traveled way becomes greater than 6 inches, blading and/or gravelling shall be conducted as approved by the authorized officer.
4. 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.
5. 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). Specific measures to follow during interim and temporary (pre-interim) reclamation are described below.
 - a. Reclamation Plans. In areas that have low reclamation potential or are especially challenging to restore, reclamation plans will be required prior to APD approval. The plan shall contain the following components: detailed reclamation plans, which include contours and indicate irregular rather than smooth contours as appropriate for visual and ecological benefit; timeline for drilling completion, interim reclamation earthwork, and seeding; soil test results and/or a soil profile description; amendments to be used; soil treatment techniques such as roughening, pocking, and terracing; erosion control techniques such as hydromulch, blankets/matting, and wattles; and visual mitigations if in a sensitive VRM area.
 - b. Deadline for Interim Reclamation Earthwork and Seeding. Interim reclamation to reduce a well pad to the maximum size needed for production, including earthwork and seeding of the interim reclaimed areas, shall be completed within 6 months following completion of the last well planned for the pad. Reclamation, including seeding, of temporarily disturbed areas along roads, pipelines, and topsoil piles and berms, shall be completed within 30 days following completion of construction.

If requested by the project lead NRS for a specific pad or group of pads, the operator shall contact the NRS by telephone or email approximately 72 hours before reclamation and reseeding begin. This will allow the NRS to schedule a pre-reclamation field visit if needed to ensure that all parties are in agreement and provide time for adjustments to the plan before work is initiated.

The deadlines for seeding described above are subject to extension upon approval of the BLM based on season, timing limitations, or other constraints on a case-by-case basis. If the BLM approves an extension for seeding, the operator may be required to stabilize the reclaimed surfaces using hydromulch, erosion matting, or other method until seeding is implemented.

- c. Topsoil Stripping, Storage, and Replacement. All topsoil shall be stripped following removal of vegetation during construction of well pads, pipelines, roads, or other surface facilities. In areas of thin soil, a minimum of the upper 6 inches of surficial material shall be stripped. The BLM may specify a stripping depth during the onsite visit or based on subsequent information regarding soil thickness and suitability. The stripped topsoil shall be stored separately from subsoil or other excavated material and replaced prior to final seedbed preparation. The BLM best management practice (BMP) for the Windrowing of Topsoil (COA #14) shall be implemented for well pad construction whenever topography allows.
- d. Seedbed Preparation. For cut-and-fill slopes, initial seedbed preparation shall consist of backfilling and recontouring to achieve the configuration specified in the reclamation plan. For compacted areas, initial seedbed preparation shall include ripping to a minimum depth of 18 inches, with a maximum furrow spacing of 2 feet. Where practicable, ripping shall be conducted in two passes at perpendicular directions. Following final contouring, the backfilled or ripped surfaces shall be covered evenly with topsoil.

Final seedbed preparation shall consist of scarifying (raking or harrowing) the spread topsoil prior to seeding. If more than one season has elapsed between final seedbed preparation and seeding, and if the area is to be broadcast-seeded or hydroseeded, this step shall be repeated no more than 1 day prior to seeding to break up any crust that has formed.

Seedbed preparation is not required for topsoil storage piles or other areas of temporary seeding.

Requests for use of soil amendments, including basic product information, shall be submitted to the BLM for approval.

- e. Seed Mixes. 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 May 1, 2008). Note that temporary seeding no longer allows the use of sterile hybrid non-native species.

For private surfaces, the menu-based seed mixes are recommended, but the surface landowner has ultimate authority over the seed mix to be used in reclamation. The seed shall contain no noxious, prohibited, or restricted weed seeds and shall contain no more than 0.5 percent by weight of other weed seeds. 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 submitted to BLM 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.

- f. Seeding Procedures. Seeding shall be conducted no more than 24 hours following completion of final seedbed preparation.

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 or by hydroseeding and hydromulching. 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 reseeding until interim reclamation standards are met.

- g. Mulch. Mulch shall be applied within 24 hours following completion of seeding. Mulch may consist of either hydromulch or of certified weed-free straw or certified weed-free native grass hay crimped into the soil.

NOTE: Mulch is not required in areas where erosion potential mandates use of a biodegradable erosion-control blanket (straw matting).

- h. 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 BLM. Cut-and-fill slopes along drainages or in areas with high erosion potential shall also be protected from erosion using hydromulch designed specifically for erosion control or biodegradable blankets/matting, bales, or wattles of weed-free straw or weed-free native grass hay. A well-anchored fabric silt fence shall also be placed at the toe of cut-and-fill slopes along drainages or to protect other sensitive areas from deposition of soils eroded off the slopes. Additional BMPs shall be employed as necessary to reduce soil erosion and offsite transport of sediments.
 - i. 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 percent of the new plants are producing seed. The BLM will approve the type of fencing.
 - j. Monitoring. The operator shall conduct annual monitoring surveys of all sites categorized as "operator reclamation in progress" and shall submit an annual monitoring report of these sites to the BLM 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 BLM.
6. 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. Annual weed monitoring reports shall be submitted by **December 31**.
7. 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.

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 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).

9. Raptor Nesting. To ensure compliance with the Migratory Bird Treaty Act (MBTA) with respect to nesting raptors, 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 this period cannot be avoided, the operator is responsible for complying with the MBTA, which prohibits the “take” of birds or active nests (those containing eggs or young), including nest failure caused by noise and human activity.
10. Big Game Winter Range Timing Limitation. To minimize impacts to wintering big game for the actions related to the DOE1-M-25 pipeline burial, no construction, drilling or completion activities shall occur during a Timing Limitation (TL) period from **December 1 through April 30** per Federal lease COC62163. For the actions related to the DOE1-M-35 pipeline burial, a 60-day winter timing limitation shall occur from **January 1 through March 1** since there is no specific stipulation addressing this matter in Federal lease COC27743. To further reduce impacts to wintering big game, remote sensing should be used for production monitoring, and unavoidable monitoring or maintenance activities should be conducted between 9 a.m. and 3 p.m., to the extent practicable. These additional recommendations apply to the period from December 1 to April 30.
11. Birds of Conservation Concern. Pursuant to BLM Instruction Memorandum 2008-050, all surface-disturbing activities are prohibited from **May 15 to July 15** to reduce impacts to Birds of Conservation Concern (BCC). An exception to this COA will be granted if nesting surveys conducted no more than one week prior to surface-disturbing activities indicate that no BCC species are nesting or otherwise present within 10 meters of the area to be disturbed. Nesting surveys shall include an audial survey for diagnostic vocalizations in conjunction with a visual survey for adults and nests. Surveys shall be conducted by a qualified breeding bird surveyor between sunrise and 10:00 AM under favorable conditions for detecting and identifying a BCC species. This provision does not apply to ongoing construction, drilling, or completion activities that are initiated prior to May 15 and continue into the 60-day period at the same location.
12. Bald and Golden Eagles. It shall be the responsibility of the operator to comply with the Bald and Golden Eagle Protection Act (Eagle Act) with respect to “take” of either eagle species. Under the Eagle Act, “take” includes to pursue, shoot, shoot at, poison, wound, kill, capture, trap, collect, molest and disturb. “Disturb” means to agitate or bother a bald or golden eagle to a degree that causes, or is likely to cause, based on the best scientific information available, (1) injury to an eagle; (2) a decrease in its productivity by substantially interfering with normal breeding, feeding, or sheltering behavior; or (3) nest abandonment by substantially interfering with normal breeding, feeding, or sheltering behavior. Avoidance of eagle nest sites, particularly during the nesting season, is the primary and preferred method to avoid a take. Any oil or gas construction, drilling, or completion activities planned within 0.5 mile of a bald or golden eagle nest, or other associated activities greater than 0.5 mile from a nest that may disturb eagles, should be coordinated with the BLM project lead and BLM wildlife biologist and the USFWS representative in the BLM Field Office (970-876-9051).