

Posted: 09/09/2014

**U.S. Department of the Interior  
Bureau of Land Management  
Kremmling Field Office  
P.O. Box 68  
Kremmling, CO 80459**

## **Section 390 Categorical Exclusions for Oil and Gas Development**

NUMBER: DOI-BLM-LLCON02000-2014-047-CX (390)

PROJECT NAME: Spicer Pipeline

LEGAL DESCRIPTION: Jackson County, T. 7 N., R. 80 W., Sec.32, 6<sup>th</sup> P.M.

APPLICANT: EE3 LLC

DESCRIPTION OF PROPOSED ACTION: EE3 LLC (EE3) proposes to lay two gathering pipelines from the Spicer 3-32H well (located in the SWSW of Section 32-7N-80W, Jackson County) to their Veneta Central Facility (located in the NENE of Section 32). One gathering line would transport water produced from the Spicer 3-32H well to EE3's existing water treatment and disposal facility located at the Veneta Central Facility. The water line would be used to eliminate unnecessary truck traffic required to transport this water by road. The other pipeline would eventually transport natural gas from the Spicer 3-32H well to EE3's future gas treatment and processing facility which will be constructed at the Veneta Central Facility located on private surface overlying private minerals.

EE3 plans to excavate a pipeline ditch approximately 30" wide (slightly wider at the two curves) for installation of the two gathering lines. The ditch would parallel EE3's existing access road leading to the Spicer 3-32H well and Jackson County Rd. 28, before leaving their lease area to continue onto private surface (see maps Attachments 1 & 2). EE3 would bury both the water pipeline and the gas pipeline in the same ditch at the same time at a depth of 5'-6'. Each gathering line would be approximately 5,620' in length, with approximately 866' located on EE3's lease involving BLM surface estate. EE3 intends to immediately start using the water gathering line. The gas pipeline would not immediately be utilized, since the gas processing facility is not yet operational. Both gathering lines would be installed at the same time to minimize costs and mitigate construction disturbance. Both gathering lines will be constructed of 3.0" or 4.0" ID Poly Pipe (SDR 7 or SDR 9, whichever is most readily available) and both gathering lines will be operated at low pressure (less than 200 psi).

**PLAN CONFORMANCE REVIEW:** The Proposed Action is subject to and has been reviewed for conformance with (43 CFR 1610.5, BLM 1617.3) the following plan:

**Name of Plan:** Kremmling Resource Management Plan, Record of Decision (ROD)

**Date Approved:** December 19, 1984 (Updated June 1999), and as amended by Record of Decision on December 5, 1991 as described in the Colorado Oil and Gas Leasing and Development Final Environmental Impact Statement (O&G EIS).

**Decision Number/Page:** ROD (map 3, p. 14)

**Decision Language:** To facilitate orderly, economic and environmentally sound exploration and development of oil and gas resources using balanced multiple-use management (ROD, p.11). Important wildlife habitat will be protected with the use of no surface occupancy, timing limitations or controlled surface use stipulations and /or lease notices on oil and gas leases, and conditions of approval (COA) on permits (ROD, p. 3).

**CATEGORICAL EXCLUSION REVIEW:** The Proposed Action is categorically excluded from further documentation in accordance with statutory NEPA categorical exclusions (CX), as granted in Section 390 of the Energy Policy Act of 2005, for oil and gas exploration and development. The Proposed Action qualifies as a categorical exclusion under Section 390, based on the qualifying criteria Number 1 of the categories listed below.

Qualifying Criteria	YES	NO
1. 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. <b>(a, b, and c below must be yes to have this CX to apply)</b>	X	
a. Will disturb less than 5 acres, if more than one action is proposed for a lease, each activity is counted separately and each may disturb up to five acres.	X	
b. The current un-reclaimed surface disturbance readily visible on the entire leasehold is not greater than 150 acres, including the proposed action.	X	
c. This categorical exclusion includes the requirement of a site-specific NEPA document. A site specific NEPA analysis can be either an exploration and/or development EA/EIS, an EA/EIS for a specific	X	

Qualifying Criteria	YES	NO
POD, a multi-well EA/EIS or an individual permit approval EA/EIS.		
2. Drilling an oil and gas location or well pad at a site at which drilling has occurred within five (5) years prior to the date of spudding the well. A “location or well pad” is defined as a previously disturbed or constructed well pad used in support of drilling a well. “Drilling” in the context of, “Drilling has occurred within five (5) years”	N/A	N/A
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. <b>(a, b, and c below must be yes to have this CX to apply)</b>	N/A	N/A
a. The proposed APD is within a developed oil or gas field. A developed field is defined as any field in which a confirmation well has been completed.		
b. There is an existing NEPA document (including that supporting a land use plan) that contains a reasonably foreseeable development scenario broad enough to encompass this action.		
c. The NEPA document was finalized or supplemented within five years of spudding the well.		
4. Placement of a pipeline in an approved right-of-way corridor, as long as the corridor was approved within five (5) years prior to the date of placement of the pipeline. (To avoid problems, the right-of-way must contain a term or condition that provides for the suspension of the authorization if placement does not begin before the last date that the CX is available, thus requiring the operator to obtain a new right-of-way.) <b>(a and b below must be yes to have this CX to apply)</b>	N/A	N/A
a. The placement of a pipeline in an existing corridor of any type		
b. Placement of the pipeline within five years of approval (or amendment) of the most recent date of a decision (NEPA or permit authorization) are the only two applicable factors for review pursuant to this statute and must both be satisfied to use this CX.		

Qualifying Criteria	YES	NO
5. Maintenance of a minor activity, other than any construction or major renovation of a building or facility.	N/A	N/A

INTERDISCIPLINARY REVIEW:

Name	Title	Area of Responsibility	Date Review Completed
Kelly Hodgson-Elliott	NRS	Minerals	8/27/2014
Darren Long	Wildlife Biologist	Threatened and Endangered Species	8/28/2014
Bill Wyatt	Archeologist	Cultural Resources and Native American Religious Concerns	9/2/2014

REMARKS:

Cultural Resources: A Class III cultural resource inventory, BLM report #CR-14-27 was conducted for the proposed action. An inventory was conducted of a 150 foot corridor centered on the proposed water and gas pipelines that included approximately 731.9 feet on public land (2.52 acres), and 4,508.7 feet (15.53 acres) on private land. A total of 18.05 acres was inventoried for the current project. Two newly recorded linear sites 5JA1467.6 and 5JA2476.1 were recorded and determined to be not eligible to the National Register of Historic Places. The project is a **no effect**, there are **no historic properties** affected.

Native American Religious Concerns: Tribal consultation was initiated on August 12, 2012, and to date, no Native American tribe has identified any area of traditional cultural concern.

Threatened and Endangered Species: Greater Sage-grouse: If the ripping of this line does not occur in the planned timeframe (July-October 2014), they must consult with the BLM to discuss potential sage-grouse issues.

NAME OF PREPARER: Kelly Hodgson-Elliott

NAME OF ENVIRONMENTAL COORDINATOR: Susan Valente

DATE: 09/09/2014

ATTACHMENTS:

- 1.) Map of Proposed Pipeline Route
- 2.) Detailed Map of gathering system on BLM administered land
- 3.) Conditions of Approval

DECISION AND RATIONALE: I have reviewed this CX and have decided to approve the proposed action.

This action is listed in the Instruction Memorandum Number 2005-247 as an action that may be categorically excluded under Section 390 of the Energy Policy Act of 2005. I have evaluated the action relative to the 5 qualifying criteria listed above and have determined that it does not represent an exception and is, therefore, categorically excluded from further environmental analysis.

SIGNATURE OF AUTHORIZED OFFICIAL: /s/ Stephanie Odell

DATE SIGNED: 09/09/2014

ADMINISTRATIVE REVIEW OR APPEAL OPPORTUNITIES:

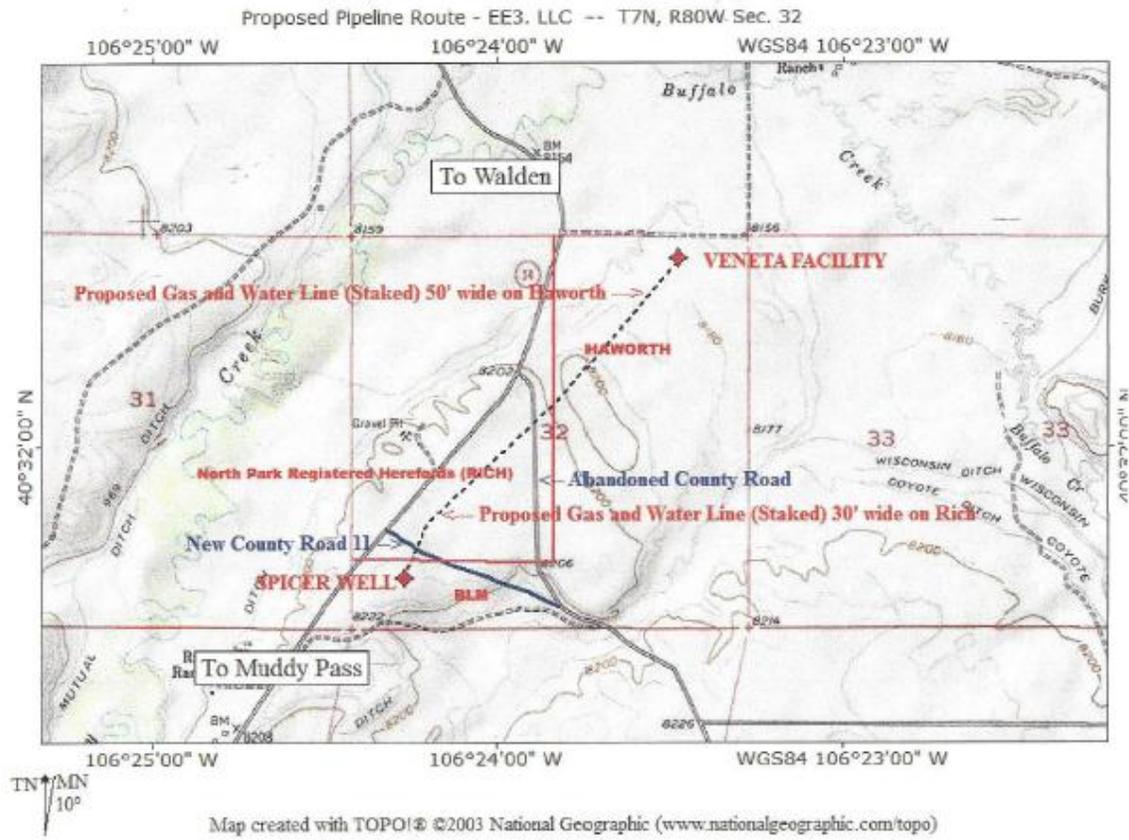
This decision is effective upon the date the decision or approval by the authorized officer. Under regulations addressed in 43 CFR Subpart 3165, any party adversely affected has the right to appeal this decision. An informal review of the technical or procedural aspects of the decision may be requested of this office before initiating a formal review request. You have the right to request a State Director review of this decision. You must request a State Director review prior to filing an appeal to the Interior Board of Land Appeals (IBLA) (43CFR 3165.4).

If you elect to request a State Director Review, the request must be received by the BLM Colorado State Office, 2850 Youngfield Street, Lakewood, Colorado 80215, no later than 20 business days after the date the decision was received or considered to have been received. The request must include all supporting documentation unless a request is made for an extension of the filing of supporting documentation. For good cause, such extensions may be granted. You also have the right to appeal the decision issued by the State Director to the IBLA.

CONTACT PERSON:

For additional information concerning this decision, contact Kelly Hodgson-Elliott.

Attachment 1: Map of Proposed Pipeline Route





### Attachment 3: Conditions of Approval

1. If the installation of the pipeline does not occur in the planned timeframe (July-October 2014), EE3 must consult with the BLM to discuss potential sage-grouse issues.
2. Pipeline trenches are to be compacted during backfilling and must be maintained to correct backfill settling and prevent erosion. Reclamation involves placing fill in the trench, compacting the fill, regrading cut-and-fill slopes to restore the original contour, replacing topsoil, installing temporary waterbars only where necessary to control erosion, and revegetating in accordance with a reclamation plan.
3. The lessee is required to use the reclamation practices necessary to reclaim all disturbed areas. Reclamation will ensure surface and subsurface stability, growth of a self-regenerating permanent vegetative cover and compatibility with post land use. The vegetation will be diverse and of the same seasonal growth as adjoining vegetation.
4. Surface disturbance and vehicular travel will be limited to the approved locations and approved access route. Any additional area needed will be approved in advance.
5. Construction activities will not be allowed to commence if the topsoil cannot be separated from the subsoil during adverse environmental conditions (i.e. when soils are frozen or muddy). During periods of adverse conditions such as thawing, heavy rains, snow, or flooding, all construction activities off existing maintained roads that create excessive surface rutting will be suspended.
7. Fugitive dust will be prevented and abated as needed, whether created by vehicular traffic, equipment operations or wind events. Approval from the Kremmling Field Office will be required before application of surfactants, binding agents, or other dust-suppression chemicals on public lands. Speed control measures on all project-related unpaved roads will also be required.
8. Control of noxious weeds will be required through successful vegetation establishment and/or herbicide application. A Pesticide Use Proposal (PUP) must be approved by the Kremmling Field Office prior to the use of herbicides. Operators will regularly monitor and promptly control noxious weeds and other undesirable plant species. Annual weed monitoring reports will be submitted to the Kremmling and Little Snake Field Offices by December 1 (may be combined with reclamation reports). It is the responsibility of the lease operator to insure compliance with all local, state, and federal laws and regulations, as well as labeling directions specific to the use of any given herbicide.
9. All heavy equipment brought onto public lands will be cleaned prior to use to reduce the potential for introduction of noxious weeds or other undesirable non-native species. If field wash stations will be used, a plan for the collection, containment and disposal of wash fluids will be provided to the BLM.

10. If fossils are discovered during construction or other operations, all activity in the area will cease and the Field Office Manager will be notified immediately. An assessment of significance will be made within an agreed timeframe. Operations will resume only upon written notification by the Authorized Officer.
  
11. If cultural or paleontological resources are discovered during exploration operations under this license, the licensee shall immediately notify the Field Officer Manager and shall not disturb such discovered resources until the Field Officer Manager issues specific instructions.
  - a. Within 5 working days after notification, the Field Office Manager shall evaluate any cultural resources discovered and shall determine whether any action may be required to protect or to preserve such discoveries.
  - b. The cost of data recovery for cultural resources discovered during exploration operations shall be borne by the licensee, if the licensee is ordered to take any protective measures. Ownership of cultural resources discovered shall be determined in accordance with applicable law.
  - c. The operator is responsible for informing all persons who are associated with the operations that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are encountered or uncovered during any project activities, the operator is to immediately stop activities in the immediate vicinity of the find and immediately contact the Authorized Officer (970) 724-3000. Within five working days the Authorized Officer will inform the operator as to:
    1. Whether the materials appear eligible for the National Register of Historic Places;
    2. The mitigation measures the operator will likely have to undertake before the identified area can be used for project activities again and,
  - d. If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the Authorized Officer will assume responsibility for whatever recordation, and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The Authorized Officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the Authorized Officer that the required mitigation has been completed, the operator will then be allowed to resume construction.
  - e. Pursuant to 43 CFR 10.4(g) (Federal Register Notice: Monday December 4, 1995, Vol 60, No. 232) the holder of this authorization must notify the Authorized Officer, by telephone (970) 826- 5087, 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), you must stop activities in the vicinity of the discovery and protect it for 30 days or until notified to proceed by the Authorized Officer.