

**U.S. Department of the Interior
Bureau of Land Management
Little Snake Field Office
455 Emerson Street
Craig, CO 81625-1129**

ENVIRONMENTAL ASSESSMENT

EA-NUMBER: DOI-BLM-CO-NOIO-2009-0062EA

CASEFILE/PROJECT NUMBER/LEASE NUMBER:

COC069715: Castor Gulch Unit #1
COC068826: Castor Gulch Unit #2
COC068821: Spring Gulch Unit #1

PROJECT NAME East Resources Wells

LEGAL DESCRIPTION: Moffat County, Colorado

Castor Gulch Unit #1: NWNE Section 15, T5N, R91W, 6th PM
Castor Gulch Unit #2: NESW Section 15, T5N, R91W, 6th PM
Spring Gulch Unit #1: NWNE Section 22, T5N, R90W, 6th PM

APPLICANT: East Resources Inc.

PLAN CONFORMANCE REVIEW: The proposed action is subject to the following plan:

Name of Plans: Little Snake Resource Management Plan and Record of Decision (ROD) approved on April 26, 1989; and the Colorado Oil and Gas Leasing & Development Environmental Impact Statement (EIS) and the ROD signed on November 5, 1991.

Remarks: The proposed three East Resources Wells would be located within Management Unit 1 (Little Snake Resource Management Plan). One of the objectives of Management Unit 1 is to provide for the development of the oil and gas resource. The development of other resource uses/values within this unit is allowed consistent with the management objectives for oil, gas, and forest resources.

The proposed action has been reviewed for conformance with this plan (43 CFR 1610.5, BLM 1617.3). The proposed action is in conformance with the objectives for this management unit.

NEED FOR PROPOSED ACTION: To provide for the development of oil and gas resources and to supply energy resources to the American public.

PUBLIC SCOPING PROCESS: The Notice of Staking (NOS) for the three proposed wells have been posted in the public room of the Little Snake Field Office for a 30-day public review period beginning March 16, 2009 when the NOS's were received, and may be viewed during regular business hours (7:45 a.m. to 4:30 p.m.), Monday through Friday, except holidays.

DESCRIPTION OF PROPOSED ACTION AND ALTERNATIVES: The proposed action is to approve three Applications for Permit to Drill (APD) submitted by East Resources, Inc. East Resources proposes to drill three oil wells on BLM administered land. Two of the wells would be located in Castor Gulch Sec 15, T5N, R91W and one well would be located in Spring Gulch Sec 22, T5N, R90W. APD's have been filed with the LSFO for the Castor Gulch Unit Wells #1 and #2 and Spring Gulch Unit Well #1. The APD's include drilling and surface use plans that cover mitigation of impacts to vegetation, soil, surface water, and other resources. Mitigation not incorporated by East Resources Inc. in the drilling and surface use plan would be attached by the BLM as Conditions of Approval to an approved APD.

The proposed wells are located approximately 14 miles South of Craig, Colorado. Construction work is planned to start during the summer of 2009 and the estimated duration of construction and drilling for each well is 14 days. No new access roads would be constructed for each well. Each well pad would be accessed from existing Moffat County roads.

The proposed well pads would be cleared of all vegetation and leveled for drilling. Topsoil and native vegetation would be stockpiled for use in reclamation. Approximately .7 acres would be disturbed for the construction of each well pad. This would include the 150' by 200' well pad, the topsoil, and subsoil piles. A blooie pit would be constructed on the well pad to hold drill cuttings. If the well is a producer, cut portions of the well site would be backfilled and unused portions of the well site would be stabilized and re-vegetated. If the oil well proves unproductive, it would be properly plugged and the entire well pad would be reclaimed.

East Resources, Inc. did not include plans for an oil pipeline with the APD's.

Total surface disturbance for the proposed action would be 2.1 acres. Upon interim reclamation total surface disturbance would be 1.5 acres.

NO ACTION ALTERNATIVE: The "no action" alternative is that the wells would not be permitted and therefore the wells would not be drilled. East Resources, Inc. holds a valid and current oil and gas lease for the area where the proposed Wells would be located. Under leasing contracts, the BLM has an obligation to allow mineral development if the environmental consequences are not irreversible or too severe. The APD process is designed to overcome the no action situation of not accepting the APD through the mitigation of predicted environmental consequences. Since the proposed action is consistent with the ROD and the Oil and Gas Leasing EIS, the no action alternative will not be analyzed further in this EA.

AFFECTED ENVIRONMENT/ENVIRONMENTAL CONSEQUENCES/MITIGATION MEASURES

CRITICAL RESOURCES

AIR QUALITY

Affected Environment: There are no special designation air sheds or non-attainment areas nearby that would be affected by the proposed action.

Environmental Consequences: Short term, local impacts to air quality from dust would result during and after well pad construction. Drilling operations produce air emissions such as exhaust from diesel engines that power drilling equipment. Air pollutants could include nitrogen oxides, particulates, ozone, volatile organic compounds, fugitive natural gas, and carbon monoxide. Gas flaring reduces the health and safety risks in the vicinity of the well by burning combustible and poisonous gases like methane and hydrogen sulfide.

Mitigative Measures: None.

Name of specialist and date: Roy McKinstry 06/01/09

AREA OF CRITICAL ENVIRONMENTAL CONCERN

Affected Environment: Not present.

Environmental Consequences: None.

Mitigative Measures: None.

Name of specialist and date: Roy McKinstry 06/01/09

CULTURAL RESOURCES

Affected Environment: Cultural resources, in this region of Colorado, range from late Paleo-Indian to Historic. For a general understanding of the cultural resources in this area of Colorado, see *An Overview of Prehistoric Cultural Resources, Little Snake Resource Area, Northwestern Colorado*, Bureau of Land Management Colorado, Cultural Resources Series, Number 20, *An Isolated Empire, A History of Northwestern Colorado*, Bureau of Land Management Colorado, Cultural Resource Series, Number 2 and *Colorado Prehistory: A Context for the Northern Colorado River Basin*, Colorado Council of Professional Archaeologists.

Environmental Consequences: The proposed project, East Resources COC069715: Castor Gulch Unit #1; COC068826: Castor Gulch Unit #2; COC068821: Spring Gulch Unit #1, have undergone Class III cultural resource surveys:

Burkard, Jason and Scott Phillips (p.i.)

2008 Class III Cultural Resource Inventory of the East Resources, Inc. Hamilton Federal 1-15 Well Pad, Moffat County, Colorado (BLM 127.2.09)

2008 Class III Cultural Resource Inventory of the East Resources, Inc. Hamilton Federal 1-21 Well Pad, Moffat County, Colorado (BLM 127.3.09)

2008 Class III Cultural Resource Inventory of the East Resources, Inc. Spring Gulch Federal 2-22 Well Pad (BLM 127.1.09)

The survey identified no eligible to the National Register of Historic Places cultural resources. The proposed project may proceed as described with the following mitigative measures in place.

Mitigative Measures:

The following standard stipulations apply for this project:

1. 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 (AO) at (970) 826-5000. Within five working days, the AO will inform the operator as to:

- Whether the materials appear eligible for the National Register of Historic Places;
- The mitigation measures the operator will likely have to undertake before the identified area can be used for project activities again; and
- 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 AO, by telephone at (970) 826-5000, and 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.

2. 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 AO 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 AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

Name of specialist and date: Robyn Watkins Morris 06/04/09

NATIVE AMERICAN RELIGIOUS CONCERNS

A letter was sent to the Uinta and Ouray Tribal Council, Southern Ute Tribal Council, Ute Mountain Ute Tribal Council on May 5, 2008. The letter listed the FY08 and FY09 projects that the BLM would notify them on and projects that would not require notification. A followup phone call was performed on June 16, 2008. No comments were received (Letter on file at the Little Snake Field Office). This project requires no additional notification.

Name of specialist and date: Robyn Watkins Morris 06/04/09

ENVIRONMENTAL JUSTICE

Affected Environment: The proposed action is located in an area of isolated dwellings. Oil & Gas development, ranching, and farming are the primary economic activities.

Environmental Consequences: The project area is relatively isolated from population centers, so no populations would be affected by physical or socioeconomic impacts of the proposed action.

Mitigative Measures: None.

Name of specialist and date: Louise McMinn 06/08/09

FLOOD PLAINS

Affected Environment: Active floodplains and flood prone zones are avoided.

Environmental Consequences: No threat to human safety, life, welfare, or property will result from the proposed action.

Mitigative Measures: None.

Name of specialist and date: Roy McKinstry 06/01/09

INVASIVE, NONNATIVE SPECIES

Affected Environment: Invasive species and noxious weeds occur within the affected area. Downy brome (cheatgrass), yellow alyssum, blue mustard and other annual weeds are common along roadsides and on other disturbed areas. Canada thistle and several species of biennial thistles are known to occur in this area. Oxeye daisy, hoary cress (whiteweed), diffuse knapweed, leafy spurge, houndstongue and black henbane are present in the vicinity of these projects. Other species of noxious weeds are not known to be a problem in this area, but they can always be introduced by vehicle traffic, livestock and wildlife. The BLM, Moffat

County, livestock operators, pipeline companies and oil and gas operators have formed the Northwest Colorado Weed Partnership to collaborate their efforts on controlling weeds and finding the best integrated approaches to achieve these results.

Environmental Consequences: The surface disturbing activities and associated traffic involved with drilling these wells and other subsequent activities will create an environment and provide a mode of transport for invasive species and other noxious weeds to become established. Construction equipment and any other vehicles and equipment brought onto the site can introduce seed of weeds. Wind, water, recreation vehicles, livestock and wildlife will also assist with the distribution of weed seed into the newly disturbed areas. The annual invasive weed species (yellow alyssum, blue mustard and other annual weeds) occur on adjacent rangelands and will occupy the disturbed areas; the bare soils and the lack of competition from a perennial plant community would allow these weed species to grow unchecked and can affect the establishment of seeded plant species. Establishment of perennial grasses and other seeded plants is expected to provide the necessary control of invasive annual weeds within 2 or 3 years. Additional seeding treatments of the disturbed areas may be required in subsequent years if initial seeding efforts have failed.

Many of the noxious weeds in this area are frequently established on the uplands. The largest concern in the project area would be for these species to become established and not be detected, providing seed which can be moved onto adjacent rangelands and into oakbrush stands. The operator would be required to control any noxious weeds that become established within the disturbed areas involved with drilling and operating these wells.

Mitigation attached as Conditions of Approval to minimize disturbance and obtain successful reclamation of the disturbed areas, as well as weed control utilizing integrated practices, including herbicide applications would help to control the noxious weed species. All principles of Integrated Pest Management should be employed to control noxious and invasive weeds on public lands.

Mitigative Measures: None.

Name of specialist and date: Ole Olsen 06/08/09

MIGRATORY BIRDS

Affected Environment: The three proposed wells are located within nesting habitat for golden eagles. During onsite visits conducted during the spring of 2009, two golden eagles were seen soaring near both the Castor Gulch wells. Two separate golden eagles and two red-tailed hawks were seen soaring near the Spring Gulch Unit Well #1. Numerous nest sites are located near all three proposed well pads.

Environmental Consequences: Construction activities associated with well pad development and drilling could be disruptive to nesting golden eagles and red-tailed hawks. It is possible

that these activities could result in nest abandonment if conducted during the nesting season. These activities should be avoided between February 1st and August 15th if nest sites are active.

Mitigative Measures: None.

Name of specialist and date: Timothy Novotny 06/22/09

PRIME & UNIQUE FARMLANDS

Affected Environment: Not Present.

Environmental Consequences: None.

Mitigative Measures: None.

Name of specialist and date: Roy McKinstry 06/01/09

T&E SPECIES – ANIMALS

Affected Environment: There are no threatened or endangered species or habitats for such species in the proposed project area. The Castor Gulch Unit #1 and #2 wells are within mapped Columbian sharp-tailed grouse nesting habitat. Columbian sharp-tailed grouse are a BLM special status species.

Environmental Consequences: There would be no impact to threatened or endangered species. If drilling activities were to take place during the breeding or nesting season (March 1 to June 30), impacts to grouse using this habitat would be expected. Impacts to grouse species from oil and gas development are discussed in the Colorado Oil and Gas EIS (1991). Impacts include, but are not limited to, displacement into less suitable habitat, nest abandonment, destruction of nests and loss of habitat. To prevent significant impacts to Columbian sharp-tailed, construction and drilling activities associated with the proposed access roads, pipelines and well pads should not be permitted from March 1 to June 30. This timing limitation would prevent accidental nest destruction or abandonment and displacement into less suitable habitat.

Mitigative Measures: CO-30 No surface disturbing impacts between March 1 and June 30 in order to protect nesting Columbian sharp-tailed grouse.

Name of specialist and date: Timothy Novotny 06/22/09

T&E SPECIES – PLANTS

Affected Environment: There are no federally listed threatened or endangered plant species within or in the vicinity of any of the three proposed wells.

Environmental Consequences: None.

Mitigative Measures: None.

Name of specialist and date: Hunter Seim 06/04/09

T&E SPECIES - SENSITIVE PLANTS

Affected Environment: There are no BLM sensitive plant species within or in the vicinity of any of the three proposed wells.

Environmental Consequences: None.

Mitigative Measures: None.

Name of specialist and date: Hunter Seim 06/04/09

WASTES, HAZARDOUS OR SOLID

Affected Environment: If a release does occur, the environment affected would be dependent on the nature and volume of material released. If there are no releases, there would be no impact on the environment.

Environmental Consequences: Consequences would be dependent on the volume and nature of the material released. In most every situation involving hazardous materials, there are ways to remediate the area that has been contaminated. Short-term consequences would occur, but they can be remedied, and long-term impacts would be minimal.

Mitigative Measures: None.

Name of specialist and date: Roy McKinstry 06/01/09

WATER QUALITY – GROUND

Affected Environment: Bedrock at the surface consists of alternating sandstone and shale.

Environmental Consequences: Operator committed measures for mitigation will negate any potential impact to groundwater.

Mitigative Measures: None.

Name of specialist and date: Marilyn Wegweiser 06/15/09

WATER QUALITY/HYDROLOGY – SURFACE

Affected Environment: The proposed wells would be constructed near an ephemeral drainage. Any runoff from the well pad, pipeline, or access road would drain into Castor Gulch or Spring Gulch. All stream segments near the well pad location are presently supporting classified beneficial uses. No impaired stream segments occur in the vicinity of the proposed action.

Environmental Consequences: Runoff water from the well sites would drain towards Castor Gulch and Spring Gulch, which are ephemeral tributaries to the Williams Fork. Increased sedimentation to the Williams Fork during spring runoff or from high intensity rainstorms is the most likely environmental consequence from the proposed action. Although some sediment may be transported off site and eventually reach perennial waters, the mitigation provided in the Surface Use Plan and the Conditions of Approval would reduce the potential impacts caused by surface runoff.

Mitigative Measures: None.

Name of specialist and date: Roy McKinstry 05/11/09

WETLANDS/RIPARIAN ZONES

Affected Environment: The Spring Gulch Unit #1 is located near Spring Gulch, an intermittent drainage.

Environmental Consequences: It is unlikely that construction and drilling of this well would impact riparian vegetation in this drainage because the pad is located on the far side of a crowned and ditched county road.

Mitigative Measures: None.

Name of specialist and date: Timothy Novotny 06/22/09

WILD & SCENIC RIVERS

Affected Environment: Not present.

Environmental Consequences: None.

Mitigative Measures: None.

Name of specialist and date: Roy McKinstry 06/01/09

WILDERNESS, WSAs

Affected Environment: Not present.

Environmental Consequences: None.

Mitigative Measures: None.

Name of specialist and date: Roy McKinstry 06/01/09

NON-CRITICAL ELEMENTS

FLUID MINERALS

Affected Environment: Upper Cretaceous hydrocarbon bearing rock units.

Environmental Consequences: The hydrocarbon resource proposed for drilling would be partially depleted by the proposed action. The development of oil & gas wells in the MU is consistent with the RMP.

Mitigative Measures: None.

Name of specialist and date: Marilyn Wegweiser 06/15/09

PALEONTOLOGY

Affected Environment: Mesozoic rocks known to contain fossils.

Environmental Consequences: Surface disturbing activities could have the beneficial impact of exposing new fossils. Operator committed measures ensure protection of the paleontological resources.

Mitigative Measures: None.

Name of specialist and date: Marilyn Wegweiser 06/15/09

RANGE MANAGEMENT

Affected Environment: The Castor Gulch sites 1&2 are within the boundaries of the Ute Gulch Section 15 Grazing Allotment, authorized for 12 cattle from 05/18 to 10/31. The Spring Gulch site is located within the boundaries of the Spring Gulch Grazing Allotment, authorized for 5 cattle from 05/01 to 10/31 and 3 cattle from 09/01 to 09/30.

Environmental Consequences: There would be no adverse impacts to range management with implementation of the proposed action at the Castor Gulch sites. It was recommended that these sites be fenced due to the narrow canyon and livestock concentration and trailing within the canyon. This recommendation was a preventative measure to eliminate potential damage or interference to well pad equipment or design from cattle rubbing and hoof impacts. At the Spring Gulch site the proposed pad location would eliminate a small fenced pasture/gathering area for livestock. The BLM requested that East Resources coordinate with the current livestock permittee that elimination of this pasture would not interfere with their livestock operations. As long as this coordination is completed to the satisfaction of both parties there would be no adverse impacts.

Mitigative Measures: None.

Name of specialist and date: Mark Lowrey 06/16/09

REALTY AUTHORIZATIONS

Affected Environment: The proposed project area is in an area which contains a buried pipeline right-of-way and other realty authorizations.

Environmental Consequences: Existing buried pipelines or other facilities could be accidentally damaged during project activities. Impacts would be temporary until any damage is repaired.

Mitigative Measures: Potential damage to existing rights-of-way would be minimized by the following actions:

- Avoid existing rights-of-way during the project.
- Utilize the "One Call" system to locate and stake the centerline and limits of all underground facilities in the area prior to project initiation.
- Provide 48-hour notice to the owner/operator of all facilities prior to performing any work near existing rights-of-way.

Name of specialist and date: Louise McMinn 06/08/09

SOILS

Affected Environment: The proposed wells would be located within the Torriorthents-Rock outcrop soil-mapping unit. These soils are well drained and found on hill slopes and footslopes. Slopes within this unit average 0 to 99 percent. These soils formed in alluvium derived from sedimentary rocks. Runoff is rapid and the hazard of wind and water erosion is moderate to high.

Environmental Consequences: The construction and operation of the three Wells would affect soils within and immediately adjacent to the proposed area of disturbance. Increased soil erosion from wind and water would occur during construction of the well pads and access roads. Erosion would continue throughout the operational life of the wells. Loss of topsoil, soil compaction, and possible increases in sediment loads to drainages are impacts most likely to occur.

Vegetation and soil would be removed from approximately .7 acres of land. Soil productivity would decline due to reduced soil microbial activity, impaired water infiltration, mixing of soil horizons, top soil loss, and introduction of weeds. Soil loss from construction would be greatest shortly after project start and would decrease in time as a result of stabilization through revegetation and reclamation of disturbed areas. Soil erosion would be reduced to an acceptable level with the mitigation described in the Surface Use Plan and Conditions of Approval in the approved APD's. This mitigation would reduce the potential to have excessive sediments and salts in runoff water from the well site.

Mitigative Measures: Additional mitigative measures would be employed to prevent or reduce accelerated erosion if it begins to occur within or on constructed drainage and diversion ditches or surface drainages affected by the roads or well pads.

Name of specialist and date: Roy McKinstry 05/18/09

VEGETATION

Affected Environment: Native vegetation at all three sites include Wyoming big sagebrush and Serviceberry as the primary woody component. Western wheatgrass, basin wildrye, mountain brome, foothills lupine, and cushion phlox as the primary herbaceous species.

Environmental Consequences. There would be no adverse impacts to native vegetation as long as noxious weed mitigation, and vegetation mitigation is followed.

Mitigative Measures: Reclamation seed mixture is as follows: Western wheatgrass, basin wildrye, and mountain brome at a rate of 2 lbs/acre each. Foothill lupine and cushion phlox (or comparable species) at 1 lb/acre each.

Name of specialist and date: Mark Lowrey 06/16/09

WILDLIFE, AQUATIC

Affected Environment: The Castor Gulch Unit #1 and the Castor Gulch Unit #2 wells are not within or near any habitat for aquatic wildlife species. The Spring Gulch Unit #1 well is located near Spring Gulch which is capable of supporting aquatic wildlife species. There are no known fish species in Spring Gulch however; it is likely that some amphibians use this drainage.

Environmental Consequences: Construction activities associated with well pad development and drilling of the Spring Gulch Unit #1 well is not likely to impact aquatic wildlife habitats associated with Spring Gulch because the proposed well pad is on the far side of a crowned and ditched road.

Mitigative Measures: None.

Name of specialist and date: Timothy Novotny 06/22/09

WILDLIFE, TERRESTRIAL

Affected Environment: The proposed well pads provide year round habitat for mule deer and elk. These well locations may also provide habitat for mountain lion and black bear as well. A variety of small mammals, song birds and reptiles may be found within the project area.

Environmental Consequences: Construction activities associated with well pad development and drilling of the wells is likely to displace individual animals from the project area. Surrounding undisturbed habitats are sufficient to support displaced animals during construction and drilling. Most wildlife species would return to the project area once these activities are completed. The actual well pads are likely to be avoided during the life of the well.

Mitigative Measures: None.

Name of specialist and date: Timothy Novotny 06/22/09

OTHER NON-CRITICAL ELEMENTS: For the following elements, those brought forward for analysis will be formatted as shown above.

Non-Critical Element	NA or Not Present	Applicable or Present, No Impact	Applicable & Present and Brought Forward for Analysis
Fluid Minerals			MDW 06/15/09
Forest Management	N/A		

Hydrology/Ground		MDW 06/15/09	
Hydrology/Surface			RM 06/29/09
Paleontology			MDW 06/15/09
Range Management			MAL 06/16/09
Realty Authorizations			LM 06/08/09
Recreation/Travel Mgmt		KMM 06/01/09	
Socio-Economics		LM 06/08/09	
Solid Minerals		JAM 06/08/09	
Visual Resources		KMM 06/01/09	
Wild Horse & Burro Mgmt	RM 06/29/09		

CUMULATIVE IMPACTS SUMMARY: Cumulative impacts may result from the development of the three oil wells when added to non-project impacts that result from past, present, and reasonably foreseeable future actions. The potential exists for future oil and gas development throughout the Castor Gulch and Spring Gulch drainages. Currently one well exists within a one-mile radius of the proposed Spring Gulch well. Other past or existing actions near the project area that have influence on the landscape are wildfire, recreation, hunting, grazing, and ranching activities.

Surface disturbance associated with oil and gas activity would increase the potential for erosion and sedimentation. Displacement of hunters and recreationists during the short-term construction and drilling periods would occur. Contrasts in line, form, color, and texture from development would impact the visual qualities on the landscape.

Cumulative impacts to the plant communities within the oil and gas lease and adjacent areas include an incremental reduction of continuity in the plant communities in terms of acreages that remain undisturbed. Loss of continuity results in smaller and smaller areas of undisturbed native vegetation and the potential for loss of integrity within the larger plant community. Fragmented plant communities can lose resilience to natural and man-made disturbance due to isolation of areas from seed sources necessary for proper age class distribution of plants, and subsequently, a greater opportunity for stressors such as drought to have a more severe impact on the plant community as a whole. The increased disturbance also makes native plant communities more susceptible to invasion by annual weeds as vectors for increasing weeds. Even with weed control measures applied, the potential for weeds to move further into undisturbed remnant areas increases as these remnants become smaller and more isolated from larger undisturbed areas.

Cumulative impacts to the livestock grazing operations in the area are also increased through the proposed action. The grazing allotment in which these wells are proposed is primarily a fall cattle allotment.

Although big game species are able to adapt to disturbances better than other wildlife, increased development would still have impacts to mule deer and antelope. Timing stipulations adequately

protect big game species during critical times of the year; however, continued oil and gas development would lead to decreased use of the habitat due to increased human activity. A significant amount of vehicle traffic occurs with oil and gas development. Impacts to big game may be vehicle-animal collisions, as these are a major cause of mortality for big game species.

STANDARDS:

PLANT AND ANIMAL COMMUNITY (animal) STANDARD: The project area provides healthy productive wildlife habitat for a variety of species including big game, small mammals, song birds and reptiles. The development of the proposed wells will result in a loss of approximately 2.1 acres of habitat as a result of this project. If the wells produce, a larger area surrounding the well pads will likely be avoided by wildlife. Surrounding habitat is sufficient to ensure that populations are not negatively impacted by this project. This standard is currently being met and will continue to be met in the future.

Name of specialist and date: Timothy Novotny 06/22/09

SPECIAL STATUS, THREATENED AND ENDANGERED SPECIES (animal) STANDARD: There are no threatened or endangered species or habitats for such species in or near the proposed project area. The Castor Gulch Unit #1 and #2 wells are within mapped Columbian sharp-tailed grouse nesting habitat. If construction is completed outside of the nesting season (March 1 June 30) it is unlikely to impact Columbian sharp-tailed grouse. This standard is currently being met and will continue to be met in the future.

Name of specialist and date: Timothy Novotny 06/22/09

PLANT AND ANIMAL COMMUNITY (plant) STANDARD: Based on the small area of disturbance at each site the plant community standard would be met overall. As long as interim and reclamation mitigations measures for noxious weeds and vegetation are completed and successful this standard would continue to be met.

Name of specialist and date: Mark Lowrey 06/16/09

SPECIAL STATUS, THREATENED AND ENDANGERED SPECIES (plant) STANDARD: There are no federally listed threatened or endangered or BLM sensitive plant species within or in the vicinity of any of the three proposed wells. This standard does not apply.

Name of specialist and date: Hunter Seim 06/04/09

RIPARIAN SYSTEMS STANDARD: There will be no impacts to riparian systems as a result of these three wells. This standard is currently being met

Name of specialist and date: Timothy Novotny 06/22/09

WATER QUALITY STANDARD: The proposed action would meet the public land health standard for water quality. Reclamation of the pipeline corridors would be completed immediately after installation to minimize sheet and rill erosion from the corridor. Interim reclamation of the unused area on the well pads would be completed to minimize sheet and rill erosion from the well sites. When the well pads are no longer needed for production operations, the disturbed well pads and access roads would be reclaimed to approximate original contours, topsoil would be redistributed, and adapted plant species would be reseeded. These Best Management Practices would help to reduce accelerated erosion of the sites. No stream segments near this project are listed as impaired.

Name of specialist and date: Roy McKinstry 06/01/09

UPLAND SOILS STANDARD: The proposed action would not meet the upland soil standard for land health, but it is not expected to while the well locations, pipelines, and access roads are used for operations. The well pad sites, pipeline corridors, and access roads would not exhibit the characteristics of a healthy soil. Several Best Management Practices have been designed into the project or are attached as mitigating measures that would reduce impacts to and conserve soil materials. Upland soil health would return to the well pads, pipeline corridors, and access roads disturbances after reclamation practices and well abandonments have been successfully achieved.

Name of specialist and date: Roy McKinstry 06/01/09

PERSONS/AGENCIES CONSULTED: Uintah and Ouray Tribal Council, Colorado Native American Commission, Colorado State Historic Preservation Office.

**FINDING OF NO SIGNIFICANT IMPACT (FONSI)
DOI-BLM-CO-NOIO-2009-0062EA**

Based on the analysis of potential environmental impacts contained in the EA and all other available information, I have determined that the proposal and the alternatives analyzed do not constitute a major Federal action that would adversely impact the quality of the human environment. Therefore, an EIS is unnecessary and will not be prepared. This determination is based on the following factors:

1. Beneficial, adverse, direct, indirect, and cumulative environmental impacts have been disclosed in the EA. Analysis indicated no significant impacts on society as a whole, the affected region, the affected interests, or the locality. The physical and biological effects are limited to the Little Snake Resource Area and adjacent land.
2. Public health and safety would not be adversely impacted. There are no known or anticipated concerns with project waste or hazardous materials.
3. There would be no adverse impacts to regional or local air quality, prime or unique farmlands, known paleontological resources on public land within the area, wetlands, floodplain, areas with unique characteristics, ecologically critical areas, or designated Areas of Critical Environmental Concern.
4. There are no highly controversial effects on the environment.
5. There are no effects that are highly uncertain or involve unique or unknown risk. Sufficient information on risk is available based on information in the EA and other past actions of a similar nature.
6. This alternative does not set a precedent for other actions that may be implemented in the future to meet the goals and objectives of adopted Federal, State, or local natural resource related plans, policies, or programs.
7. No cumulative impacts related to other actions that would have a significant adverse impact were identified or are anticipated.
8. Based on previous and ongoing cultural surveys, and through mitigation by avoidance, no adverse impacts to cultural resources were identified or anticipated. There are no known American Indian religious concerns or persons or groups who might be disproportionately and adversely affected as anticipated by the Environmental Justice Policy.

9. No adverse impacts to any threatened or endangered species or their habitat that was determined to be critical under the Endangered Species Act were identified. If, at a future time, there could be the potential for adverse impacts, treatments would be modified or mitigated not to have an adverse effect or new analysis would be conducted.

10. This alternative is in compliance with relevant Federal, State, and local laws, regulations, and requirements for the protection of the environment.

DECISION AND RATIONALE:

I have determined that approving these three APDs is in conformance with the approved land use plan. It is my decision to implement the project with the mitigation measures provided in the Application for Permit to Drill and the Conditions of Approval. The project will be monitored as stated in the Compliance Plan outlined below.

MITIGATION MEASURES: The mitigation measures for this project are found in the file room of the Little Snake Field Office. The APD's 12-point surface use plan, well location maps, and the Conditions of Approval are found in the well's case file labeled: COCO69715 Castor Gulch Unit #1, COCO68826 Castor Gulch Unit #2, and COCO68821 Spring Gulch Unit #1.

COMPLIANCE PLAN(S):

Compliance Schedule

Compliance will be conducted during the construction phase and drilling phase to insure that all terms and conditions specified in the lease and the approved APD are followed. In the event a producing well is established, periodic inspections as identified through the Inspection and Enforcement Strategy and independent well observations will be conducted. File inspections will include a review of all required reports and the Monthly Report of Operations will be evaluated for accuracy.

Monitoring Plan

The well location and access road will be monitored during the term of the lease for compliance with pertinent Regulations, Onshore Orders, Notices to Lessees, or subsequent COAs until final abandonment is granted; monitoring will help determine the effectiveness of mitigation and document the need for additional mitigative measures.

Assignment of Responsibility

Responsibility for implementation of the compliance schedule and monitoring plan will be assigned to the Fluid Mineral staff in the Little Snake Field Office. The primary inspector will be the Petroleum Engineering Technician, but the Petroleum Engineer, Natural Resource Specialist, Realty Specialist, and Legal Instruments Examiner will also be involved.

SIGNATURE OF PREPARER:

DATE SIGNED:

SIGNATURE OF ENVIRONMENTAL REVIEWER:

DATE SIGNED:

SIGNATURE OF AUTHORIZED OFFICIAL:

DATE SIGNED: