



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
TRES RIOS FIELD OFFICE
29211 Highway 184
Dolores, CO 81323
www.blm.gov/co/st/en/fo/sjplc.html

Date: March 13, 2014

Dear Interested Party,

The Bureau of Land Management (BLM), Tres Rios Field Office and Canyon of the Ancients National Monument (CANM), are seeking public and agency input on the proposed Yellow Jacket Geographic Area Development Plan (GADP). The GADP is a programmatic planning document that analyzes potential carbon dioxide (CO₂) gas development activities within an approximate 30,000-acre area, for the next 5 years, similar to a Master Development Plan. The proposed action considered in this GADP includes improvements to existing CO₂ pipelines, cluster (processing) facilities, and water disposal sites, planned for 2014 construction, and longer-term (5-year) construction of new looped pipelines, cluster facilities, and up to 10 new production wells on public and private land. The project proponent is Kinder Morgan CO₂ Company (Kinder Morgan). Subsequent to this scoping period, an Environmental Assessment will be prepared.

You have received this letter because you have been identified as a property owner potentially affected by the project or because you may have some interest in these activities. We are inviting your input on this proposal.

Project Location

The project area encompasses approximately 46 square miles (29,440 acres), including public lands administered by the BLM/CANM and private lands. The project area is within the McElmo Dome Unit mineral lease area. The project is located in Montezuma County, Colorado in portions of Townships 37 North (T37N)-Range 18 West (R18W), T38N-R18W, T37N-R17W, and T38N-R17W, on the west side of US Highway 491 (see attached figure).

Background

In order to protect cultural and natural resources, the BLM has strongly recommended that fluid minerals development be based upon the GADP process, which is a landscape-level analysis that also includes consideration of site specific activities (*Canyons of the Ancients National Monument Record of Decision and Resource Management Plan*, BLM, 2010). By increasing the geographic and temporal scale of planning, the GADP will facilitate the identification of locations for development that minimize impacts to cultural and other sensitive resources.

BLM will conduct data analysis and resource specific inventories, and identify areas containing minimal resources as potentially appropriate for development, while areas with sensitive

resources would be less appropriate for development. BLM will identify mitigation measures to decrease the effects of development. This information forms the basis for the GADP, which would become a reference document and management tool guiding the analysis of Applications for Permits to Drill (APDs) and other permit applications. The process would identify potential issues prior to the submission of applications, probably reduce delays in processing, and better account for cumulative impacts of field development. The efficiencies realized through this process would be advantageous to both the BLM and the proponent.

For Kinder Morgan, the purpose of this project is to enhance declining CO₂ production over the next 20 to 30 years on existing leases with a minimum of surface disturbance. Recent studies indicate that CO₂ reservoir pressures in the McElmo Dome Unit (the larger geographic lease area containing the Yellow Jacket GADP analysis area) are declining. It is likely that production can be sustained and even increased by lowering the abandonment pressure at the surface, thus increasing drawdown from the CO₂ reservoir and decreasing the need for new wells. After reservoir and production analysis, Kinder Morgan has concluded that the most practical option to sustain production is to install surface compression, installation of additional pipelines to increase capacity, and other facilities that lower the abandonment pressure of the field. These facilities, termed the Cortez Alpha Project, will utilize existing facilities and rights-of-way/pipeline routes and result in less surface disturbance than drilling new wells. This approach will minimize and/or avoid impacts to cultural and natural resources while facilitating development of granted mineral rights. It supports BLM's goal of responsible, environmentally sound mineral resource development.

Proposed Action

The following infrastructure improvement projects will be included in the proposed action for the Yellow Jacket GADP. These improvements will be completed on a combination of federal and private land, and include a number of well-defined, short-term projects to be constructed in 2014 and longer-term activities proposed over the next five years. The 5-year projects will be defined more thoroughly based on the resource surveys performed as part of the GADP.

1. The proposed short-term 2014 projects are described below:
 - a. Construct new pipelines within and near existing pipeline rights-of-way from the YE and YF cluster facilities to the YE-YF valve station.
 - b. Complete minor building and equipment upgrades at all Yellow Jacket cluster facilities. All activities would be within existing facility footprints.
 - c. Install new tanks and pumps at the Yellow Jacket disposal well to handle increased water production. This work will be within existing areas of disturbance.

2. The proposed long-term, 5-year projects are described below:
 - a. Construct new pipelines within and near existing rights-of-way from each of the Yellow Jacket wells to associated cluster facilities.
 - b. Construct new water disposal pipelines within existing rights-of-way from the existing cluster facilities and compressor plant to the existing disposal well.
 - c. Construct one new cluster facility. The location will be determined based on Kinder Morgan facility operations.

- d. Potentially construct up to ten new CO₂ production wells on seven well pads within the CANM area or private land. The locations will be determined based on proximity to cluster facilities and the ability to avoid or mitigate impacts to sensitive resources identified in the GADP.

How to Comment

The BLM is seeking public comment on the proposal described above. This letter also requests your comments, if any, on the potential effects to historic properties. This request is made to satisfy consultation requirements with local governments pursuant to Section 106 of the National Historic Preservation Act. Your comments are most helpful if emailed, postmarked or hand delivered to our office by April 12, 2014. Please submit your questions and comments to:

Tracy E. Perfors, Natural Resource Specialist
Bureau of Land Management, Tres Rios Field Office
29211 Hwy. 184
Dolores, Colorado 81323
Phone: 970-882-6856; FAX 970-882-6841
tperfors@blm.gov

If you do not wish to comment at this time, but would like to receive a copy of the Environmental Assessment for this project, please let us know.

Before including your address, phone number, e-mail address, or other personal identifying information in your comment, be advised that your entire comment –including your personal identifying information –may be made publicly available at any time. While you can ask us in your comment to withhold from public review your personal identifying information, we cannot guarantee that we will be able to do so.

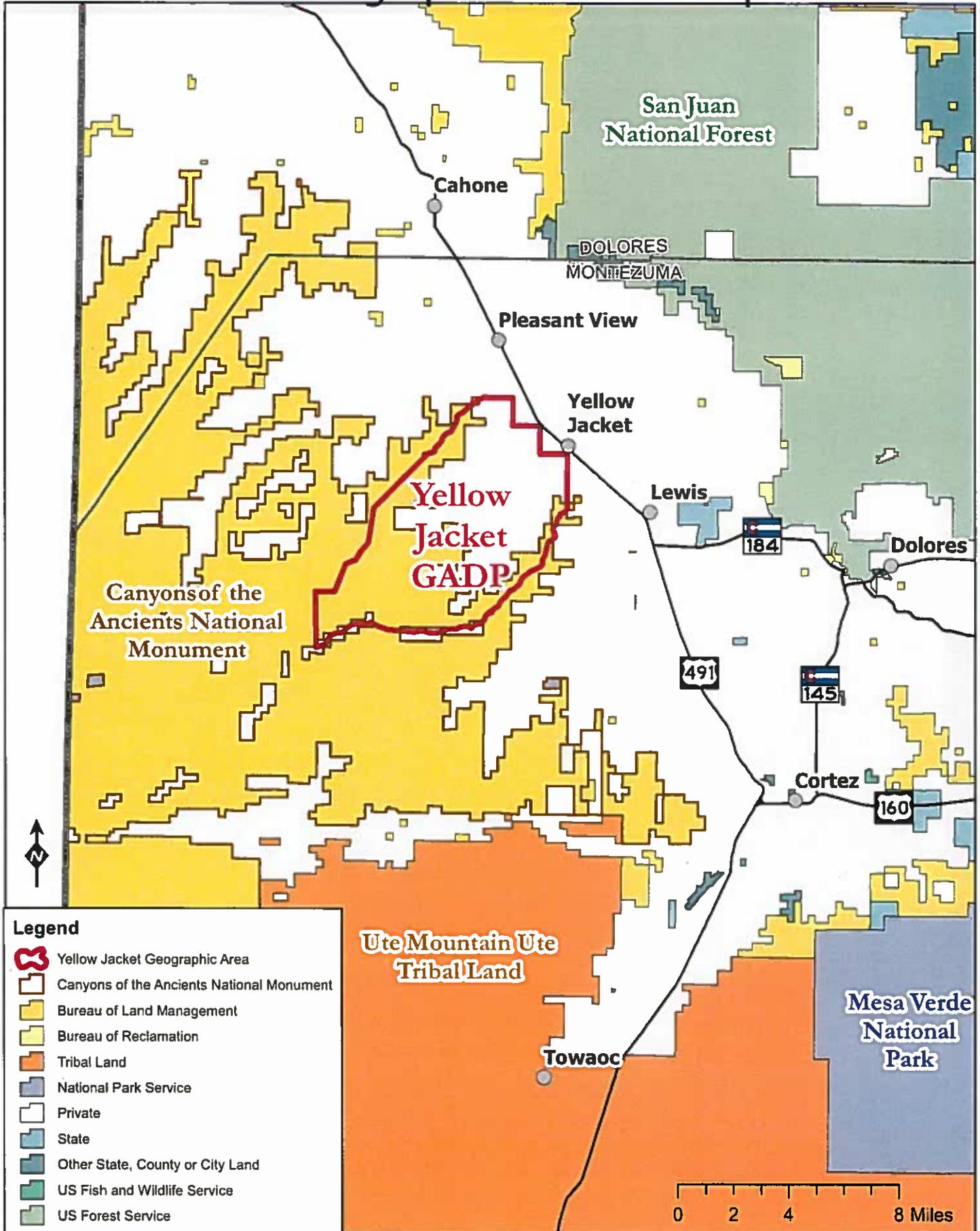
Thank you for your interest in public lands.

Sincerely,



Marietta Eaton
Canyons of the Ancients National Monument Manager

Yellow Jacket Geographic Area Development Plan



Legend

-  Yellow Jacket Geographic Area
-  Canyon of the Ancients National Monument
-  Bureau of Land Management
-  Bureau of Reclamation
-  Tribal Land
-  National Park Service
-  Private
-  State
-  Other State, County or City Land
-  US Fish and Wildlife Service
-  US Forest Service

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