

PRELIMINARY

**U.S. Department of the Interior
Bureau of Land Management
Uncompahgre Field Office
Montrose, CO**

Finding of No Significant Impact (FONSI)

DOI-BLM-CO-150-2009-0005 EA

Location:

- Township 11 South, Range 89 West, Sections 7, 8, 17, 18, 19, 20, 29, 30, 31, 32
- Township 11 South, Range 90 West, Sections 11, 12, 13, 14, SE/4 of 22, 23, 24, 25, 26, E/2 of 27, E/2 of 34, 35, 36
- Township 12 South, Range 89 West, Sections 4, 5, 6, 7, 8, 9
- Township 12 South, Range 90 West, Sections 1, 2, NW/4 of 11, E/2 of 11, 12 in Gunnison County, Colorado.

Project Name: Bull Mountain Unit Master Development Plan.

Applicant: SG Interests I, Ltd.

***NOTE:** BLM has not determined whether the proposed action or alternative 1 is the preferred alternative. This FONSI would apply to either alternative should the decision be to approve an action.*

Background

The BLM Uncompahgre Field Office (UFO) has completed a draft of Environment Assessment (EA) #CO-150-2009-0005 which analyzes the effects of potentially drilling 146 natural gas wells (approximately 50% shale gas and 50% coalbed methane natural gas) on 4 existing and active well pads and 32 proposed new well pads, and 4 water disposal wells on 1 existing and 4 new pads. The EA also analyzes gathering lines and improved roads. The project area is accessible via State Highway 133 and County Road 265. All existing and proposed pads would be located adjacent to existing private ranch roads or accessed by new roads on private land. Gathering lines would be constructed within or adjacent to existing roads where possible; additional gathering lines would be constructed across private property as necessary. Overhead electrical lines for the water disposal wells would be installed cross-country using existing two-track roads.

Prior to initiating the EA process, BLM UFO provided a public scoping and comment period from October 28 through December 1, 2008 for the original proposal to drill 55 wells. The BLM provided a second scoping period for the revised proposal of 150 wells from September 17 through November 13, 2009. The BLM received 29 comments during the first scoping period and 19 comments during the second scoping period, which were addressed in the EA.

Finding of No Significant Impact

Based on the analysis of potential environmental impacts contained in CO-150-2009-0005 EA, I have determined that the action will not have a significant effect on the human environment. The action includes mitigation measures (listed in Appendix C of the EA; Best Management Practices and Conditions of Approval).

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Rationale

This FONSI is based on my consideration of the Council on Environmental Quality's (CEQ) criteria for significance (40 CFR 1508.27), with regard to the context and the intensity of impacts described in the EA.

Context

The Proposed Action is in northern Gunnison County, CO approximately 30 miles northeast of the Town of Paonia in the Muddy Creek basin. The 146 gas wells would be located on Federal oil and gas leases within the Bull Mountain Unit COC-67120X on federal leases COC-42314, COC-63486, COC-64164, COC-64165, COC-64166, COC-64167, COC-64170, COC-64171, COC-64172, COC-66704, COC-66705, COC-66714, COC-66715, and COC-67145. The wells would be drilled on privately owned land with Federal minerals; alternative 1 would have one well on BLM surface. The elevation of the Unit is approximately 7,400 feet, consisting of rolling topography in a mountainous region. The Unit is dominated by sagebrush and also contains oakbrush communities, mixed mountain shrubland, aspen woodlands, and irrigated pasturelands. The area of analysis of the site-specific EA is the Bull Mountain Unit (Figure 2 in the EA).

Intensity

1) Impacts that may be both beneficial and adverse.

Beneficial impacts of this project would be the contribution of jobs, an increased tax base for the local communities, and generation of mineral royalty revenue for the Federal and State governments and Gunnison County. In addition, produced natural gas will be transported to national markets, which contributes to the energy needs of the United States. Adverse impacts include temporary, short-term impacts to vegetation and wildlife habitat, impacts to air quality, increased road traffic and noise during drilling activities, and increased surface disturbance.

2) The degree to which the proposed action affects public health and safety.

Mitigation would reduce the potential impacts to public health and safety to a level that is not significant. The scale of this project, and the short-term duration of construction, coupled with lease stipulations and conditions of approval results in a low risk to public health and safety.

3) Unique characteristics of the geographic area, such as proximity to historic or cultural resources, park lands, prime farmlands, wetlands, wild and scenic rivers, or ecologically critical areas.

No historic or cultural resources are present within the project area. There are no identified parklands, prime farmlands, or Wild and Scenic Rivers in proximity to the project area. Any wetland impacts would be minor and would comply with the requirements of the Clean Water Act.

4) The degree to which the effects on the quality of the human environment are likely to be highly controversial.

The impacts of oil and gas activities are generally well known and documented in the scientific and practicing communities. The nature of the effects on the quality of the human environment is not likely to be highly controversial. Mitigation measures as described in appendix C of EA and incorporated into the selected action will reduce anticipated impacts.

5) The degree to which the possible effects on the human environment are highly uncertain or involve unique or unknown risks.

The proposed action is not unique for this area, as oil and gas extraction projects have been previously approved. The BLM has experience in implementing and monitoring similar projects, the effects of which have been found to be reasonably predictable. Effects from the proposed action would not be classified as highly uncertain or involving unique or unknown risks.

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6) *The degree to which the action may establish a precedent for future actions with significant effects or represents a decision in principle about a future consideration.*

Consenting to oil and gas extraction activities would not create a precedent for future oil and gas extraction. The BLM administers other oil and gas extraction activities in the general area. Any future proposals would have to be evaluated on their own merits based on the issues and impacts related to the location, timing, and intensity of each action. The proposed action does not set a precedent for a future consideration.

7) *Consideration of the action in relation to other actions with individually insignificant but cumulatively significant impacts.*

Other projects, including other oil/gas drilling and coal mining, are foreseeable, but it is not anticipated that cumulative impacts of any significance would occur. The limited scale of activity creates minimal individual effects, as well as minimal cumulative effects when added to the existing situation and other potential activities.

8) *The degree to which the action may adversely affect districts, sites, highways, structures, or objects listed in or eligible for listing in the National Register of Historic Places or may cause loss or destruction of significant scientific, cultural, or historic resources.*

No known cultural or historic sites would be affected by this decision. If any unidentified sites are discovered during implementation, they would be avoided or mitigated so that they would not be impacted.

9) *The degree to which the action may adversely affect an endangered or threatened species or its critical habitat.*

No endangered, threatened, candidate or proposed species would be adversely affected by the project. All listed species occurring within the Uncompahgre Field Office were considered.

10) *Whether the action threatens a violation of federal, state, or local law or requirements imposed for the protection of the environment.*

The proposed action does not threaten violation of any laws or regulations imposed for the protection of the environment.

Determination

This Finding of No Significant Impact is based on the information contained in the EA and my consideration of criteria for significance (40 CFR 1508.27). It is my determination that: 1) the implementation of the proposed action will not have significant environmental impacts; 2) the Proposed Action is in conformance with the Uncompahgre Basin Resource Management Plan; and 3) the Proposed Action does not constitute a major federal action having significant effect on the human environment. Therefore, an Environmental Impact Statement is not necessary.

Approved:

*This is an unsigned FONSI released
for public comment*

Barbara Sharrow
Field Manager
Uncompahgre Field Office

Date