

**United States Department of the Interior
Bureau of Land Management**

**Categorical Exclusion
DOI-BLM-CO-S050-2014-0024 CX**

April 2014

**Suspension of Operations and Production
Federal Oil and Gas Lease No. COC-66716**

Location: North Fork Area, Gunnison County, Colorado.

**U.S. Department of the Interior
Bureau of Land Management
Uncompahgre Field Office
2465 South Townsend Avenue
Montrose, CO 81401
Phone: (970) 240-5300**



**U.S. Department of the Interior
Bureau of Land Management
Uncompahgre Field Office
2465 South Townsend Avenue
Montrose, CO 81401**

CATEGORICAL EXCLUSION

NUMBER: DOI-BLM-CO-S050-2014-0024 CX

PROJECT NAME: Suspension of Operations and Production, Federal Oil and Gas Lease No. COC-66716

PLANNING UNIT: Uncompahgre Basin Resource Area

LEGAL DESCRIPTION: T 12S, R90W, Section 7, E2, Lots 1-4, 6th PM

APPLICANT: SG Interests VII, Ltd. (SG)

BACKGROUND: SG requests a suspension of operations and production pursuant to 43 C.F.R. § 3103.4-4(b) on Federal oil and gas lease COC-66716 for reasons beyond their control which are denying them beneficial use of the lease. The primary reason being the additional time BLM needs to complete an environmental analysis of the proposal and issue a final decision on the associated Federal 12-90-7-1 APD.

SG was previously granted a suspension of operations by BLM on lease COC-66716 effective July 2013 through February 2014 because SG was unable to satisfy the “complete APD” requirements of Federal Onshore Order 1, III.D. Specifically, SG submitted a request for suspension of operations on July 22, 2013, stating that SG was unable to execute a surface use access agreement with the private landowner prior to the expiration of the primary term of the lease on July 31, 2013. Because this previously granted suspension became effective on the first day of the month in which the request was made by SG (July), a period of one month would be tolled to the primary term of the lease when this suspension is lifted, i.e. March 31, 2014.

On February 10, 2014, SG provided an official copy of the executed surface use access agreement to BLM. The BLM then deemed the Federal 12-90-7-1 APD complete on February 11, 2014, in compliance with Federal Onshore Order 1, III.D. The BLM, now having a complete APD in hand, will continue the environmental analysis on the APD.

On February 25, 2014, BLM informed SG (via the 30-day letter) that a final decision on the APD would be deferred until April 30, 2015, in order for BLM to perform the environmental analysis. This letter also served as notification to SG that submission of an additional request for lease suspension may be warranted.

On March 14, 2014, SG filed a request for suspension of operations and production on lease COC-66716. The request was timely filed prior to the March 31, 2014, expiration date of the primary term of the lease.

DESCRIPTION OF PROPOSED ACTION: The Proposed Action is to grant a lease suspension which would become effective as of March 1, 2014 (effective the first day of the month in which the request is received by BLM) and effectively add the period of the suspension to the primary term of the lease (43 C.F.R. § 3103.4-4(b)).

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: Uncompahgre Basin RMP Record of Decision

Date Approved: July 1989

Decision Number/Page: Management Unit 16, page 28

Decision Language: Federal oil and gas estate will be open to leasing with lease terms.

CATEGORICAL EXCLUSION REVIEW: The Proposed Action qualifies as a categorical exclusion under 516 DM 11.9, Number B.4 which allows “approval of suspensions of operations, force majeure suspensions, and suspensions of operations and production”.

None of the following exceptions in 516 DM 2, Appendix 2, apply.

Exclusion	<u>YES</u>	<u>NO</u>
1. Have significant adverse effects on public health and safety.	___	<u>X</u>
2. Have adverse effects 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, floodplains; national monuments; migratory birds; and other ecologically significant or critical areas.	___	<u>X</u>
3. Have highly controversial environmental effects or involve unresolved conflicts concerning alternative uses of available resources.	___	<u>X</u>
4. Have highly uncertain and potentially significant environmental effects or involve unique or unknown environmental risks.	___	<u>X</u>
5. Establish a precedent for future action or represent a decision in principle about future actions with potentially significant environmental effects.	___	<u>X</u>
6. Be directly related to other actions with individually insignificant but cumulatively significant environmental effects.	___	<u>X</u>
7. Have significant impacts on properties listed, or eligible for listing, in the National Register of Historic Places.	___	<u>X</u>
8. Have significant impacts on species listed, or proposed to be listed, on the List of Endangered or Threatened Species, or have adverse effects on designated Critical Habitat for these species.	___	<u>X</u>
9. Violate a Federal law, or a State, local or tribal law or requirement imposed for the protection of the environment.	___	<u>X</u>

- 10. Have disproportionately high and adverse effect on low income or minority populations. ___ X
- 11. Limit access to and ceremonial use of Indian sacred sites by Indian religious practitioners or adversely affect the physical integrity of such sacred sites. ___ X
- 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. ___ X

INTERDISCIPLINARY REVIEW:

<u>Name</u>	<u>Title</u>	<u>Area of Responsibility</u>
Thane Stranathan	Natural Resource Specialist	Fluid Minerals
Teresa Pfifer	Staff Supervisor	Lands & Minerals

REMARKS:

Cultural Resources: The proposed lease suspension will not affect cultural resources.

Native American Religious Concerns: The proposed lease suspension will not affect Native American Religious Concerns.

Threatened and Endangered Species: The proposed lease suspension will not affect Threatened and Endangered Species.

PREPARED BY: Thane Stranathan

ENVIRONMENTAL COORDINATOR: *Bruce Hickbaum* DATE: *4-9-14*
Bruce Hickbaum

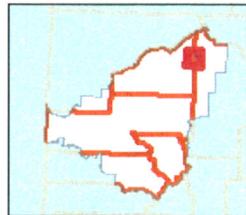
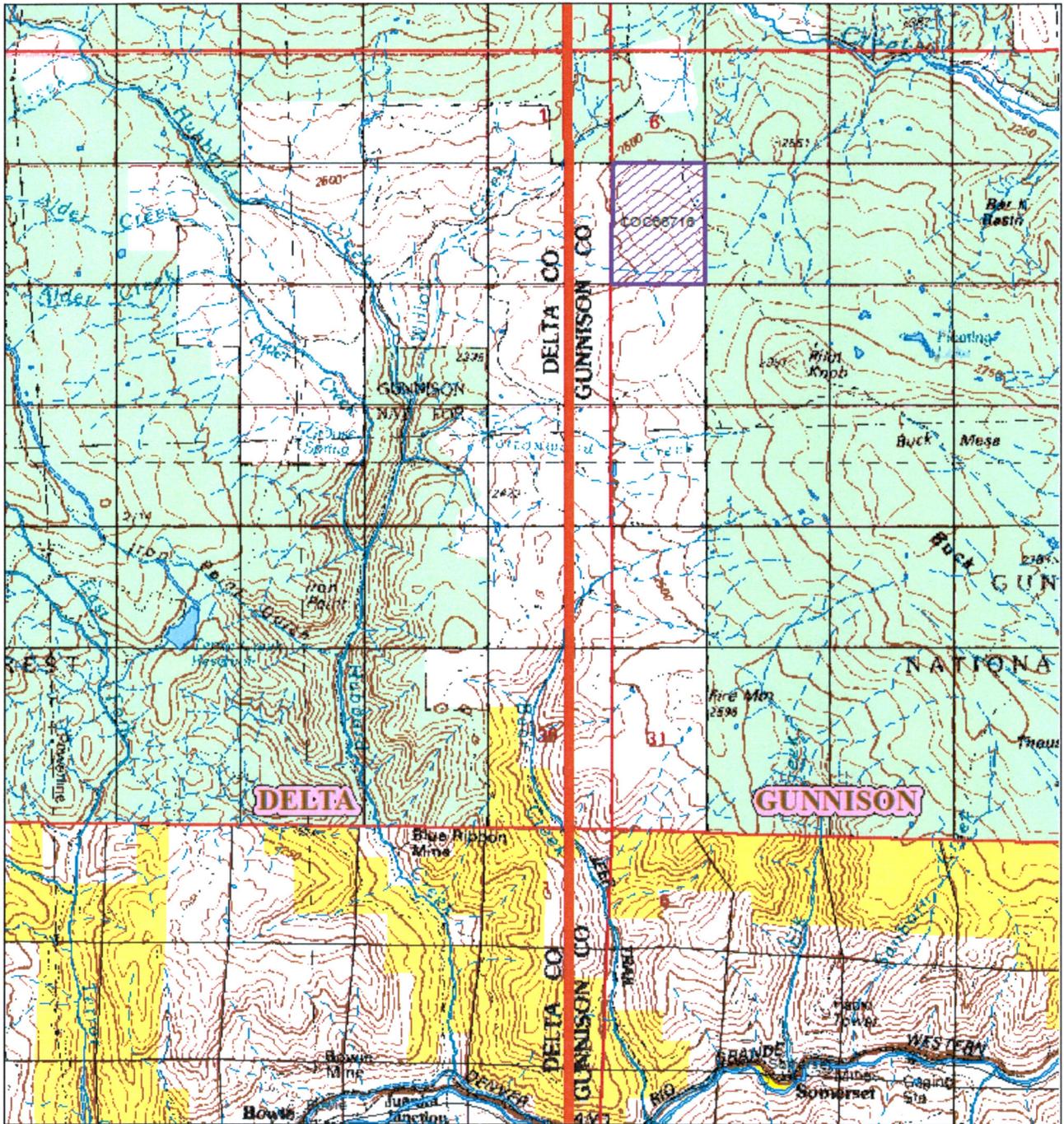
COMPLIANCE WITH NEPA

The Proposed Action is categorically excluded from further documentation under the National Environmental Policy Act (NEPA) in accordance with 516 DM 11.9, B.4. This categorical exclusion is appropriate in this situation because there are no extraordinary circumstances potentially having effects that may significantly affect the environment. The Proposed Action has been reviewed, and none of the extraordinary circumstances described in 516 DM 2 apply.

AUTHORIZED OFFICIAL: *Barbara Sharrow* DATE: *4-10-14*
 Barbara Sharrow
 Field Manager
 Uncompahgre Field Office

Attachment: Map

Lease COC-66716



Legend

 COC66716

0 25 50 100 Miles

Uncompahgre Field Office
User Name: tstranat
Date Saved: 8/5/2013

No Warranty is made by the Bureau of Land Management as to the accuracy, reliability, or completeness of these data for individual use or aggregate use with other data.