

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

**Categorical Exclusion
DOI-BLM-CO-SO50-2013-0013 CX**

March 2013

Suspension of Operations of Oil and Gas Leases

Location: W of McClure Pass, Colorado

**U.S. Department of the Interior
Uncompahgre Field Office
2465 South Townsend Avenue
Montrose, CO 81403
Phone: (970) 240-5300**



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CATEGORICAL EXCLUSION

NUMBER: DOI-BLM-CO-S050-2013-0013 CX

CASEFILE / PROJECT NUMBERS 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

PROJECT NAME: Suspension of Operations and Production of Oil and Gas Leases

PLANNING UNIT: Uncompahgre Basin Resource Area

LEGAL DESCRIPTION:

Lease Number	Legal Description
COC-42314	T. 11 S., R. 90 W., Sec. 14, 6 th P.M.
COC-63486	T. 11 S., R. 90 W., Sec. 11, 13, 6 th P.M.
COC-64164	T. 11 S., R. 89 W., Sec. 7, 8, 17, 18, 6 th P.M.
COC-64165	T. 11 S., R. 89 W., Sec. 19, 20, 6 th P.M.
COC-64166	T. 11 S., R. 89 W., Sec. 30, 31, 6 th P.M.
COC-64167	T. 11 S., R. 89 W., Sec. 29, 6 th P.M.
COC-64170	T. 11 S., R. 90 W., Sec. 22, 23, 24, 6 th P.M.
COC-64171	T. 11 S., R. 90 W., Sec. 27, 34, 35, 36, 6 th P.M.
COC-64172	T. 11 S., R. 90 W., Sec. 25, 26, 6 th P.M.
COC-66704	T. 12 S., R. 89 W., Sec. 4,5,6,7, 6 th P.M.
COC-66705	T. 12 S., R. 89 W., Sec. 8,9, 6 th P.M.
COC-66714	T. 11 S., R. 90 W., Sec. 11, 6 th P.M.
COC-66715	T. 12 S., R. 90 W., Sec. 1, 2, 11, 12, 6 th P.M.
COC-67145	T. 11 S., R. 89 W., Sec. 30, 6 th P.M.

APPLICANTS: SG Interests VII, LTD (SG) and Falcon Seaboard Oil and Gas, LLC (Falcon)

DESCRIPTION OF PROPOSED ACTION: The operator of these leases is SG (80%) and Falcon (20%). Together they are requesting a suspension of operations and production on the above referenced leases. The request to suspend the leases was received by BLM on December 19, 2012. SG and Falcon request suspension only of those leases or portions of leases which either do not have an existing well on the lease, or which lie outside of an approved participating

area. They also state that it is their intention to produce the existing wells within the Bull Mountain Unit (BMU) during the period the leases are suspended.

A. The following information is applicable to this suspension request:

1. All of the leases are located in and committed, except COC42314, to the approved BMU, serial number COC-67120X, and are primarily on split-estate lands. The BMU was established on August 14, 2003, with SG as operator.
2. Since November 2008 BLM has been preparing an EA for the Bull Mountain Unit Master Development Plan (MDP). In 2012 due to several resource issues, the EA was elevated to an EIS. SG is unable to conduct Bull Mountain Unit MDP activities until the Record of Decision for the EIS is issued.
3. On December 11, 2012, the BLM's Colorado State Office granted a suspension of all unit drilling obligations for the Bull Mountain Unit until the drilling season (roughly June through December) following the completion of the Bull Mountain Unit EIS and issuance of a Record of Decision.
4. The BLM Manual provides that "the authorized officer may grant a suspension of operations and/or production for any or all leases effectively or fully committed to the unit agreement due to existing circumstances that prohibit the unit operator from drilling and/or producing on unitized land." BLM Manual H-3180-I.II.J.2.

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

Name of Plan: Uncompahgre Basin RMP

Date Approved: July 1989

Decision Number/Page: 9

Decision Language: Federal oil, gas and geothermal estate on both federal surface and split estate lands will be open to leasing with standard lease terms.

CATEGORICAL EXCLUSION REVIEW: The proposed action is designated as a categorical exclusion pursuant to 516 DM 11.9 and is listed in H-1790-1, Appendix 4, BLM Categorical Exclusion B.4., "Approval of suspension of operations, force majeure suspensions, and suspensions of operations and production." None of the following exceptions in 516 DM 2, Appendix 2, apply:

Exceptions	YES	NO
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.	_____	<u>X</u>
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.	_____	<u>X</u>
12. Significantly, 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.	_____	<u>X</u>

INTERDISCIPLINARY REVIEW:

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

REMARKS: Cultural, threatened and endangered species, wildlife timing and other stipulations applied to federal parcels when leased still apply.

NAME OF PREPARERS: Thane Stranathan 

NAME OF ENVIRONMENTAL COORDINATOR: Bruce Krickbaum 

DATE: 3-12-2013

COMPLIANCE WITH NEPA

This CX for suspension of leases will apply to COC-63486, COC-64165, COC-64166, COC-64167, COC-66704, COC-66705, COC-66714 and COC-66715. The other leases do not meet the criteria for suspension (the rationale will be explained in the Decision Record).

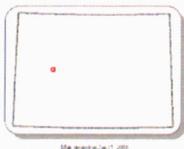
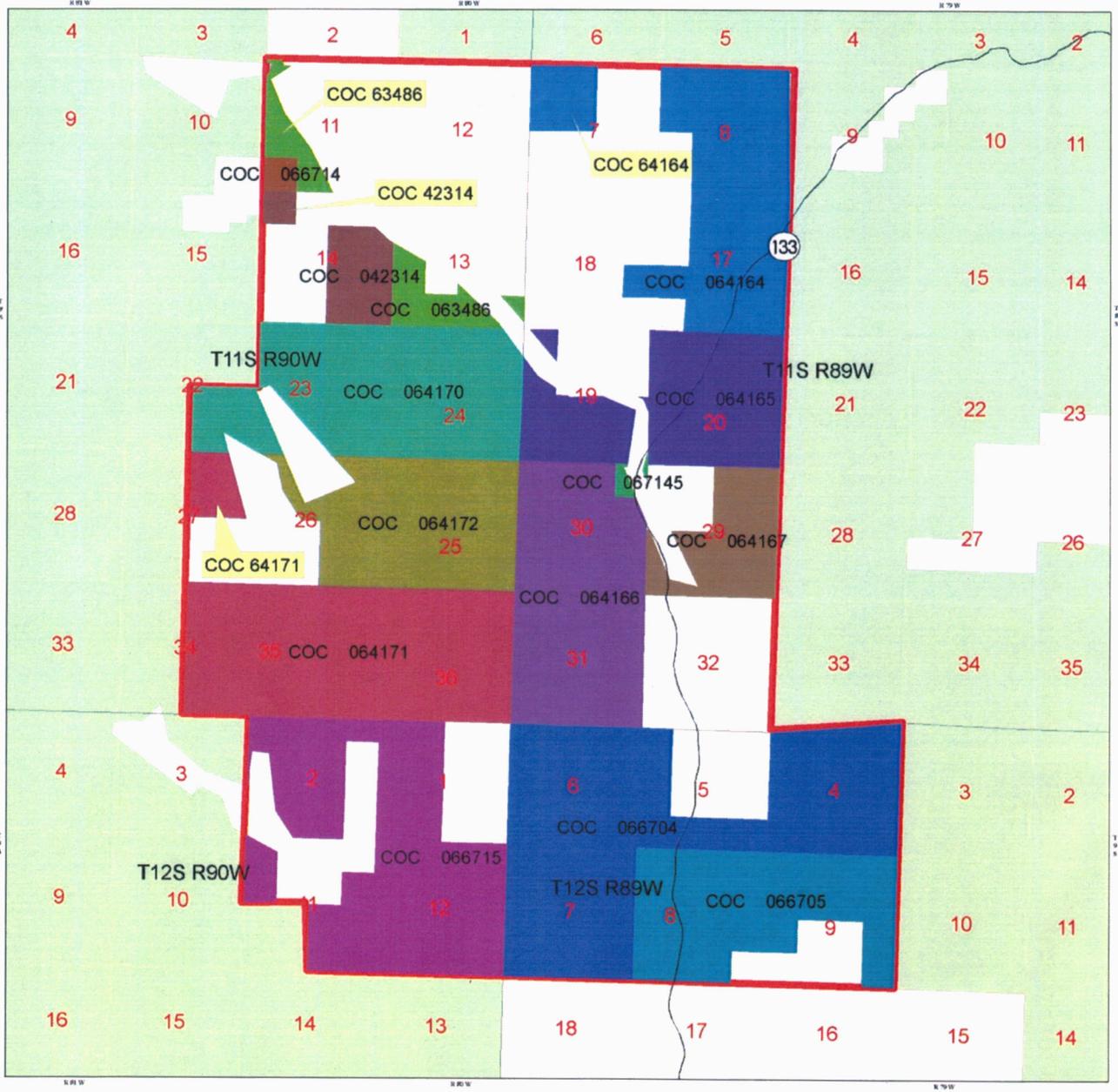
The action is categorically excluded from further documentation under the National Environmental Policy Act (NEPA) in accordance with 516 DM 11.9, B.4. This categorical exclusion is appropriate in this situation because there are no extraordinary circumstances potentially having effects that may significantly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

SIGNATURE OF AUTHORIZED OFFICIAL: _____



Barbara Sharrow
Uncompahgre Field Office, Field Manager

DATE SIGNED: 3-12-13



LAND OWNERSHIP LEGEND

Private Lands	Indian Lands or Reservations	BLM Wilderness Area	BLM National Monument
State Lands	Bureau of Land Management (BLM)	BLM Wilderness Study Area	National Conservation Area
City, State, County Parks	National Forest Lands (NFLT)	USFS Wilderness Area	Military Reservation/Zone of Engineers
Other Federal Lands	National Park Service (NPS)	USFS Special Protection Area	Bureau of Reclamation (BOR)
National Crossroads	NPSA Service National Wildland Refuge		

Scale: 1:24,000

North Arrow

Surface Management Responsibility - Custom 1:24,000 Scale



UNITED STATES DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT
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 Last Date Issued: 06/11/2008

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