

**U.S. Department of the Interior
Bureau of Land Management
Uncompahgre Field Office
2465 South Townsend Avenue
Montrose, CO 81403**

Decision Record

(DOI-BLM-CO-S050-2013-0013 CX)

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

DECISION: It is my decision to approve the request for the suspension of operations and production for the following leases pursuant to provisions of 43 CFR 3103.4-4:

COC-63486, COC-64165, COC-64166, COC-64167,
COC-66704, COC-66705, COC-66714 and COC-66715

The lease suspensions will be effective as of December 1, 2012. The individual lease suspensions will expire when one of the following conditions is first met:

1. The first day of the month that drilling operations are commenced on or for the benefit of a committed lease within the Bull Mountain Unit.
2. The first day of the month that a lease begins participating in a new or revised participating area in the Bull Mountain Unit.
3. The first day of the month the Bull Mountain Unit is contracted.
4. December 1, 2014

The following leases have actual or allocated production from existing participating areas or from wells where a paying well determination has not been made, and are denied the request to have operations and production suspended: COC-64164, COC-64170, COC-64171, COC-64172, COC-64175 and COC-42314

The suspension request for lease COC 42314 is denied as it is not committed to the Bull Mountain Unit and it is also held by production.

RATIONALE: My decision to suspend these leases is based on the unknown amount of time it will take to issue a Record of Decision for the Bull Mountain Unit Master Development Plan, and that the Bull Mountain Unit drilling obligations have been suspended until the drilling season (roughly June through December) following the completion of the Bull Mountain Unit Master Development Plan EIS and ROD.

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-3180-1.II.J.2.

Leases COC 64164, COC 64170, COC 64171, COC 64172 and COC 67145 have actual or allocated production from existing participating areas or from wells where a paying well determination has not been made. My review of existing manuals, handbooks, instruction memos and various IBLA decisions finds that a lease should not be granted a suspension if operations or production is occurring. I have interpreted this to include leases that are receiving allocated production. Also, the request to suspend portions of a lease that are outside of a participating area is not supported in the regulations or any of our internal guidance.

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.

COMPLIANCE WITH MAJOR LAWS and CONFORMANCE WITH LAND USE PLAN:

The decision is in compliance with applicable laws, regulations and policy, including the Endangered Species Act, Migratory Bird Treaty Act, Clean Water Act, Clean Air Act, National Historic Preservation Act, and the Uncompahgre Basin Resource Management Plan Record of Decision 1989.

ADMINISTRATIVE REMEDIES:

Any adversely affected party who contests a decision of the authorized officer may request an administrative review before the State Director. Such requests, including all supporting documentation, shall be filed with the State Director within twenty (20) business days of receipt of the notice. Upon request and showing good cause, an extension for submitting supporting data may be granted by the State Director. Requests for administrative review should be sent to:

State Director (CO-922)
Bureau of Land Management
Colorado State Office
2850 Youngsfield St.
Lakewood, Colorado 80215

NAME OF PREPARER: Thane Stranathan 

NAME OF ENVIRONMENTAL COORDINATOR: Bruce Krickbaum  DATE 3-12-13

SIGNATURE OF AUTHORIZED OFFICIAL 
Barbara Sharrow
Field Manager
Uncompahgre Field Office

DATE SIGNED 3-12-13