U.S. Department of the Interior
Bureau of Land Management
White River Field Office
220 E Market St
Meeker, CO 81641

Section 390
Categorical Exclusion for
Oil and Gas Development

NUMBER: DOI-BLM-CO-110-2010-0072-CX

CASEFILE/PROJECT NUMBER: COC65556

PROJECT NAME: ConocoPhillips' Double Willow Unit Well CP01SW-33 M33 496

LEGAL DESCRIPTION: 6th P.M.
T. 4 S., R. 96 W.,
Sec. 33, SW¼SW¼,

APPLICANT: ConocoPhillips Co.

DESCRIPTION OF PROPOSED ACTION: The applicant proposes to drill one natural gas well on the existing location (Figure 1), well CP01SW-33 M33 496. The last well on well pad M33 496 was spudded on 11/24/07 and the surface casing was preset. Drilling was completed during the summer of 2008, and the wells were completed shortly thereafter. The existing and proposed wells are split-estate wells, and according to the parcel data for Garfield County, the surface owner is Reuben G. and Stephanie Diane Oldland. The environmental assessment (EA) that applies to this location is CO-110-07-139-EA (signed on 08/14/07), and this action would result in no new surface disturbance; all proposed activities would occur on the existing well pad.

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: White River Record of Decision and Approved Resource Management Plan (ROD/RMP).
>
> Date Approved: July 1, 1997
>
> Decision Number/Page: Page 2-5
>
> Decision Language: "Make federal oil and gas resources available for leasing and development in a manner that provides reasonable protection for other resource values."

REVIEW OF EXISTING NEPA DOCUMENTS:

List by name and date all existing NEPA documents that cover the Proposed Action.

Name of Document: White River Resource Area Proposed Resource Management Plan and Final Environmental Impact Statement (PRMP/FEIS).

Date Approved: July 1, 1997

Name of Document: CO-110-07-139-EA

Date Approved: 08/14/07

CATEGORICAL EXCLUSION REVIEW: The proposed action is categorically excluded from further documentation in accordance with statutory NEPA categorical exclusions (CX), as granted in Section 390 of the Energy Policy Act of 2005, for oil and gas exploration and development. The proposed action qualifies as a categorical exclusion under Section 390, based on the qualifying criteria Number (2 and 3) of the categories listed below.

Qualifying Criteria	YES	NO
1. Individual surface disturbances of less than five (5) acres so long as the total surface disturbance on the lease is not greater than 150 acres and site-specific analysis in a document prepared pursuant to NEPA has been previously completed. **(a, b, and c below must be yes to have this CX apply)**		X
a. Will disturb less than 5 acres, if more than one action is proposed for a lease, each activity is counted separately and each may disturb up to five acres.		X
b. The current un-reclaimed surface disturbance readily visible on the entire leasehold is not greater than 150 acres, including the proposed action.		X
c. This categorical exclusion includes the requirement of a site-specific NEPA document. A site specific NEPA analysis can be either an exploration and/or development EA/EIS, an EA/EIS for a specific POD, a multi-well EA/EIS or an individual permit approval EA/EIS.		X
2. Drilling an oil and gas location or well pad at a site at which drilling has occurred within five (5) years prior to the date of spudding the well. A "location or well pad" is defined as a previously disturbed or constructed	X	

Qualifying Criteria	YES	NO
well pad used in support of drilling a well. "Drilling" in the context of, "Drilling has occurred within five (5) years"		
3. Drilling an oil or gas well within a developed field for which an approved land use plan or any environmental document prepared pursuant to NEPA analyzed drilling as a reasonably foreseeable activity, so long as such plan or document was approved within five (5) years prior to the date of spudding the well. **(a, b, and c below must be yes to have this CX apply)**	X	
a. The proposed APD is within a developed oil or gas field. A developed field is defined as any field in which a confirmation well has been completed.	X	
b. There is an existing NEPA document (including that supporting a land use plan) that contains a reasonably foreseeable development scenario broad enough to encompass this action.	X	
c. The NEPA document was finalized or supplemented within five years of spudding the well.	X	
4. Placement of a pipeline in an approved right-of-way corridor, as long as the corridor was approved within five (5) years prior to the date of placement of the pipeline. (To avoid problems, the right-of-way must contain a term or condition that provides for the suspension of the authorization if placement does not begin before the last date that the CX is available, thus requiring the operator to obtain a new right-of-way.) **(a and b below must be yes to have this CX apply)**		X
a. The placement of a pipeline in an existing corridor of any type		X
b. Placement of the pipeline within five years of approval (or amendment) of the most recent date of a decision (NEPA or permit authorization) are the only two applicable factors for review pursuant to this statute and must both be satisfied to use this CX.		X
5. Maintenance of a minor activity, other than any construction or major renovation of a building or facility.		X

CX (1) and (3) reference previous NEPA documents, the same or better mitigating measures from the tiered NEPA document will be applied as well as BMPs to reduce impacts to any authorization issued.

CX (2) and (3) must state the date when the previous well was completed or the date the site had workover operations involving a drilling rig of any type or capability; this also includes completion of any plugging operations. Because the 5-year period is tied to the spudding of the pending well, the APD must contain a COA that if no well is spudded by the date the CX is no longer applicable, the APD will expire, thus requiring the operator to obtain a new APD.

CX (4) to avoid problems, the right-of-way must contain a term or condition that provides for the suspension of the authorization if placement does not begin before the last date that the CX is available, thus requiring the operator to obtain a new right-of-way.

For all CX a brief narrative must be included in the well file(s) stating the rationale for making the determination that the categorical exclusion applies. If more than one applies each shall be explained.

Documentation: The following will be added to the well file: "The proposed action meets the CX criteria for criteria (2) because the proposed action includes drilling a gas well at a site at which drilling has occurred within five (5) years prior to the date of spudding the well."

"The proposed action meets the CX criteria for criteria (3) because the proposed action includes drilling a gas well within a developed field for which an approved land use plan or any environmental document prepared pursuant to NEPA analyzed drilling as a reasonably foreseeable activity."

INTERDISCIPLINARY REVIEW:

The proposed action was presented to, and reviewed by the White River Field Office interdisciplinary team on __09/15/09__.
Date
A list of resource specialists who participated in this review is available upon request from the White River Field Office.

REMARKS:

Cultural Resources: As the proposed project involves no new ground disturbance, there will be no effect to cultural resources. KB 11/2/2009

Paleontological Resources: As the proposed project involves no new ground disturbance, there will be no effect to paleontological resources. KB 11/2/2009

Native American Religious Concerns: No known concerns. KB 11/2/2009

Threatened and Endangered Animal Species: There are no threatened or endangered species known to inhabit or derive important use from the proposed project area. However, the Greater sage-grouse (*Centrocercus urophasianus,* hereafter "sage-grouse") does occur in the project area

and is considered a sensitive species by the BLM. The U.S. Fish and Wildlife Service (USFWS) has been petitioned numerous times to list the greater sage-grouse as either threatened or endangered under the Endangered Species Act (Colorado-Greater Sage Grouse Conservation Plan Steering Committee 2008). In January 2005, the USFWS determined that listing the greater sage-grouse was not warranted, but identified energy development as having the greatest extinction risk to sage-grouse in Colorado (Federal Register 2005). On December 4, 2007, the U.S. District Court in Idaho ruled that the USFWS's 12-Month Finding was arbitrary and capricious and has remanded the case back to the USFWS for further review (Western Watersheds Project v. US Fish & Wildlife Service, Case No. CV-06-277-E-BLW).

The proposed well pad is within 2 miles of four active leks (North Parachute Ranch, Cutoff Gulch, Oldland Cow Camp #2, and Bragg Spring). Ongoing radio-telemetry research conducted by the Colorado Division of Wildlife (CDOW) reveals considerable use by sage-grouse throughout the year in the project area. To minimize impacts to sage-grouse by reducing vehicle traffic in occupied nesting habitat and areas adjacent to leks, access to the location should be strictly limited to the proposed route (from Piceance Creek Rd (RBC Rd 5) to the Sprague Gulch Road and then west along the Divide Road). Additionally, development activities (including, but not limited to, construction, drilling, completion, and reclamation) will not be allowed from April 15 through July 7.

Because of potential cumulative local and regional impacts to big game dispersal and seasonal movement patterns as a result of increased oil and gas activity in areas identified as critical big game habitat, as directed by the WRFO RMP (1997), the stipulation developed specifically for big game summer habitat will apply. As such, no development activity is allowed from May 15 through August 15.

The development of reserve pits in the project area may attract waterfowl and other migratory birds for purposes of resting, foraging, or as a source of free water. Mortality events that include migratory waterfowl (e.g., teal and gadwall) contacting oil-based drilling fluids stored in reserve pits during or after completion operations have been documented in the WRFO Resource Area and these events constitute a violation of the Migratory Bird Treaty Act. The operator will be responsible for implementing mitigation measures that minimize bird injuries or mortality as a result of contact with produced water in the reserve pit. The most effective measure currently being used includes the use of netting to cover the pit. The operator will notify WRFO Natural Resource Specialist, Brett Smithers via Email (brett_smithers@blm.gov) or by phone ([970] 878-3818) of the method that will be used to prevent impacts to migratory birds two weeks prior to the date when completion activities are expected to begin. The operator will also submit a Sundry Notice (SN) stating what method will be used, and the anticipated installation date for the deterrent. The BLM-approved method will be applied within 24 hours after completion activities have begun. All lethal and non-lethal events that involve migratory birds will be reported to the Petroleum Engineer Technician immediately. (HS 11/18/09)

Threatened and Endangered Plant Species: No known concerns. MM11/6/09

MITIGATION:

1. If the well has not been spudded by 11/24/2012 this APD will expire, and the operator is to cease all operations related to preparing to drill the well thus requiring the operator to obtain a new APD and NEPA analysis.

2. Mitigation that was developed for this well location and included in CO-110-07-139-EA also applies to this proposed action.

3. The operator shall be responsible for informing their employees, contractors, and subcontractors that they would be subject to prosecution for knowingly disturbing archaeological sites, or for collecting artifacts on public lands. If archaeological materials are uncovered during any project or construction activities, the operator is to immediately stop activities in the immediate area of the find that might further disturb such materials, and immediately contact the authorized officer (AO). Within five working days the AO will inform the operator as to:
   - whether the materials appear eligible for the National Register of Historic Places
   - the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary).
   - a timeframe for the AO to complete an expedited review under 36 CFR 800-11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

   If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation cost. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

4. The operator is responsible for informing all persons who are associated with the project operations that they will be subject to prosecution for disturbing or collecting vertebrate fossils, collecting large amounts of petrified wood, or collecting fossils for commercial purposes on public lands. If significant paleontological resources are discovered during surface disturbing actions or at any other time, the operator or any of his agents must stop work immediately at the site, immediately contact the Authorized Officer (AO), and make every effort to protect the site from further impacts, including looting, erosion, or other human or natural damage.

5. The BLM or designated paleontologist will evaluate the discovery and take action to protect or remove the resource within 10 working days. Work may not resume at that location until approved by the official BLM representative.

6. If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise,

significant delays may occur while the AO enacts mitigation procedures. The operator may elect to contract an approved paleontologist to execute site mitigations in order to expedite proceedings. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

7. To minimize impacts to sage-grouse by reducing vehicle traffic in occupied nesting habitat and areas adjacent to leks, access to the location should be strictly limited to the proposed route (from Piceance Creek Rd (RBC Rd 5) to the Sprague Gulch Road and then west along the Divide Road). Additionally, development activities (including, but not limited to, construction, drilling, completion, and reclamation) will not be allowed from April 15 through July 7.

8. Because of potential cumulative local and regional impacts to big game dispersal and seasonal movement patterns as a result of increased oil and gas activity in areas identified as critical big game habitat, as directed by the WRFO RMP (1997), the stipulation developed specifically for big game summer habitat will apply. As such, no development activity is allowed from May 15 through August 15.

9. The operator will be responsible for implementing mitigation measures that minimize bird injuries or mortality as a result of contact with produced water in the reserve pit. The most effective measure currently being used includes the use of netting to cover the pit. The operator will notify WRFO Natural Resource Specialist, Brett Smithers via Email (brett_smithers@blm.gov) or by phone ([970] 878-3818) of the method that will be used to prevent impacts to migratory birds two weeks prior to the date when completion activities are expected to begin. The operator will also submit a Sundry Notice (SN) stating what method will be used, and the anticipated installation date for the deterrent. The BLM-approved method will be applied within 24 hours after completion activities have begun. All lethal and non-lethal events that involve migratory birds will be reported to the Petroleum Engineer Technician immediately.

10. The following prescribed seed mix and seeding rates will be applied, as appropriate:

Native Seed Mix 2: Seeding Rate 2 – Treatment 2 (TRT 2)

Species	Pure Live Seed (PLS)	Total Seeds/Acre	% of Seed Mix
Western wheatgrass (Rosanna)	4 lbs/ac	440,000	0.12
Indian ricegrass (Rimrock)	2 lbs/ac	280,000	0.08
Bluebunch wheatgrass (Whitmar)	4 lbs/ac	468,000	0.13
Thickspike wheatgrass (Critana)	4 lbs/ac	616,000	0.17
Letterman needlegrass (ACLE9)	2 lbs/ac	300,000	0.08
Globemallow	1 lbs/ac	500,000	0.14
Blue flax (Maple Grove)	1 lbs/ac	420,000	0.12
Rocky mountain penstemon (Bandera)	1 lbs/ac	286,000	0.08
Arrowleaf balsamroot	2 lbs/ac	116,000	0.03
Utah sweetvetch	2 lbs/ac	160,000	0.04
Total lbs. PLS/Acre	23		

11. The prescribed seed mix and seeding rates identified above will be applied to all areas not directly associated with production operations. More specifically, the prescribed seed mix and seeding rates will be applied to all disturbed areas outside of the completion and work-over rig anchors, and within the overall pad footprint (including the area outside of the staked working surface of the pad that was disturbed as a result of overburden, topsoil and sub-surface soil stockpiles, etc.).

12. The perimeter of each well pad will be fenced using a 4-strand barbed wire fence. All areas disturbed that were associated with pad construction will be fenced, including areas used for stockpiled topsoil, subsurface soils, and overburden.

13. To increase the success of interim reclamation practices associated with each well pad, and to reduce confounding effects that grazing by cattle may have on reclaimed pads, a cattle guard will be installed at the access point where the access road enters the pad and in line with the fence. A cattleguard will be installed at the well pad location.

14. The designated Natural Resource Specialist (NRS) will be notified 24 hours prior to beginning all construction-related activities associated with this project that result in disturbance of surface soils via email or by phone. Construction-related activities may include, but are not limited to, pad and road construction, clearing pipeline corridors, trenching, etc. Notification of all construction-related activities, regardless of size, that result in disturbance of surface soils as a result of this project is required.

15. In an attempt to track interim and final reclamation of federal actions related to the development of federal mineral resources, the operator shall provide the designated Natural Resource Specialist with geospatial data in a format compatible with the WRFO's ESRI ArcGIS Geographic Information System (GIS). These data will be used to accurately locate and identify all geographic as-built (i.e., constructed) features associated with this project and included in the Application for Permit to Drill (APD) or Sundry Notice (SN), as appropriate. These data shall be submitted within 60 days of construction completion. If the operator is unable to submit the required information within the specified time period, the operator shall notify the designated Natural Resource Specialist via email or by phone, and provide justification supporting an extension of the required data submission time period. GIS polygon features may include, but are not limited to, constructed access roads, existing roads that were upgraded, pipeline corridors, and well pad footprints. Acceptable data formats are: (1) corrected global positioning system (GPS) files with sub-meter accuracy or better; (2) ESRI shapefiles or geodatabases; or, (3) AutoCAD .dwg or .dxf files. If possible, both (2) and (3) should be submitted for each as-build feature. Geospatial data must be submitted in UTM Zone 13N, NAD 83, in units of meters. Data may be submitted as: (1) an email attachment; or (2) on a standard compact disk (CD) in compressed (WinZip only), or uncompressed format. All data shall include metadata, for each submitted layer, that conforms to the *Content Standards for Digital Geospatial Metadata* from the Federal Geographic Data Committee standards. Questions shall be directed to WRFO BLM GIS staff at (970) 878-3800.

    If the operator is unable to send the data electronically, the operator shall submit the data on compact disk(s) to:

BLM, White River Field Office
Attn: NRS Staff
220 East Market Street
Meeker, Colorado 81641

Internal and external review of the reporting process and the adequacy of the associated information to meet established goals will be conducted on an on-going basis. New information or changes in the reporting process will be incorporated into the request, as appropriate. Subsequent permit application processing may be dependent upon successful execution of this request, as stated above.

If for any reason the location or orientation of the geographic feature associated with the proposed action changes, the operator shall submit updated GIS data to designated BLM NRS staff person within 7 calendar days of the change. This information shall be submitted via Sundry Notice.

16. The designated Natural Resource Specialist will be notified 24 hours prior to beginning all reclamation activities associated with this project via email or by phone. Reclamation activities may include, but are not limited to, seed bed preparation that requires disturbance of surface soils, seeding, constructing exclosures (e.g., fences) to exclude livestock from reclaimed areas.
17. All seed tags will be submitted to the designated Natural Resource Specialist within 14 calendar days from the time the seeding activities have ended via Sundry Notice. The sundry will include the purpose of the seeding activity (i.e., seeding well pad cut and fill slopes, seeding pipeline corridor, etc.). In addition, the SN will include the well or well pad number associated with the seeding activity, if applicable, the name of the contractor that performed the work, his or her phone number, the method used to apply the seed (e.g., broadcast, hydro-seeded, drilled), whether the seeding activity represents interim or final reclamation, an estimate of the total acres seeded, an attached map that clearly identifies all disturbed areas that were seeded, and the date the seed was applied.
18. The operator will be required to meet with the WRFO reclamation staff in March or April of each calendar year and present a comprehensive work plan. The purpose of the plan is to provide information pertaining to reclamation activities that are expected to occur during the current growing season. The operator shall also provide a map that shows all reclamation sites where some form of reclamation activity is expected to occur during the current growing season.
19. A Reclamation Status Report will be submitted electronically via email and as a hard-copy to WRFO Reclamation Coordinator. Please submit the hardcopy to:

    BLM, White River Field Office
    220 East Market Street
    Meeker, Colorado 81641
    Attn: Brett Smithers

The Reclamation Status Report will be submitted annually for all actions that require disturbance of surface soils on BLM-administered lands as a result of the proposed action. Actions may include, but are not limited to, well pad and road construction, construction of ancillary facilities, or power line and pipeline construction. The Reclamation Status Report will be submitted by September 30th of each calendar year, and will include the well number, API number, legal description, UTM coordinates (using the NAD83 datum, Zone 13N coordinate system), project description (e.g., well pad, pipeline, etc.), reclamation status (e.g., Phase I Interim, Phase II Interim, or Final), whether the well pad or pipeline has been re-vegetated and/or re-contoured, percent of the disturbed area that has been reclaimed, method used to estimate percent area reclaimed (e.g., qualitative or quantitative), technique used to estimate percent area reclaimed (e.g., ocular, line-intercept, etc.), date seeded, photos of the reclaimed site, estimate of acres seeded, seeding method (e.g., broadcast, drilled, hydro-seeded, etc.), and contact information for the person(s) responsible for developing the report. The report will be accompanied with maps and GIS data showing each discrete point (i.e., well pad), polygon (i.e., area where seed was applied for Phase I and/or Phase II interim reclamation or area reclaimed for final reclamation), or polyline (i.e., pipeline) feature that was included in the report. Geospatial data shall be submitted: for each completed activity electronically to the designated BLM staff person responsible for the initial request and in accordance with WRFO geospatial data submittal standards (available from WRFO GIS Staff, or on the WRFO website). Internal and external review of the WRFO Reclamation Status Report, and the process used to acquire the necessary information will be conducted annually, and new information or changes in the reporting process will be incorporated into the report.

COMPLIANCE PLAN: On-going compliance inspections and monitoring of drilling, production and post-production activities will be conducted by White River Field Office staff during construction of well pads, access roads, and pipelines. Specific mitigation developed in the associated Categorical Exclusion and the lease terms and conditions will be followed. The Operator will be notified of compliance related issues in writing, and depending on the nature of the issue(s), will be provided 30 days to resolve such issues.

NAME OF PREPARER: Brett Smithers

NAME OF ENVIRONMENTAL COORDINATOR: Caroline Hollowed

DATE: 2/2/10

ATTACHMENTS: Figure 1. Project area map

DECISION AND RATIONALE: I have reviewed this CX and have decided to approve the proposed action.

This action is listed in the Instruction Memorandum Number 2005-247 as an action that may be categorically excluded under Section 390 of the Energy Policy Act of 2005. I have evaluated the action relative to the 5 qualifying criteria listed above and have determined that it does not represent an exception and is, therefore, categorically excluded from further environmental analysis.

SIGNATURE OF AUTHORIZED OFFICIAL: _____
Field Manager

DATE SIGNED: 02/02/10

Administrative Review or Appeal Opportunities

This decision is effective upon the date the decision or approval by the authorized officer. Under regulations addressed in 43 CFR Subpart 3165, any party adversely affected has the right to appeal this decision. An informal review of the technical or procedural aspects of the decision may be requested of this office before initiating a formal review request. You have the right to request a State Director review of this decision. You must request a State Director review prior to filing an appeal to the Interior Board of Land Appeals (IBLA) (43CFR 3165.4).

If you elect to request a State Director Review, the request must be received by the BLM Colorado State Office, 2850 Youngfield Street, Lakewood, Colorado 80215, no later than 20 business days after the date the decision was received or considered to have been received. The request must include all supporting documentation unless a request is made for an extension of the filing of supporting documentation. For good cause, such extensions may be granted. You also have the right to appeal the decision issued by the State Director to the IBLA.

Contact Person: For additional information concerning this decision, contact Brett Smithers, Natural Resource Specialist, White River Field Office, 220 E Market Street, Meeker, CO 81641, Phone (970) 878-3818.

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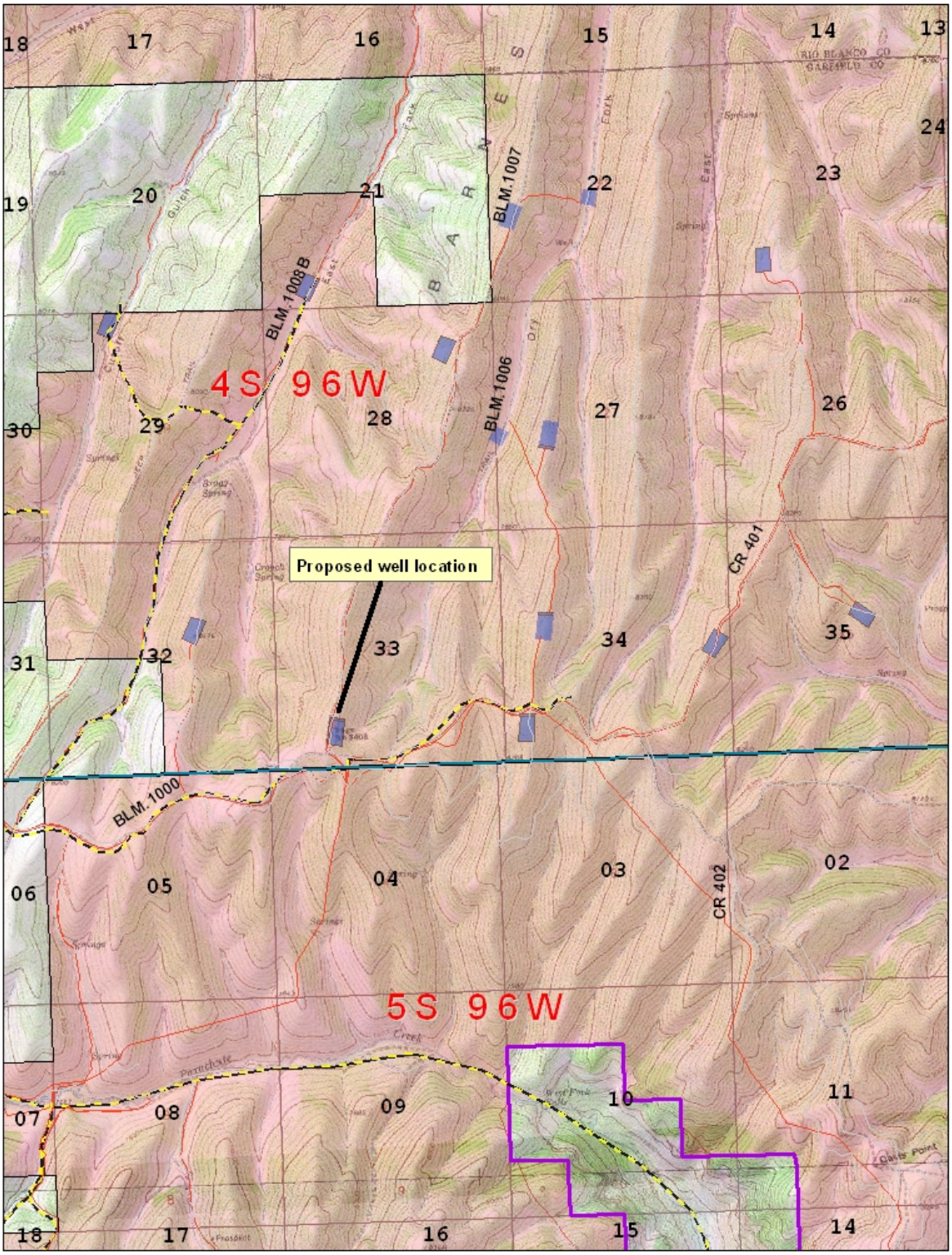

Figure 1. Proposed well locations for COP's proposed natural gas wells in T. 4 S., R. 96 W., Sec. 33, Piceance Basin, Colorado.