

**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-110-2010-0241-CX

CASEFILE/PROJECT NUMBER: COC-61047 (lease number)

PROJECT NAME: XTO Temporary secondary containment on XTO Federal 2S-95-16-24AP to process drilling mud/cuttings

LEGAL DESCRIPTION: T2S, R95W, SESW Section 16

APPLICANT: XTO Energy Inc.

BACKGROUND INFORMATION: The XTO Federal 2S-95-16-24AP location has one producing gas well as listed in Automated Fluid Minerals Support System (AFMSS). There is also a pump jack on location as the well produces oil. A site inspection on 07.28.2010 was conducted with an XTO representative present at this location. Currently the XTO field has nine locations that have producing gas wells. Of the 9 locations, 3 are currently (2010) undergoing interim reclamation. Additionally one location without any producing or drilled wells is currently (2010) undergoing final reclamation. The XTO Federal 2S-95-16-24AP at this time is not one of the locations undergoing interim reclamation. Following field inspections in the summer of 2010, the BLM has requested and is waiting on word back from XTO as to what their plans are at this location as well as the rest of their field for drilling and reclamation.

DESCRIPTION OF PROPOSED ACTION: XTO Energy Inc., requests permission to **place** a temporary secondary containment (50' x 50', with at least a 24 mil liner and 2' high berms) on the XTO Federal 2S-95-16-24AP for the storage of drilling mud and cuttings prior to disposal at Wray Gulch Landfill in Meeker, CO. The secondary containment will store cuttings after they are removed from the reserve pits (2) and processed for disposal. The processing system typically consists of a centrifuge system in conjunction with coagulation and flocculation. The end result of the process is cuttings that will hold their own shape and require minimal drying (open air) prior to disposal at Wray Gulch. Use of this treatment system allows for the volume of cuttings to be greatly reduced, fewer trucks and trips to transport the material and reduce the potential for spills (solid material). The cuttings will not be buried in place because it is expected that multiple wells will be drilled at the location and the entire volume of the pits would

be necessary. The temporary secondary containment will require no additional engineering or disturbance (**a pit will not be dug for the secondary containment**). The temporary secondary containment will be constructed on the existing pad surface with liner (at least 24 mil) and berms (2' in height). After disposal is completed the secondary containment will be removed and the liner properly disposed of.

The following measures will be implemented at the XTO Federal 2S-95-16-24AP location:

1. The operator will provide a copy of each manifest for the disposal of the drill cuttings at the off-site disposal facility. Copies of the manifests should be submitted via Sundry Notice to the BLM White River Field Office (WRFO).
2. The concentration of contaminants of concern in pits (including the proposed secondary containment) at the time of closure must not exceed applicable or relevant and appropriate requirements set forth in Comprehensive Environmental Response, Compensation and Liabilities Act (CERCLA). This requirement applies to pit contents and underlying soil.
3. The proposed secondary containment will be lined with at least a 24 mil liner.

**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: Environmental Assessment (EA): CO-110-2007-053-EA

Date Approved: 03.07.2007

**CATEGORICAL EXCLUSION REVIEW:** The proposed action has been reviewed with the list of extraordinary circumstances described in 516 DM 2, Appendix 2. This categorical exclusion is appropriate in this situation because there are no extraordinary circumstances potentially having effects that may significantly affect the environment. None of the exceptions in 516 DM 2, Appendix 2, apply.

Additionally, 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 (5) of the categories listed below: *Maintenance of a minor activity, other than any construction or major renovation of a building or facility.*

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. <b>(a, b, and c below must be yes to have this CX apply)</b>		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 well pad used in support of drilling a well. “Drilling” in the context of, “Drilling has occurred within five (5) years”		X
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. <b>(a, b, and c below must be yes to have this CX apply)</b>		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		X

Qualifying Criteria	YES	NO
use plan) that contains a reasonably foreseeable development scenario broad enough to encompass this action.		
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.) <b>(a and b below must be yes to have this CX apply)</b>		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 Best Management Practices (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 Application for Permit to Drill (APD) must contain a Condition of Approval (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 proposed action meets the CX criteria (5) because the proposed action includes maintenance of a minor activity, other than any construction or major renovation of a building or facility, and the proposed action will take place on an existing well pad (XTO Federal 2S-95-16-24AP) approved in CO-110-2007-053-EA on 03.07.2007. There will be no construction (dirt work) on the well pad and there will be no digging into the existing well pad surface. Equipment will be placed on the existing well pad surface for the proposal.

#### INTERDISCIPLINARY REVIEW:

The proposed action was presented to, and reviewed by the WRFO interdisciplinary team on 09.07.2010.

Date

A list of resource specialists who participated in this review is available upon request from the WRFO.

#### REMARKS:

*Cultural Resources:* The proposed containment pit is located on a well pad that was inventoried at the Class III (100% pedestrian) level (Reed and Hays 2006, Compliance Dated 2/15/2006) and there were no cultural resource impacts identified at that time. There will be no new impacts under the proposed action. (MRS 9/8/2010)

*Native American Religious Concerns:* No Native American Religious Concerns are known in the area, and none have been noted by Northern Ute Tribal authorities. Should recommended inventories or future consultations with Tribal authorities reveal the existence of such sensitive properties, appropriate mitigation and/or protection measures may be undertaken. (MRS 9/8/2010)

*Paleontological Resources:* As long as there are no new excavations on the pad there should be no potential impacts to paleontological resources. (MRS 9/8/2010)

*Threatened and Endangered Wildlife Species:* No wildlife-related issues or concerns. (EH 9/8/2010)

*Threatened and Endangered Plant Species:* There are no known special status plant species or associated habitats located in the proposed action area. (JKS 9/8/2010)

#### REFERENCES CITED

Reed, Karen and Heidi Guy-Hays

2006 Cultural Resource Inventory of the Proposed XTO Federal Wells 2S-95-15-42BP, 2S-95-16-24AP, and 2S 95-14-14AP Rio Blanco County, Colorado. SWCA Environmental Consultants, Broomfield, Colorado.

MITIGATION: All applicable mitigation from CO-110-2010-2007-053-EA shall remain in full force and effect.

All cultural and paleontological stipulations from CO-110-2010-2007-053-EA will be applied to this CX.

COMPLIANCE PLAN: On-going compliance inspections and monitoring of the cuttings treatment proposal (lined secondary containment to process cuttings) will be conducted by WRFO staff during cuttings treatment. 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: Jay Johnson

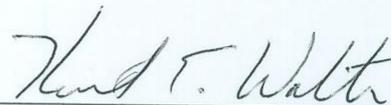
NAME OF ENVIRONMENTAL COORDINATOR: Lisa Belmonte

DATE: 09.15.2010

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

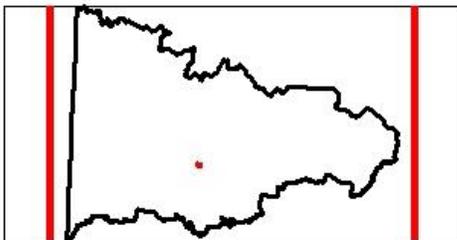
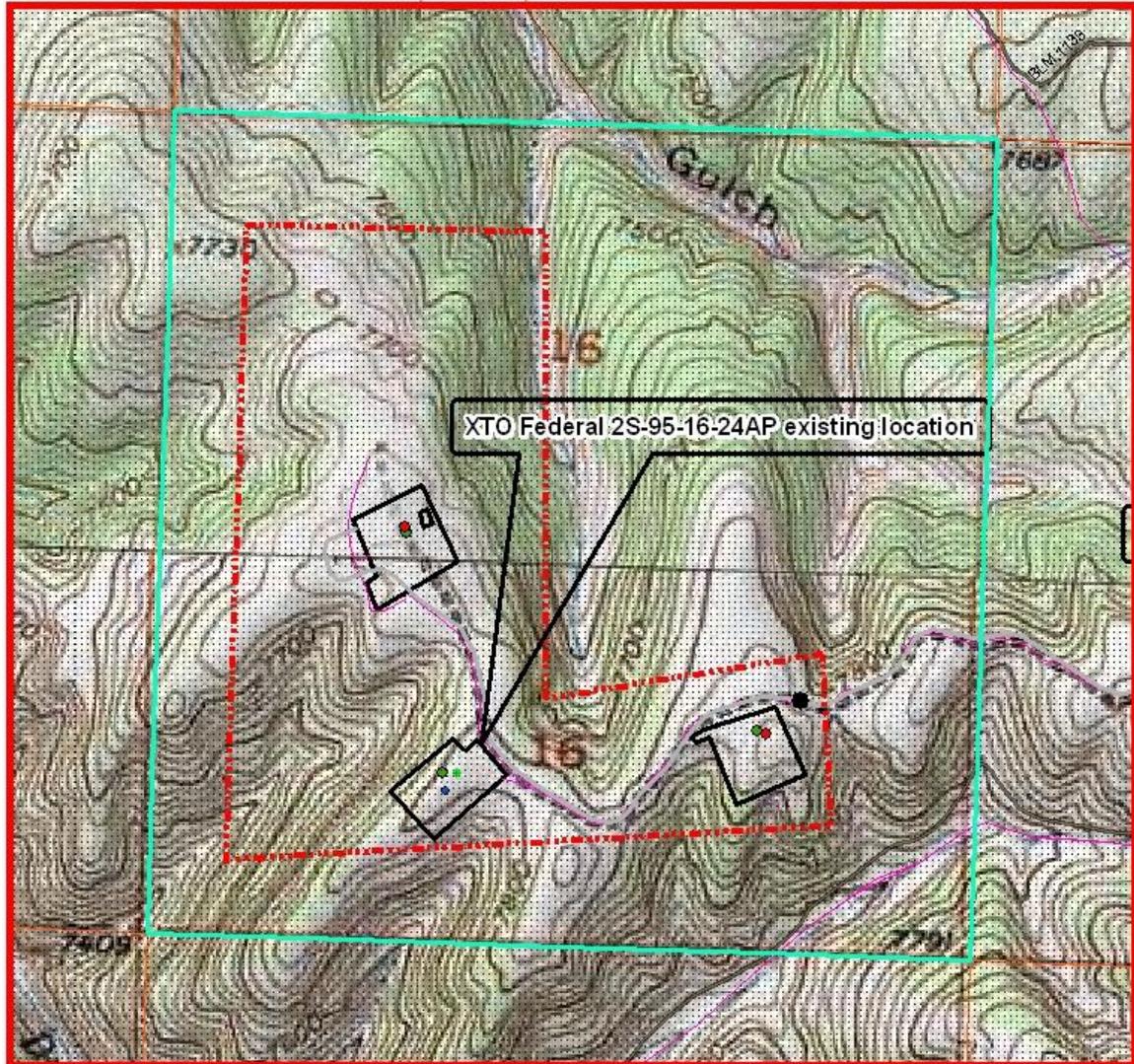
DATE SIGNED:



ATTACHMENTS: Attachment 1 – Map of location proposed for treatment of cuttings  
Attachment 2 – Site diagram of XTO Federal 2S-95-16-24AP

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T2S, R95W, SESW Section 16**



09.02.2010

Sources:  
BLM, USGS, CDOW, etc.

Disclaimer:  
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Attachment 2 – Site diagram of XTO Federal 2S-95-16-24AP

