

Decision Record and Finding of No Significant Impact

Environmental Assessment No. CO-800-2004-080 North Mail Trail #2

1.0 DECISION

It is my decision to approve the proposed action, as modified through the Conditions of Approval found in Appendix B of Environmental Assessment No. CO-800-2004-080. The Conditions of Approval do not replace the Drill Plan and/or Surface Use Plan of Operations submitted by Robert L. Bayless, LLC. The Conditions of Approval are to be used in addition to those plans. This decision approves the Application for Permit to Drill one wildcat oil and gas well known as the North Mail Trail #2 well, upgrade the existing access road and install a carbon-steel surface pipeline. The project is located in: T. 35N, R. 20W, Section 23, Montezuma County Colorado.

This is a split-estate action. The proposed well site is located on private land within the Bureau of Land Management's (BLM) Canyons of the Ancients National Monument in Montezuma County, Colorado. The mineral estate is owned and administered by the BLM.

The Federal Oil and Gas Lease associated with the proposed action is: COC-001708. The well pad and 0.5 mile of new access road will be constructed on private land. About 4 miles of existing road on BLM land will be upgraded and about 1 mile of surface flowline will be installed on BLM land.

I have reviewed the environmental assessment prepared for this proposed action, including the analyses of potentially significant environmental impacts. I have determined that the proposed action is in conformance with the applicable land use plans.

2.0 FINDING OF NO SIGNIFICANT IMPACT

My review of the analysis of the environmental consequences which are displayed in the environmental assessment for this project, my understanding of the level of anticipated effects, and my familiarity with projects similar in nature, indicates to me that this is not a major federal action as defined in 40 CFR 1508.18.

I considered the 10 factors required for significance determinations under 40 CFR 1508.27. I have determined that no significant effects on the quality of the human, biological or physical environment (as defined at 40 CFR 1508.27) are anticipated within either the context or intensity of the selected alternative.

3.0 ALTERNATIVES CONSIDERED

1. Proposed Action -- as submitted by Bayless and modified through the Conditions of Approval (COA).
2. No Action Alternative -- Not approving the access, drilling, testing, and completion of the wells described in the submitted applications.
3. Drilling from Veach #1 -- Drilling the well from an existing wellsite was suggested by the BLM. Bayless determined that directional drilling from this alternate site was economically unfeasible (see section 4.0 of EA for additional discussion).

4.0 RATIONALE FOR MY DECISION

I have determined that the proposed action, as modified through the Conditions of Approval, is the most reasonable alternative. I have determined that this action will not have significant impacts on the human environment and an EIS is not required. This decision is in conformance with the San Juan/San Miguel Resource Management Plan/EIS, Record of Decision (ROD) (September 1985), the subsequent Oil and Gas Amendment (Final Environmental Impact Statement Colorado Oil and Gas Leasing and Development) ROD (January 1991), and the Monument Proclamation (June 2000).

I considered the No Action alternative and determined that it would be an untenable position by the BLM because of the legal right to reasonable surface occupancy granted to Bayless, through their mineral leases issued under the provisions of the Mineral Leasing Act of 1920. I have determined that the proposed action, as modified through the COA, would not result in any potential effects to the human environment that would justify denial of that legal right.

5.0 PUBLIC INVOLVEMENT

A 30-day public comment period, advertised in local newspapers, was held during January and February 2007. During the comment period I received XXXX comments.

TO BE FILLED IN WITH SUMMARY OF COMMENTS RECEIVED AND ANY ACTIONS TAKEN

6.0 STATEMENT OF ADVERSE ENERGY IMPACT

Per a 2001 Department of the Interior, Washington DC Instruction Memorandum, IM 2002-053, I have reviewed this decision in relation to the said memorandum, and have determined that it will not have any adverse impact on energy development, production, supply and/or distribution.

7.0 APPEALS

The decision made in this record relating to the approval of the Application for Permit to Drill (APD) is subject to administrative appeal.

In accordance with 43 CFR 3165.3, you may request a State Director Review of my decision for this project. This request must be made in writing within 20 business days from the date of APD approval.

The request should be sent to:
Colorado State Director
2850 Youngfield Street
Lakewood, Colorado 80215-7076

The decision of the State Director may then be appealed to the Interior Board of Land Appeals in accordance with 43 CFR 3165.4.

Any Notice of Appeal must be postmarked or received by the Appeal Deciding Officer- Mark Stiles, San Juan Public Lands Center, 15 Burnett Court, Durango, CO 81301, within 30 calendar days of the date of this decision. A copy of the appeal must also be sent to the Regional Solicitor, Rocky Mountain Region, 755 Parfet Street, Suite 151, Lakewood, CO 80215.

Within 30 days after filing the Notice of Appeal, a complete statement of reasons why the appeal is being filed must be received at the above addresses. The appellant has the burden of showing that the decision appealed is in error.

Appeals must meet current requirements of 43 CFR 4.410-4.413. United States Department of the Interior Form 1842-1 describes appeal procedures in more detail.

Authorizing Official: _____ **Date:** _____

LouAnn Jacobson
Manager, Canyons of the Ancients National Monument