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Sent via E-mail to: blm_co_nw_sage_grouse@blm.gov

RE: Northwest Colorado Greater Sage-Grouse Draft Land Use Plan Amendment and Environmental Impact Statement

Dear Ms. Dreyfuss,

On behalf of QEP Resources, Inc. (QEP), thank you for the opportunity to provide feedback regarding the Northwest Colorado Greater Sage-Grouse Draft Land Use Plan Amendment and Environmental Impact Statement (DLUPA /EIS). QEP is a leading independent natural gas and crude oil exploration and production company with significant production from federal lands. QEP currently holds leases in several northwest Colorado counties, including Moffat and Rio Blanco Counties, and QEP primarily works with the Bureau of Land Management (BLM) Little Snake Field Office (LSFO) and their Resource Management Plan (LSRMP).

General Concerns

QEP has significant concerns with this DLUPA/EIS and believes it will have devastating socioeconomic consequences in northwest Colorado. Our company understands the importance of addressing Greater Sage Grouse (GSG) protection, and we are aware that the U.S. Fish and Wildlife Service (USFWS) must make a listing decision for the GSG by September 2015. Like the BLM, QEP seeks to ensure the GSG is not listed as threatened or endangered at that time. QEP understands that the USFWS has advised the BLM and U.S. Forest Service (USFS) to implement amendments to current Resource Management Plans (RMP) and Land Use Plans (LUP) to enhance regulatory mechanisms for GSG protection. However, the alternatives in this DLUPA/EIS are unnecessarily restrictive and not backed by sound scientific justifications. While QEP acknowledges that the BLM is required to review the NTT report and include an

NTT alternative in the DLUPA/EIS, the BLM is also mandated by Congress to look at all resources and develop a balanced alternative that provides adequate conservation measures as well as implementing the traditional multiple-use concept. This DLUPA/EIS states that “land use planning and NEPA regulations require the BLM and USFS to formulate a reasonable range of alternatives.” (DLUPA/EIS pg. *xxxi*). The preferred Alternative D, while not as radical as Alternatives B and C, still falls short. In reality, Alternative D is a mixture of Alternatives B and C, one of which is the NTT alternative and the other put forth by preservationist groups. All of these proposed alternatives would, if adopted, cripple oil and gas development along with other activities on BLM and USFS administered lands.

Heavy reliance on the NTT report in all three proposed alternatives is troubling. Not only does the NTT report rely on older research, it fails to consider technological advancements in extracting oil and gas. The report was conducted with a foregone conclusion and selectively presents “scientific” information to support overly burdensome conservation measures that are not based on local conditions. Despite several requests from the Western Energy Alliance and other groups for the scientific data used as support for the NTT recommendations, the BLM has only released the emails associated with the development of the report and little to nothing about the studies that support its recommendations. QEP asks that the BLM release all the scientific data used in making these determinations.

Additionally, QEP has concerns with the disturbance caps and other management strategies for the preliminary priority habitat (PPH) and general habitat (GPH) areas. To begin, the maps representing the proposed preliminary priority and general habitat areas were mapped by Colorado Parks and Wildlife (CPW) for consultation purposes, not as a basis for imposing management restrictions. There is no sound science supporting the NTT’s threshold that includes a 3% surface disturbance cap, one well per section cap, a 4-mile no surface occupancy buffer around a lek, and limiting noise to less than 10 decibels above 20-24 dBA. The NTT report never defines or provides quantification of the PPH.

Even with the 5% surface disturbance cap proposed in Alternative D, there is still the issue of being able to continue to develop existing leases. One management zone is already above the 5% threshold, another is at 4.6%, and four more are nearly halfway to the cap. The DLUPA/EIS says nothing of how the BLM plans to prioritize uses and resources. Furthermore, all the alternatives would infringe on QEP’s existing right to access our leases. The DLUPA/EIS continuously mentions that existing leases should be reached using horizontal drilling. Much of the BLM’s analysis in this DLUPA/EIS assumes that oil and gas extraction can be done by horizontal drilling outside of PPH, but that may not be the case. While QEP does use horizontal and directional drilling technologies extensively in some of its fields, QEP has not drilled any horizontal wells in this region due to technical limitations. Horizontal drilling is not necessarily an answer to be employed in every field for every type of development. Challenges include limitations due to maximum reach capabilities, production success, drainage area, and

engineering technology just to mention a few. It is not proven at this time that horizontal or directional drilling are feasible alternatives for developing the mineral resources in this area.

Moreover, even if QEP had the ability to utilize horizontal or directional drilling on all our existing leases, with the surface disturbance cap of 5%, the no surface occupancy within 4-miles of a lek during lekking and early brood-rearing periods, the ROW avoidance and exclusion areas, the limited surface disturbance in management zones, and the timing stipulations, companies are left with unrealistic spacing and timing to complete drilling operations. Additionally, the BLM's consideration of surface disturbance on private lands in approving projects on public lands will make it impossible to work within the disturbance caps, and is just the most recent example of what appears to be efforts to put development on federal lands at an even greater disadvantage as compared to fee land.

The BLM grossly underestimates the negative socioeconomic consequences this DLUPA/EIS will have on local communities, the state, and the nation. A study by the University of Boulder, Leeds School of Business estimates that the oil and gas industry contributed nearly \$1.6 billion in public revenues for Colorado in 2012. In their current form, Alternatives B, C, and D would substantially decrease oil and gas production thereby greatly reducing royalty and tax payments.

With QEP's general concerns in mind, our company would like to offer the following specific feedback:

Comments on Chapter 4: Environmental Consequences

- a. Page 516: "Recent studies have consistently demonstrated that oil and gas development and its infrastructure influence GRSG behavior and demographics at distances of up to 4 miles (NTT 2011). This prompts declines in lek persistence and male attendance, yearling, and adult hen survival, and nest initiation rates." QEP requests to see the data used in making this determination. More recent studies have been conducted that suggest a decline in male attendance at a particular lek does not indicate overall population declines.
- b. Page 585: The paragraph beginning with "although" is concerning to QEP. If we are unable to obtain ROWs for access roads and other infrastructure then we are unable to develop our existing leases and exercise our valid existing rights. The restrictions could cost millions of dollars, making many projects infeasible. This would have tremendous impacts on local communities who rely on royalties and tax revenues from oil and gas development.
- c. Page 597: "The increase in reclamation bonding would better ensure long-term impacts on vegetation would be minimized or eliminated through increased efforts to ensure that reclamation is successful." Reclamation bonding is unnecessary as we are already required to provide bonding by both the state and federal government. As stated on page 12 of the 2007 BLM Gold Book, "Bonding is required (43 CFR 3104 and 36 CFR 228 Subpart E) for oil and gas lease operations in order to ensure that the operator performs all obligations of the lease contract, including but not limited to: royalty obligations, plugging leasehold wells,

surface reclamation, and cleanup of abandoned operations.” QEP has already fulfilled bonding requirements for reclamation. Furthermore, the reclamation bonding requirement mentioned in the DLUPA/EIS goes against current regulation and must go through a formal rulemaking process.

- d. Page 626: “Alternative D would apply more widely but have greater flexibility for the BLM/USFS to approve projects based on site-specific conditions, mitigation, and other considerations.” Further information is needed on the approval timing of the site-specific conditions. QEP makes plans for development years in advance. These site-specific determinations must be approved with enough time for companies to develop drilling plans and provide enough certainty that we will be able to execute the plans.
- e. Page 719: Under cover and space availability, Alternative D is referring to water availability not wild horses. This mistake should be corrected.
- f. Page 778: The first paragraph cited BLM 2001, which is not listed in the references.
- g. Page 778: There is no source listed for the claims made in the second paragraph on the page. There have been no incidences of hydraulic fluids contaminating groundwater. Therefore, QEP requests that the BLM either remove this statement, or provide evidence and specific citations to support this claim that impacts to groundwater include “loss of completion and hydraulic fluids into groundwater.”
- h. Page 779: Need supporting evidence for the claim that “management actions that result in longer reaches for directional well drilling due to limits on surface infrastructure could make impacts on groundwater quality more likely due to the longer distance required from the surface to the production zone.” This statement is blatantly false.
- i. Page 801: Further explanation is needed on the BLM’s per well assumption of 5 and 10 acres per well for access, pad, and infrastructure.
- j. Page 858: Alternative D states “Moderate restrictions on fluid mineral development would have moderate beneficial impacts on the protection of site settings in GRSG habitat.” This statement is extremely vague. What is considered “moderate”? Additionally, oil and gas operations are already subject to SHPO requirements, so what are the impacts being cited?
- k. Page 858: Alternative D states “Moderate restrictions on fluid mineral development would have impacts on the opportunities for Native American traditional uses.” Again, what is considered “moderate” and what “impacts” does this refer to?
- l. Page 873: Alternative D states “Moderate restrictions on travel would cause a moderate level of impacts.” See comments above.
- m. Page 903: “If operators are able to access oil reserves using horizontal drilling, impacts would resemble those from Alternative A. If operators are unable to reach oil reserves using horizontal drilling, the economic impacts of Alternative D would resemble those of Alternative B.” This is misleading. It gives the public the impression that it is always possible to horizontally drill to obtain the minerals, which is not correct.

Comments on Chapter 5: Cumulative Effects

- a. Page 960: “The BLM and USFS have no control over many of the factors that affect mineral extraction and prospecting. These factors include regulatory policy, public perception and concerns, transportation, well spacing, low commodity prices, taxes, and housing and other necessities for workers.” BLM is a regulatory agency, tasked with implementing regulations for oil and gas extractions on federal land. To say the BLM has no control over regulatory policy as the regulatory agency that regulates oil and gas is absurd. Furthermore, since the USFWS has specifically identified the absence of existing regulatory mechanisms as reasoning for listing, this statement requires removal. Without removal, it supports a USFWS listing.
- b. Page 976: “In the context of overall employment and earnings projections, and from a regional perspective, the impacts would be relatively minor.” This grossly underestimates the impacts that restrictions on oil and gas operations will have on the local communities, the state, and the nation.

Comments on Appendix B: Figures

- a. Figure 2-13 seems like it should be No Surface Occupancy (NSO) Alternative C, not Alternative D.
- b. Figure 2-12 seems like it should be No Surface Occupancy (NSO) Alternative A, B, and D, not Alternative A, B, and C.

Comments on Appendix G: Surface Reclamation Plan

- a. General: Considerable additional monitoring and reporting efforts will be required for new pads and older pads where new work requiring a sundry is needed. QEP would ask for more clarification on which specific sundries would require reclamation plans. Additionally, QEP has generally done reclamation/reclamation monitoring and weed plans field-wide, not on a site-specific basis. Many of the new requirements refer to site-specific plans, which we believe are not as effective as field-wide plans unless unusual circumstances exist. The Final EIS should specifically allow the utilization of field-wide plans.
- b. The entire plan refers to the White River Field Office.
- c. Page G-3, lines 7-8: This sentence on exceptions being warranted appears out of place or requires additional justification.
- d. Page G-3, lines 26-32: As described, most of the photos would be of the disturbance area, and any future photos (post project initiation) seem unnecessary. Further clarification is needed on whether post development photos of disturbed areas are intended.
- e. Page G-3, lines 33-35: This would be highly variable across a pad and in some cases (e.g., depth to bedrock on deep soils) is impractical and unnecessary.
- f. Page G-3, lines 36-42: Further clarification is needed on whether this will be required. If so, it is a lot of work and may be unnecessary where successful reclamation can be easily achieved. This level of pre-disturbance soils analysis is recommended only in problematic

areas (e.g., saline, sodic, acidic, alkaline, shallow soils) which can usually be discerned based on pre-disturbance vegetation characteristics.

- g. Page G-4, lines 3-2, 14-16, 17-23: These requirements create scheduling concerns related to pre-disturbance vegetation parameters, pre-disturbance weed parameters on and within 330 ft of disturbance, and reference sites.
- h. Page G-4, lines 40-45: QEP finds field-wide weed management plans are much more effective than site-specific plans. Further clarification is needed to ensure reference to a field-wide plan in the APD will suffice. Only where unusual pad-specific circumstances are present would anything more need to be provided in the APD.
- i. Page G-5, lines 7-8: See comment above for G-3, lines 26-32.
- j. Page G-5, lines 8-9: A field-wide plan for monitoring, referenced in the APD, appears more appropriate. Please clarify this is acceptable.
- k. Page G-5, line 20: Further clarification is needed on whether reference to an approved State of Colorado SWPPP is adequate with only minimal site-specific features included in APD schematics. Otherwise much of this will be redundant.
- l. Page G-6, lines 4-9: It appears that a reclamation plan will be required for older pads if any sundry is filed for the existing pad. Clarification is needed to ensure such an overreach is not inferred in the EIS.
- m. Page G-7, line 39: Free of undesirable weeds will be unachievable in areas where these species are present on nearby areas. Strike this statement.
- n. Page G-7, lines 40-41: This will require topsoil piles and possibly spoil piles protection until Phase II. It is likely matting or netting will be most appropriate. This will be an increased cost and may be unnecessary in non-windy areas or in areas with heavy soils. Please reconsider this approach.
- o. Page G-8, lines 11-14: This new reclamation-focused on-site meeting requirement seems out of place and not relevant to Phase I, and more appropriate for Phase II, and given the new and extensive reclamation planning requirements identified here, it is likely unnecessary in most cases.
- p. Page G-8, lines 15-19: This is a good idea, but verification will be difficult.
- q. Page G-8, line 37: Distribution of road topsoil on the fill slopes (road surface side of ditch) is not recommended since these slopes will have repeated disturbance during road maintenance operations throughout the life of the road.
- r. G-9, lines 1-3: Seeding of topsoil piles makes no sense unless piles will be retained for at least two years; it takes at least 1 growing season (often 2 or more for sufficient erosion protection) for seeding and plant establishment. Suggest changing 6 months to 2 years.
- s. Page G-9, lines 4-5: Topsoil piles of less than 2 ft. depths is impractical during project development given the considerably larger disturbance area that will be required. They are appropriate for long-term storage on interim reclamation areas.
- t. Page G-10, line 38: See comment G-7, line 39 above.

- u. Page G-11, lines 9-13: This may take considerable time to achieve and there is no time component provided here.
- v. Page G-11, line 21: Replace the word “disturbed” with “reclaimed”.
- w. Page G-11, lines 33-42: With high levels of undesirable weeds immediately adjacent to reclamation the acceptable percentages provided here may be unachievable, particularly if the reclaimed areas are open to grazing. To hold reclamation to a much higher standard than existing pre-disturbance conditions is unjustified and likely untenable. Change the language to require that “reclamation will be considered acceptable when the relative cover of undesirable species on the project site is at least 10% less than that of the adjacent areas”.
- x. Page G-12, lines 18-24: See comment G-3, lines 36-42. Additionally, once this is completed for a particular area, range site, or ecological site, further testing at different pads with the same conditions would be redundant. Any soils testing would be better done after topsoil re-spreading to more accurately describe the growth medium. It has been shown that available nitrogen often increases once soils are re-spread.
- y. Page G-13 lines 14-16: It is unclear why there is such a short time frame (14 days) for provision of spatial data and it appears unnecessary. This also may be impractical for late fall seeding. Recommend that spatial data be gathered and provided within 1 year of seeding.
- z. Page G-14, line 6: See comment G-7, line 39.
- aa. Page G-14, line 28: Delete “through the life of the project”.
- bb. Page G-14 lines 32-36: See comment G-11, lines 9-13.
- cc. Page G-15, lines 15-24: See comment G-11, lines 33-42.
- dd. Page G-16, lines 5-16: See comment G-13, lines 3-13.
- ee. Page G-16, line 14. Change the word “interim” to “final”.
- ff. Page G-17, Table G-1, Section 1: A field-wide plan would be preferred and referenced in the APD with only necessary site-specific items included in the APD. Pre-disturbance vegetation surveys will be needed as will photos, photo point locations, and soils data where appropriate. In order to provide much of this information permit planning will need to be done well in advance of submittals to ensure data are gathered during spring/summer (necessary to identify many plants/weeds and desirable for photos and soils). This is excessive.
- gg. Page G-18, lines 4-5: Some leeway in sampling effort seems appropriate for Phase II Interim Reclamation Areas that have achieved success criteria (e.g., reduce sampling frequency to 5 years or more).
- hh. Page G-18, lines 16-19. BLM data management systems are notoriously cumbersome and problematic, and often include redundancies as well as inputs that exceed mandated parameters (i.e., those items specified in approved plans and decisions). Alternative modes of data/report submittals are appropriate.
- ii. Page G-19, lines 18-28: No mention of shrub and forb frequency/density is provided here, but it was identified as a requirement earlier in the document.

- jj. Page G-19, line 28: Further clarification is needed on whether this is different from bare ground, and why it is needed.
- kk. Page G-22-25: Given that this document is directed towards sage-grouse it is odd that few forbs and shrubs are identified and sagebrush is absent from these standard mixes.
- ll. Page G-25, Table G-4, line 2: Correct the spelling of "*Vicia*".
- mm. Page G-27, lines 21-24: This will be an expensive and likely unnecessary action. Furthermore, local sagebrush seed will not be available in many, if not most, years.

Comments on Appendix J: Greater Sage-Grouse Draft Monitoring Framework

- a. General: This appendix is difficult to follow and requires a detailed understanding of numerous references and programs. The entire appendix should be simplified providing for a clearer understanding by the reader. The data presented involves identifying the methods for defining habitats and potential habitats, tracking disturbance and improvements, and monitoring grouse populations to identify potential management efficacy at various scales.
- b. Page J-5, lines 18-19: Need further clarification on what LANDFIRE entails, although it appears inappropriate to measure and report disturbance changes relevant for GSG on areas that have the potential to support sagebrush, but which may not at present be sagebrush habitat. QEP's suggestion would be to measure and report disturbance changes on areas currently occupied by sagebrush as well as on areas where sagebrush enhancement plans are underway.
- c. Page J-5, line 31: Please provide further information on the referenced "Landscape Monitoring Framework".
- d. Page J-6, lines 29-30: No mention is provided for exurban development (e.g., ranchettes, rural residential) and further detail may be warranted for agriculture (e.g., hay fields, pasture lands, water developments) as varied agricultural practices have varied grouse effects.
- e. Page J-8, lines 10-11: It is unclear what is meant by "implementation of the Northwest Colorado sub-region". Please clarify.
- f. Page J-8, line 28: Define the 2 referenced "indicators" here or earlier in the document (possibly at Striver reference on J-2, line 16).

Conclusion

After an in-depth review and evaluation, QEP expresses significant concerns with this draft and believes all alternatives presented to be unnecessarily restrictive resulting in QEP being unable to develop the mineral resources under its leases. These alternatives unfairly tip the scale considering BLM is tasked with multiple-use of federal lands and will ultimately result in serious socioeconomic consequences in northwest Colorado. While QEP appreciates the opportunity to provide these comments, it is clear the current Draft is insufficient and violates NEPA and FLPMA for its failure to consider an appropriate range of alternatives that complies with that multiple-use mandate. Unfortunately, BLM needs to begin anew and as always QEP looks

forward to working with BLM as this process unfolds. Please do not hesitate to contact me if you have any questions or comments.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mike Smith", with a long horizontal flourish extending to the right.

Mike Smith

Director, Regulatory Affairs