United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Colorado River Valley Field Office
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Silt, Colorado 81652
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CATEGORICAL EXCLUSION

NEPA LOG NUMBER: DOI-BLM-CO-N040-2015-0040-CX

Background

BUREAU OF LAND MANAGEMENT (BLM) OFFICE: Colorado River Valley Field Office (CRVFO), Silt, Colorado

CASEFILE/PROJECT NUMBER: COC75070 (Federal Oil and Gas Lease)

PROPOSED ACTION TITLE/TYPE: Request to Suspend Operations and Production Requirements on the Federal Oil and Gas Lease listed above.

LOCATION OF THE PROPOSED ACTION: Federal lands administered by the United States Forest Service (USFS), White River National Forest (WRNF), Garfield County, Colorado, as follows Sections 19, 20, 29 and 30, Township 7 South, Range 93 West, Sixth Principal Meridian.

APPLICANTS: Piceance Energy, LLC, 1512 Larimer Street, Suite 1000, Denver, Colorado 80202.

DESCRIPTION OF PROPOSED ACTION: Piceance Energy, LLC (Piceance), referred to hereafter as "the Applicant," have requested suspension Federal Oil and Gas Lease COC75070 with an effective date of January 1, 2012.

The BLM has determined that additional NEPA analysis is needed to address the initial decision to issue the Lease to determine whether the Lease should be voided, reaffirmed, or subject to additional mitigation measures for site-specific development proposals. The BLM requires additional time to complete this effort. The BLM delayed decision on the designation of the Unit and any decision on the APD(s) until a determination was made regarding lease NEPA adequacy. The BLM is now delaying those actions pending completion of that analysis and resolution of leasing decision issues. Therefore, no surface-disturbing activities or initiation of drilling will be authorized until NEPA analysis addressing the leasing decisions and any site-specific development proposals is completed.

For the reasons cited above, the Applicant has sought a suspension of the Lease as relief from lease obligations and has asked that the suspension be made effective as of May 1, 2014, the first day in which the request was made.

Land Use Plan Conformance

The proposed action is subject to and has been reviewed for and is in conformance with (43 CFR §1610.5.3 and BLM 1601-1) the following plan:

Land Use Plan (LUP) Name: The current Land Use Plan applicable to the subject Lease is the 1993 *Oil and Gas Leasing Final Environmental Impact Statement, White River National Forest*. The BLM relies on USFS planning decisions to determine which areas are available for lease. When a lease is nominated for sale, the BLM requests a letter of concurrence from the USFS to ensure the action is consistent with their planning documents. National Forest System lands may not be leased over the objection of the Forest. 43 CFR 3101.7-1.

Date Approved/Amended: 1993

Determination of Conformance:

_____ The proposed action is in conformance with the applicable LUP because it is specifically provided for in the following LUP decisions:

__X__ The proposed action is in conformance with the LUP, even though it is not specifically provided for, because it is clearly consistent with the following LUP decisions:

The WRNF 1993 Oil and Gas Leasing Environmental Impact Statement stated the following as its Purpose and Need:

- To disclose the effects of alternative decisions the USFS may make to lease lands on the White River National Forest for oil and gas exploration and development.
- To comply with the Federal Onshore Oil and Gas Leasing Reform Act of 1987 and its implementation of regulation 36 CFR 228.102.

In 2012, the WRNF made the decision to consent to issuance of the subject Lease by the BLM. The subject Lease were issued and administered under the applicable federal oil and gas regulations. Those regulations, at 36 CFR 228.102 et seq., apply to the issuance of leases on National Forest System lands and the subsequent operation and inspection of federal oil and gas wells drilled, completed, and produced pursuant to the lease. However, federal regulations at 36 CFR 228.102 et seq. do not make specific mention of requests for a suspension of lease operations. Instead, the Mineral Leasing Act of 1920, as amended, 30 USC 209; and the implementing regulation at 43 CFR 3103.4-4 (Suspension of Operations and/or Production) expressly grant to BLM the authority to grant suspensions of operation and production in the "interest of conservation of natural resources." Therefore, a determination by the BLM to grant the Applicants' request for suspension of operations on the Lease is consistent with 43 CFR 3103.4-4 and therefore in compliance with the current LUP prepared by the WRNF.

Compliance with NEPA

The proposed action is categorically excluded from further documentation under NEPA in accordance with 43 CFR 46.205 and 516 DM 11.9 (B) (Oil, Gas, and Geothermal Energy). "Approval of suspensions of operations, force majeure suspensions, and suspensions of operations and production." This CX is correctly applied to the proposed action because granting by the BLM of a lease suspension is an administrative action that does not authorize surface-disturbing activities or other operations with the potential to affect the environment, but merely preserves the status quo of non-development. Nor does a lease suspension extend the term of beneficial use of a lease. A lease suspension therefore creates no environmental impact.

As noted above, no surface-disturbing activities or initiation of drilling activities related to any federal oil and gas well on the Lease would be authorized except as analyzed and approved in subsequent project-specific NEPA analyses.

An action that is normally categorically excluded must be evaluated to determine whether it meets any "extraordinary circumstances" in which a normally excluded action may have a significant environmental impact. 43 CFR 46.205(c), 46.215. The applicability of extraordinary circumstances is determined by the responsible official. *Id.* § 46.215. The proposed action has been reviewed, and none of the extraordinary circumstances described in 43 CFR 46.215 and the BLM NEPA Handbook H-1790-1, App. 5 (Table 1) was found to apply. Any "Yes" answer in Table 1 would preclude use of the CX.

Table 1. Extraordinary Circumstances	**Yes**	**No**
1. May have significant impacts on public health and safety.		**No**
2. May have significant impacts on such natural resources and unique geographic characteristics as historic or cultural resources; park, recreation or refuge lands; wilderness areas; wild and scenic rivers; national natural landmarks; sole or principal drinking water aquifers; prime farmlands; wetlands (Executive Order 11990); floodplains (Executive Order 119880; national monument; migratory birds; and other ecologically significant or critical areas.		**No**
3. May have highly controversial environmental effects or involve unresolved conflicts concerning alternative uses of available resources (NEPA Section 102 (2) (E)).		**No**
4. May have highly uncertain and potentially significant environmental effects or involve unique or unknown environmental risks.		**No**
5. May establish a precedent for future action or represent a decision in principle about future actions with potentially significant environmental effects.		**No**
6. May have a direct relationship to other actions with individually insignificant but cumulatively significant environmental effects.		**No**
7. May have significant impacts on properties listed or eligible for listing, on the National Register of Historic Places as determined by either the bureau or office.		**No**
8. May have significant impacts on species listed or proposed to be listed, on the List of Endangered or Threatened Species, or have significant impacts on designated Critical Habitat for these species.		**No**
9. May violate a Federal law, or a state, local, or tribal law or requirement imposed for the protection of the environment.		**No**
10. May have a disproportionately high and adverse effect on low income or minority populations (Executive Order 12898).		**No**
11. May limit access to and ceremonial use of Indian sacred sites on Federal lands by Indian religious practitioners or significantly adversely affect the physical integrity of such sacred sites (Executive Order 13007).		**No**
12. May contribute to the introduction, continued existence, or spread of noxious weed or non-native invasive species known to occur in the area or actions that may promote the introduction, growth, or expansion of the range of such species (Federal Noxious Weed Control Act and Executive Order 13112).		**No**

Further analysis and an environmental document must be prepared for the action where extraordinary circumstances are present. Extraordinary circumstances exist only where a proposed action may have a significant environmental effect. 43 CFR 46.205(c); *Utah Envtl. Cong. v. Bosworth*, 443 F.3d 732, 742 (10th Cir. 2006). For the reasons previously noted, a grant of suspension creates no significant environmental impact, and therefore no extraordinary circumstances exist.

Persons and/or Agencies Consulted

Jason Gross, Physical Scientist/Natural Resource Specialist, White River National Forest

BLM Review

BLM staff from the Colorado River Valley Field Office who participated in review of the request for lease suspension and preparation of this CX are listed in Table 2.

Table 2. BLM Participants		
Name	***Title***	***Areas of Participation***
Karl Mendonca	Acting Field Manager	Review of Request
Justin Barmore	Petroleum Engineer	Review of Request
Allen Crockett	Supervisory NRS, Energy Pilot Program	Review of Request

Remarks/Mitigation: None

Name of Preparer: Steve Ficklin, Oil and Gas Program Manager, Colorado River Valley Field Office

Date: February 11, 2015

Decision and Rationale: I have reviewed this categorical exclusion record and have decided to implement the proposed action.

I have reviewed Section B, Land Use Plan Conformance, and Section C, Compliance with NEPA, and have determined that the Proposed Activity is in conformance with the applicable Land Use Plan(s) and referenced NEPA documents. This action is listed in the Department Manual as an action that may be categorically excluded. The 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 43 CFR 46.215 and the BLM NEPA Handbook H-1790-1, App. 5 apply.

I considered the potential impacts from issuance of a suspension of operations and production and have determined that no impacts would result from approval of this action and that any future development proposals with the potential to create environmental impacts would require additional NEPA analysis. Future NEPA analysis or analyses would consider the underlying leasing decisions as well as development proposals.

Signature of Authorized Official: Karl B. Mendonca
Karl Mendonca, Acting Field Manager

Date Signed: February 11, 2015