

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

Endeavour Wiley Unit 23-397-O 4H
DOI-BLM-CO-N05-2015-0063-CX

Identifying Information

Project Title: Endeavour Wiley Unit 23-3-97 0-4H Well

Legal Description: T.3N R.97W Section 23

Applicant: Endeavour Operating Corporation

Casefile/Project Number: COC-66386

Issues and Concerns

Endeavour Operating Corporation (Endeavour) is proposing a horizontal oil well. This well would be located on an existing pad at T. 3N R. 97W section 23 (Figure 1). The existing location is a Fee/Fee well, meaning that the well pad is located on private surface and the existing well is producing non-Federal minerals. The proposed horizontal well would start producing in Fee minerals and continue producing into Federal Lease COC-66386, making this a Fee/Fee/Fed well.

Unlike the surface owner in the case of split estate (private surface and Federal minerals), the non-Federal surface owner over private minerals is not under an obligation to allow access to its surface for the production of Federal minerals. The obligation for protecting the surface, environment, and the interests of the surface owner remains with the surface owner, the lessee/operator, and the state.

Per WO IM 2009-078, the proposed well would qualify as Situation 1 since there is an existing well pad and access road and no additional surface disturbance is planned. The BLM's approval of drilling the well into Federal minerals is the Federal action that requires compliance with Federal laws such as the National Environmental Policy Act, the National Historic Preservation Act, and the Endangered Species Act, not the already existing well pad, access road, and pipeline. Mitigation measures identified by the BLM will be limited to addressing the effects of downhole operations and of drilling, completing, and operating the Federal well.

Conformance with the Land Use Plan

The Proposed Action is subject to and is in conformance (43 CFR 1610.5) with the following land use plan:

Land Use Plan: White River Record of Decision and Approved Resource Management Plan (ROD/RMP), as amended by the White River Field Office Oil and Gas Development Approved Resource Management Plan Amendment (ROD/RMPA)

Date Approved: July 1997, amended August 2015

Decision Language: “Make federal oil and gas resources available for leasing and development in a manner that provides reasonable protection for other resource values.” (ROD/RMPA, page 2-34)

“Manage BLM public lands, including the siting of public and private facilities through the issuance of applicable land use authorizations, in a manner that balances the needs of oil and gas development with the management for other resources values.

Proposed Action

Project Components and General Schedule

The existing well pad is approximately seven acres and no expansion is proposed. No additional disturbance is needed for the access road. The proposed production facilities currently include: two separators, six 500 barrel condensate storage tanks, two 500 barrel produced water storage tanks, one dehydration unit, and two flare combustors. Endeavour anticipates with successful production of the proposed new well the following equipment would need to be added to the location: two 500 barrel condensate tanks, one 500 barrel produced water tank, and one additional separator. There are no additional proposed ancillary facilities at this time.

A temporary surface pipeline is proposed separate from this action that would pump water from the White River along Rio Blanco County (RBC) Road 77 to BLM Road 1509 then across an existing two track over to the O pad. This temporary surface line is being reviewed in DOI-BLM-CO-N05-2015-0040-CX. It is estimated that the water usage for this proposed horizontal well would be approximately 300,000 barrels. If the temporary surface pipeline is not approved, water would be trucked to the well pad along the access route via RBC Road 77 to RBC Road 71 and then the rest of the way would be a private surface road to the location. The source of the water would remain from the White River.

Currently the well is proposed to be drilled fall of 2015. The APD, which is available upon request at the White River Field Office, is incorporated as part of the Proposed Action. Some specific components, but not all, have been identified below in the Design Features.

Design Features

1. All activities will comply with all applicable local, state and federal laws, statutes, regulations, standards, and implementation plans. This would include acquiring all required State and Rio Blanco/Moffat County permits, implementing all applicable mitigation measures required by each permit, and effectively coordinating with existing facility right-of-way holders.

2. Endeavour will complete an air emission inventory for the new wells through the use of the BLM's "Emission Tool" web-based application.
3. Assure that cattle guards, fences, and associated gates are not damaged and are kept in a functional manner to keep cattle from straying into other areas.
4. Endeavour will reduce emissions and minimize impacts to air quality per Federal and CDPHE regulations. Some BMPs that may be employed include:
 - a. All internal combustion equipment would be kept in good working order.
 - b. Open burning of garbage or refuse will not occur at well sites or other facilities.
 - c. Drilling rigs will be equipped with Tier II or better diesel engines, if available.
5. Endeavour will employ practices for control of fugitive dust caused by their operations per COGCC Rule 805.c.
6. Endeavour will periodically survey the well pad and access roads for any noxious weeds in Lists A, B, and C of the 2014 Revised Rio Blanco County Noxious Weed Management Plan. Any observed noxious weeds shall be immediately reported to Rio Blanco County's Weed Control Supervisor. Periodic surveys will continue for the life of the well pad and access roads.
7. Weed control measure will be conducted in compliance with the Colorado Noxious Weed Act C.R.S. §35-5.5-115 and the 2014 Revised Rio Blanco County Noxious Weed Management Plan.
8. Endeavour shall eradicate or control noxious weeds on the well pad and access road using pesticide applicators licensed by the Colorado Department of Agriculture.
9. Endeavour will prevent the establishment of noxious weeds on the well pad and access road by using State certified weed-free seed and mulch.

Categorical Exclusion Review

The Energy Policy Act of 2005 (P.L. 109-58) prescribed five categorical exclusions (CX) for activities whose purpose is for the exploration of oil or gas.

The Proposed Action qualifies as a categorical exclusion under the Section 390 of the Energy Policy Act, #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.*"

The BLM NEPA Handbook (H-1790-1) provides specific instructions for using this CX.

1. Is the proposed well to be drilled from a location or well pad that has been previously disturbed or constructed to support drilling a well?
The location already exists from the 23-3-97-O H1 well (Fee/Fee well), which is now a producing well.

2. Has drilling occurred on the site within five years prior to the date of spudding the proposed well?
Completion activities were finished on October 29, 2014, allowing until October 29, 2019 for the spudding of the proposed well.

3. The APD must contain the following condition of approval: “If the well has not been spudded by October 29, 2019 (five years from previous well spud or completion), the Application for Permit to Drill (APD) will expire and the operator is to cease all operations related to preparing to drill the well.”

Interdisciplinary Review

The Proposed Action was presented to, and reviewed by, the White River Field Office interdisciplinary team on June 9, 2015. A complete list of resource specialists who participated in this review is available upon request from the White River Field Office. The table below lists resource specialists who provided additional review or remarks concerning cultural resources and special status species.

Name	Title	Resource	Date
Michael Selle	Archaeologist	Cultural Resources, Native American Religious Concerns	9/3/2015
Ed Hollowed	Wildlife Biologist	Special Status Wildlife Species	9/8/2015
Heather Woodruff	Ecologist	Special Status Plant Species	6/9/2015
Ryan Snyder	Natural Resource Specialist	Project Lead	9/8/2015
Heather Sauls	Planning and Environmental Coordinator	NEPA Compliance	9/8/2015

Cultural Resources: Pursuant to BLM Manual section 8110.23(B)(2) and provided that no new ground disturbance is needed outside of the existing disturbance as shown on the National Agricultural Image Program (NAIP) 2013 photo of the existing well pad no cultural resource inventories are required. Current inventory data has not identified any cultural resources in the vicinity of the well pad. However the inventory data is very limited at this time.

Native American Religious Concerns: No Native American religious concerns are known in the area, and none have been noted by 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.

Threatened and Endangered Wildlife Species:

It is estimated that development of this horizontal well would result in the direct depletion of approximately 38.67 acre-feet of water from the White River from an outtake point within designated critical habitat for the endangered Colorado pikeminnow. Although the river reach above Taylor Draw dam is presently unoccupied by pikeminnow, depletions from the upper Colorado River system are considered to have systemic adverse effects on all four endangered fishes of the upper Colorado River system. Flow depletion effects attributable to BLM’s fluid

mineral program were addressed in BLM Colorado's 2008 Programmatic Biological Assessment (PBA).

In response to BLM's PBA, the U. S. Fish and Wildlife Service (FWS) issued a Programmatic Biological Opinion (PBO) (ES/GJ-6-CO-08-F-0006) on December 19, 2008, which concurred with BLM's determination that water depletions are "Likely to Adversely Affect" the Colorado pikeminnow, humpback chub, bonytail, and razorback sucker. Likewise, the project is also likely to adversely affect designated critical habitats for these endangered fish along the Green, Yampa, White, Colorado, and Gunnison rivers. However, the FWS also determined that BLM water depletions from the Colorado River Basin are not likely to jeopardize the continued existence of the Colorado pikeminnow, humpback chub, bonytail, or razorback sucker, and that BLM water depletions are not likely to destroy or adversely modify designated critical habitat.

A Recovery Implementation Program for Endangered Fish Species in the Upper Colorado River Basin was initiated in January 1988. The Recovery Program serves as the reasonable and prudent alternative to avoid jeopardy and aid in recovery efforts for these endangered fishes resulting from water depletions from the Colorado River Basin. The PBO addresses water depletions associated with fluid minerals development on BLM lands, including water used for well drilling, hydrostatic testing of pipelines, and dust abatement on roads. The PBO includes reasonable and prudent alternatives developed by the FWS which allow BLM to authorize oil and gas wells that result in water depletion while avoiding the likelihood of jeopardy to the endangered fishes and avoiding destruction or adverse modification of their critical habitat. As a reasonable and prudent alternative in the PBO, FWS authorized BLM to solicit a one-time monetary contribution to the Recovery Implementation Program for Endangered Fish Species in the Upper Colorado River Basin (Recovery Program) in the amount equal to the average annual acre-feet depleted by fluid minerals activities on BLM lands. As a means of accurately monitoring and reporting water use attributable to ongoing fluid mineral development, it is important that BLM be apprised of water volumes and their source (e.g., imported fresh, production, or recycled) for individual wells. These values will be entered into the WRFO fluid minerals water depletion log which will be submitted to the Colorado State Office at the end of the Fiscal Year.

The Proposed Action would involve the use of existing features that are entrenched in mapped habitat of greater sage-grouse (candidate for Endangered Species Act listing). The pad is situated about 1.6 miles from the nearest active lek, but is screened from the lek by an intervening wooded ridge. Well development activity and vehicle-related support are largely encompassed and bisect priority habitats (pad and over 70 percent of access), which functions primarily as nesting and early brood-rearing range from March 1 to July 15. The current literature strongly suggests that fluid mineral development and its infrastructure exert influences on sage-grouse behavior and demographics at distances up to 4 miles that has prompted declines in lek attendance, yearling and adult hen survival, and nest initiation rates, and has elicited strong avoidance response in yearling age classes, nesting/brooding hens, and wintering birds (see discussion in section 4.3.2.1.4 of WRFO's 2015 Proposed Resource Management Plan Amendment and Final Environmental Impact Statement for Oil and Gas Development). As a means of reducing adverse behavioral responses of sage-grouse to the Proposed Action, work associated with the development and routine maintenance of this well (i.e., drilling, completion,

infrastructure installation, routine well workovers) would be prohibited from March 1 through July 15.

Threatened and Endangered Plant Species: There are no special status plant species issues or concerns associated with the Proposed Action.

Mitigation

1. The volume of water used in well drilling and completion and the water's source and disposition (e.g., imported fresh, production water, recycled, reinjected, or truck disposal) shall be reported to the designated NRS within 90 days of its use.
2. As a means of reducing adverse behavioral responses of sage-grouse to the Proposed Action, work associated with the development and routine maintenance of this well (i.e., drilling, completion, infrastructure installation, routine well workovers) would be prohibited from March 1 through July 15.

Compliance with NEPA

The Proposed Action is categorically excluded from further documentation under the National Environmental Policy Act (NEPA) in accordance with Section 390 of the Energy Policy of 2005.



Field Manager



Date

Appendix A. Figures

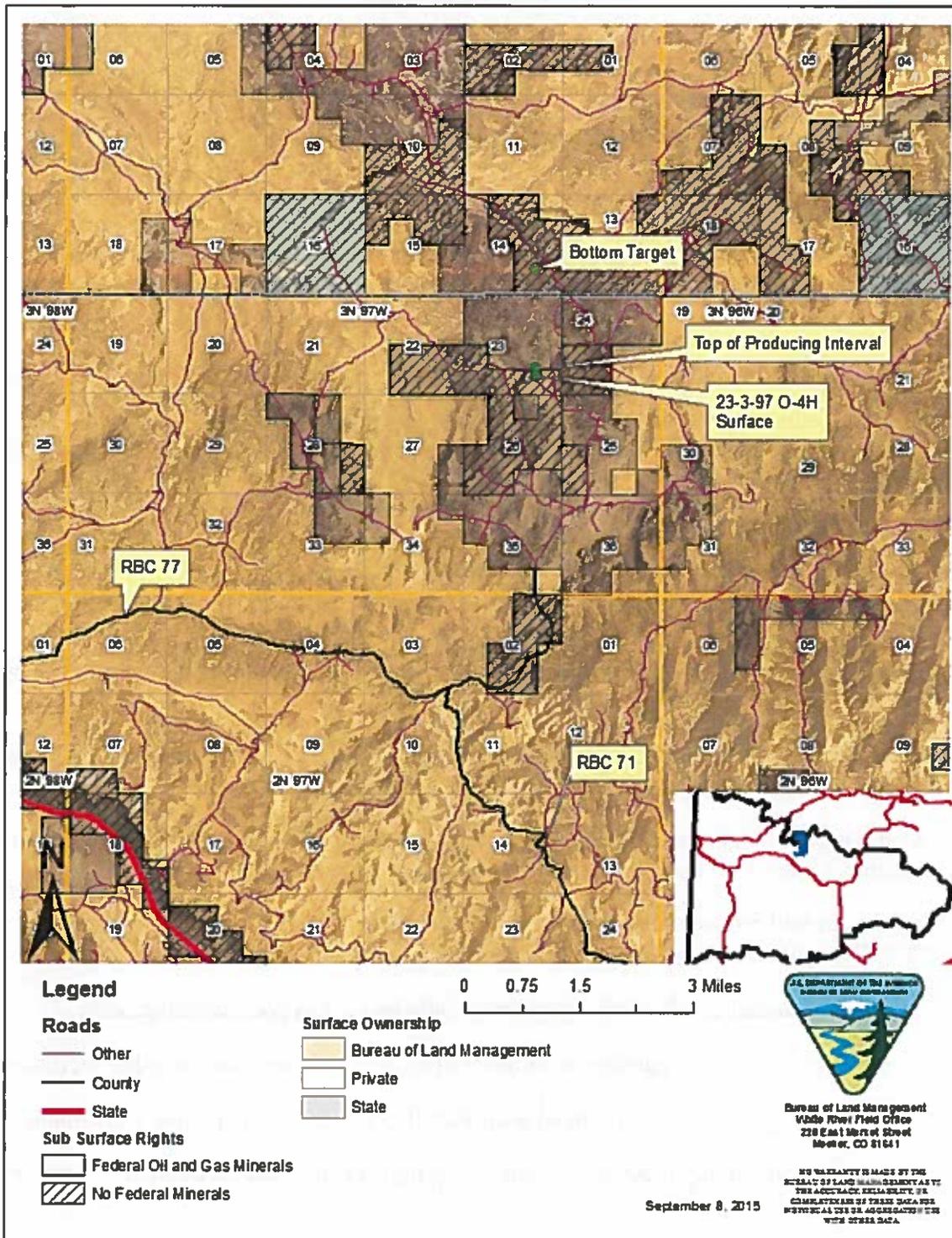


Figure 1: Map depicting the location of the Proposed Action.

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220 E Market St
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DECISION RECORD

Endeavour Wiley Unit 23-397-O 4H **DOI-BLM-CO-N05-2015-0063-CX**

Decision

It is my decision to implement the Proposed Action as described in DOI-BLM-CO-N05-2015-0063-CX, authorizing the drilling, operation, and maintenance of the Wiley Unit 23-397-O 4H well.

Applicant Committed Design Features

1. All activities will comply with all applicable local, state and federal laws, statutes, regulations, standards, and implementation plans. This would include acquiring all required State and Rio Blanco/Moffat County permits, implementing all applicable mitigation measures required by each permit, and effectively coordinating with existing facility right-of-way holders.
2. Endeavour will complete an air emission inventory for the new wells through the use of the BLM's "Emission Tool" web-based application.
3. Assure that cattle guards, fences, and associated gates are not damaged and are kept in a functional manner to keep cattle from straying into other areas.
4. Endeavour will reduce emissions and minimize impacts to air quality per Federal and CDPHE regulations. Some BMPs that may be employed include:
 - All internal combustion equipment would be kept in good working order.
 - Open burning of garbage or refuse will not occur at well sites or other facilities.
 - Drilling rigs will be equipped with Tier II or better diesel engines, if available.
5. Endeavour will employ practices for control of fugitive dust caused by their operations per COGCC Rule 805.c.
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Weed Control Supervisor. Periodic surveys will continue for the life of the well pad and access roads.

7. Weed control measure will be conducted in compliance with the Colorado Noxious Weed Act C.R.S. §35-5.5-115 and the 2014 Revised Rio Blanco County Noxious Weed Management Plan.
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9. Endeavour will prevent the establishment of noxious weeds on the well pad and access road by using State certified weed-free seed and mulch.

Mitigation Measures

1. If the well has not been spudded by October 29, 2019 (five years from previous well spud or completion), the Application for Permit to Drill (APD) will expire and the operator is to cease all operations related to preparing to drill the well.
2. The volume of water used in well drilling and completion, and the water's source and disposition (e.g., imported fresh, production water, recycled, reinjected, or truck disposal) shall be reported to the designated NRS within 90 days of its use.
3. As a means of reducing adverse behavioral responses of sage-grouse to the Proposed Action, work associated with the development and routine maintenance of this well (i.e., drilling, completion, infrastructure installation, routine well workovers) would be prohibited from March 1 through July 15.

Compliance with Laws & Conformance with the Land Use Plan

This decision is in compliance with the Endangered Species Act and the National Historic Preservation Act. It is also in conformance with the 1997 White River Record of Decision/Approved Resource Management Plan.

Public Involvement

This project was posted on the WRFO's on-line National Environmental Policy Act (NEPA) register on June 9, 2015. No comments or inquiries have been received.

Rationale

The Proposed Action is categorically excluded from further documentation under the National Environmental Policy Act (NEPA) in accordance with Section 390 of the Energy Policy of 2005. The Proposed Action involves drilling of a well from an already existing pad without any further surface disturbance proposed. The original well is a Fee/Fee (private surface and private minerals) well, and the Proposed Action is for a well to be drilled on that same location, produce first out of private minerals through federal minerals and into private minerals. This situation makes this a Fee/Fee/Fed well. Unlike the surface owner in the case of split estate (private surface and Federal minerals), the non-Federal surface owner over private minerals is not under an obligation to allow access to its surface for the production of Federal minerals. The obligation

for protecting the surface, environment, and the interests of the surface owner remains with the surface owner, the lessee/operator, and the state.

Monitoring and Compliance

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.

Administrative Remedies

State Director Review

Under regulations addressed in 43 CFR 3165.3(b), any adversely affected party that contests a decision of the Authorized Officer may request an administrative review, before the State Director, either with or without oral presentation. Such request, including all supporting documentation, shall be filed in writing with the BLM Colorado State Office at 2850 Youngfield Street, Lakewood, Colorado 80215 within 20 business days of the date such decision was received or considered to have been received. Upon request and showing of good cause, an extension may be granted by the State Director. Such review shall include all factors or circumstances relevant to the particular case.

Appeal

Any party who is adversely affected by the decision of the State Director after State Director review, under 43 CFR 3165.3(b), of a decision may appeal that decision to the Interior Board of Land Appeals pursuant to the regulations set out in 43 CRF Part 4.

Signature of Authorized Official



Field Manager



Date