

**U.S. Department of the Interior
Bureau of Land Management
Little Snake Field Office,
455 Emerson Street.,
Craig, CO 81625-1129**

CATEGORICAL EXCLUSION

NUMBER: DOI-BLM-CO-N010-2015-0031-CX

CASEFILE/PROJECT NUMBER: COC074767

PROJECT NAME: Big Gulch Access Road and Well Pad Assignment to SWN Production Company, LLC

LEGAL DESCRIPTION: 6th PM, T. 7 N., R. 93 W., sections 15, 16, 21, Moffat County, CO.

APPLICANT: SWN Production Company, LLC

DESCRIPTION OF PROPOSED ACTION: SWN Production Company, LLC filed an application requesting an assignment of right-of-way grant COC074767 from Quicksilver Resources, Inc. for two existing well pads and an access road.

The road is 25 feet wide and 1.2 miles long. The right-of-way also includes two well pads, on split estate minerals, each containing 150' X 150'. The grant expires December 31, 2031.

SWN Production Company, LLC will comply with and be bound by the terms, conditions, and stipulations of the grant. There will be no additional surface disturbance without prior approval.

LAND USE PLAN (LUP) CONFORMANCE REVIEW: The proposed action was reviewed for conformance (43 CFR 1610.5, BLM 1617.3) with the following plan:

Name of Plan: Little Snake Record of Decision and Resource Management Plan

Date Approved: October 2011

Results: The Proposed Action is in conformance with the LUP because it is specifically provided for in the following LUP goals, objectives, and management decisions:

Allow for appropriate ROW routes and development sites, while identifying areas that will not be compatible with such use. Objectives for achieving these goals include:

- Provide access for the development of roads and trails, utilities, transmission lines, communication sites, and other uses in an environmentally responsible manner.
- Provide access for the development of oil and gas pipeline routes and other uses associated with oil and gas development in an environmentally responsible manner.

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CATEGORICAL EXCLUSION REVIEW: The Proposed Action qualifies as a categorical exclusion under 516 DM 11.9, E., (9): Renewals and assignments of leases, permits or rights-of-way where no additional rights are conveyed beyond those granted by the original authorizations.

The Proposed Action has been reviewed with the list of extraordinary circumstances (43 CFR 46.215) described in the table below.

Extraordinary Circumstance	YES	NO
a) Have significant adverse effects on public health and safety.		X
b) Have significant impacts on such natural resources and unique geographic characteristics as historic or cultural resources; park, recreation, or refuge lands; wilderness areas; wild or scenic rivers; national natural landmarks; sole or principal drinking water aquifers; prime farmlands; wetlands; floodplains; national monuments; migratory birds; and other ecologically significant or critical areas.		X
c) Have highly controversial environmental effects or involve unresolved conflicts concerning alternative uses of available resources.		X
d) Have highly uncertain and potentially significant environmental effects or involve unique or unknown environmental risks.		X
e) Establish a precedent for future action or represent a decision in principle about future actions with potentially significant environmental effects.		X
f) Have a direct relationship to other actions with individually insignificant but cumulatively significant environmental effects.		X
g) Have significant impacts on properties listed, or eligible for listing, in the National Register of Historic Places as determined by either the bureau of office.		X
h) Have significant impacts on species listed, or proposed to be listed, on the List of Endangered or Threatened Species, or have adverse effects on designated Critical Habitat for these species.		X
i) Violate a Federal law, or a State, local or tribal law or requirement imposed for the protection of the environment.		X
j) Have a disproportionately high and adverse effect on low income or minority populations		X
k) Limit access to and ceremonial use of Indian sacred sites on Federal lands by Indian religious practitioners or significantly affect the physical integrity of such sacred sites.		X
l) Contribute to the introduction, continued existence, or spread of noxious weeds 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.		X

REMARKS: None

Cultural Resources:

Native American Religious Concerns:

Special Status Wildlife Species:

Special Status Plant Species:

MITIGATION: None

COMPLIANCE PLAN: On-going compliance inspections and monitoring will be conducted by the BLM Little Snake Field Office staff during and after construction. Specific mitigation developed in this document 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.

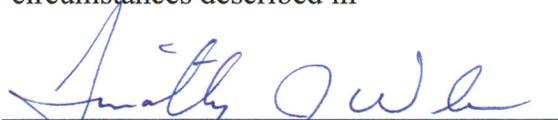
NAME OF PREPARER: Louise McMinn

NAME OF ENVIRONMENTAL COORDINATOR: Kathy McKinstry

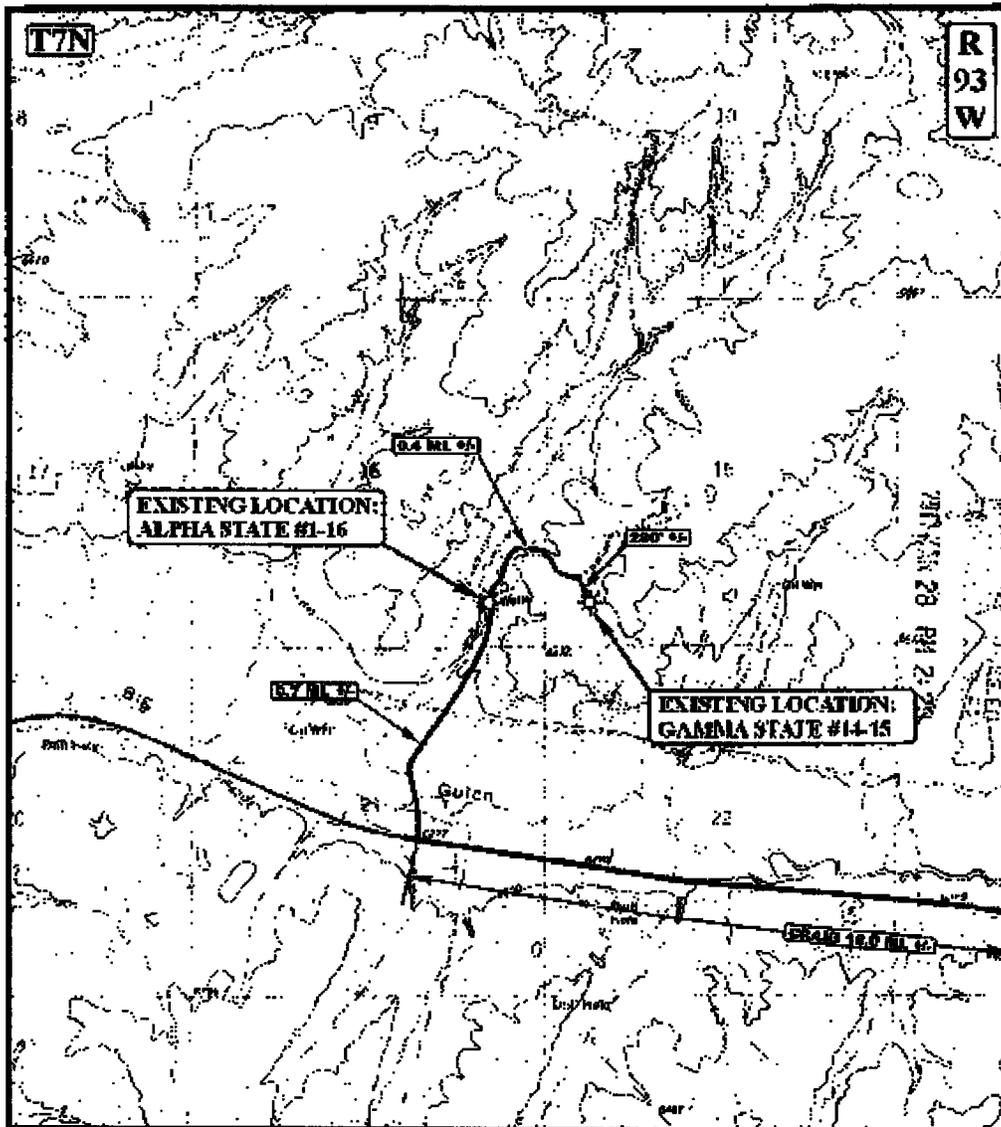
COMPLIANCE WITH NEPA

The Proposed Action is categorically excluded from further documentation under the National Environmental Policy Act (NEPA) in accordance with 516 DM 11.9, E (9). This 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 apply.

SIGNATURE OF AUTHORIZED OFFICIAL:


Assoc. Field Manager

DATE SIGNED: 6/10/15



LEGEND: EXISTING ROAD	N 	FOUNDATION ENERGY COMPANY GAMMA STATE #14-15 & ALPHA STATE #1-16 SECTIONS 15 & 16, T7N, R93W, 6th P.M.	
		Utah Engineering & Land Surveying 25 South 200 East, Vernal, Utah 84678 (435) 789-2017 • FAX (435) 789-1503	TOPOGRAPHIC 11 19 10 MAP (month) (day) (year) SCALE: 1"=200' DRAWN BY: J.L.G. (REVISED 00-00-00)

EXHIBIT A
COC074767

**ADVISORY NARRATIVES AND CONDITIONS OF APPROVAL FOR APPLICATIONS
FOR PERMIT TO DRILL (APDs)**

Well No.: <u>Sombrero Unit Fed #24-18D</u>	Operator: <u>Pioneer Natural Resources USA Inc.</u>	Lease No.: <u>COC63307</u>
Well No.: <u>Beta State #33-16D</u>	Location: <u>SESW section 1A T7N R92W</u>	BLM Surface/Private Minerals
Well No.: <u>Gamma State #14-15D</u>	Location: <u>NWSE section 16 T7N R93W</u>	BLM Surface/Private Minerals
	Location: <u>SWSW section 15 T7N R93W</u>	

Little Snake Field Office

The Bureau of Land Management, Little Snake Field Office, address and telephone contacts are:

Address:	455 Emerson Street, Craig, CO 81625		
Office Phone:	(970) 826-5000	Fax:	(970) 826-5002
Petroleum Engineer:	Stanley Eng.	Office Phone (970) 826-5075	Cell Phone (970) 326-8388
Petroleum Engineer Technician:	Bob Fagan	Office Phone (970) 826-5093	Cell Phone (970) 326-8331
Geologist:	Marilyn Wegweiser	Office Phone (970) 826-5028	Cell Phone (970) 326-8448
Natural Resource Specialist:	Roy McKinstry	Office Phone (970) 826-5104	Cell Phone (970) 326-8408
Assistant Field Manager:	Jerry Strahan,	Office Phone (970) 826-5049	

All lease and/or unit operations are to be conducted in such a manner to ensure full compliance with the applicable laws, regulations (43 CFR Part 3160), Onshore Oil and Gas Orders No. 1, 2, 3, 4, 5, 6 and 7, Notice to Lessees, and the approved plan of operations. Approval of this application does not relieve you of your responsibility to obtain other required federal, state, or local permits. A copy of the approved Form 3160-3 and the pertinent drilling plan, along with any advisory narratives and conditions of approval, shall be available at the drillsite to authorized representatives at all times. The operator is considered fully responsible for the actions of his subcontractors.

Your review and appeal rights are contained in 43 CFR 3165.3 and 3165.4.

CONDITIONS OF APPROVAL

STANDARD CONDITIONS

1. The Little Snake Field Office will be given 48-hour notification prior to commencing construction and/or reclamation work. Contact the Little Snake Field Office (970) 826-5000 to report work, which will commence.
2. Notify Little Snake Field Office at (970) 826-5000 12 to 24-hours in advance to witness running and cementing of surface casing and testing of the BOPH. Also notify the Little Snake Field Office 24-hours in advance of beginning well completion operations.
3. The notice of spud will be reported orally to the Little Snake Field Office (970) 826-5000 at least 24 hours after spudding. This notice shall include spud date, time, details of spud (hole, casing, cement, etc.), API well number, and date the rotary rig was moved on location. If the spudding occurs on a weekend or holiday, wait until the following regular workday to make this report. The oral notice shall be followed by written notification within 5 working days.
4. No hazardous materials, hazardous wastes, or trash will be disposed of on public lands or on private surface overlying the oil and gas lease. If a release does occur, it will be reported to the Little Snake Field Office immediately at (970) 826-5000.
5. The area to be utilized for storage of the reserve pit overburden will have the brush cleared and the topsoil salvaged before excavation of the reserve pit commences.
6. All survey stakes representing the leveled drill pad, the crest of excavations, the toe of embankments, the reserve pit, and the access road will be in place prior to construction. Staking shall include the well location, two 300-foot directional reference stakes, the exterior dimensions of the drill pad, reserve pit and other areas of surface disturbance, cuts and fills, and centerline flagging of new roads with road flagging being visible from one to the next.
7. Construction activities will not be allowed to commence if the topsoil cannot be separated from the subsoil during adverse environmental conditions (i.e. when soils are frozen or muddy). During periods of adverse conditions such as thawing, heavy rains, snow, or flooding, all construction activities of existing maintained roads that create excessive surface rutting will be suspended.
8. Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

9. Drainage for runoff water will be provided to divert runoff water away from the reserve pit, cut portions of the well location and the topsoil stockpile. Runoff water that concentrates and forms channels on the well location will be diverted and/or dispersed to prevent erosion of the fill slopes. Any ditches designed to provide runoff drainage will be constructed on a minimal grade and will release water onto undisturbed ground without causing accelerated erosion. The operator will take additional measures if erosion is occurring within the runoff water drainage system.
10. If fossils are discovered during construction or other operations, all activity in the area will cease and the Field Office Manager will be notified immediately. An assessment of significance will be made within an agreed timeframe. Operations will resume only upon written notification by the Authorized Officer.
11. STANDARD STIPULATION: If cultural or paleontological resources are discovered during exploration operations under this license, the licensee shall immediately notify the Field Office Manager and shall not disturb such discovered resources until the Field Office Manager issues specific instructions.
 - a. Within 5 working days after notification, the Field Office Manager shall evaluate any cultural resources discovered and shall determine whether any action may be required to protect or to preserve such discoveries.
 - b. The cost of data recovery for cultural resources discovered during exploration operations shall be borne by the licensee, if the licensee is ordered to take any protective measures. Ownership of cultural resources discovered shall be determined in accordance with applicable law.
 - c. The operator is responsible for informing all persons who are associated with the operations that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are encountered or uncovered during any project activities, the operator is to immediately stop activities in the immediate vicinity of the find and immediately contact the Authorized Officer (970) 826-5067. Within five working days the Authorized Officer will inform the operator as to:
 1. Whether the materials appear eligible for the National Register of Historic Places;
 2. The mitigation measures the operator will likely have to undertake before the identified area can be used for project activities again; and,
 - d. If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the Authorized Officer will assume responsibility for whatever reexcavation, and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The Authorized Officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the Authorized Officer that the required mitigation has been completed, the operator will then be allowed to resume construction.
 - e. Pursuant to 43 CFR 10.4(g) (Federal Register Notice: Monday December 4, 1995, Vol 60, No. 232) the holder of this authorization must notify the Authorized Officer, by telephone (970) 826-5067, with written confirmation, immediately upon the discovery of human remains, funerary items, sacred objects, or objects of cultural patrimony. Further, pursuant to 43 CFR 10.4(c) and (d), you must stop activities in the vicinity of the discovery and protect it for 30 days or until notified to proceed by the Authorized Officer.
12. The reserve pit will be designed to exclude runoff water and maintain a 2-foot freeboard between the maximum fluid level and the lowest point of containment. The reserve pit will not be used for disposal of any materials or fluids, except for materials or fluids specifically addressed in the drilling program or having a subsurface origin. If oil or oily substance is in the reserve pit, it must be removed within 30 days after the drilling rig is removed. Netting will be installed if oily substance is present in the reserve pit.
13. The perimeter of the reserve pit and production pits, if any, will be fenced with woven wire with 2 strands of barbed wire, properly spaced, on the top and all held in place by side posts and corner T-braces to inhibit entry by livestock and wildlife. The fence will be maintained until backfilling or removal of facilities occurs.
14. In the event downhole operations threaten to exceed the required 2-foot freeboard, regarding reserve pit fluids, immediate notification will be provided to the Authorized Officer with concurrent steps taken to minimize the introduction of additional fluids, until alternative containment methods can be approved.

15. Reserve pits must be free of fluids and backfilled within 6 months of well completion. On multi well pads reserve pits must be free of fluids and backfilled within 6 months of the last well completed on the pad. The method of disposal for reserve pit fluids must be approved by the BLM AG. After the fluids disappear, the reserve pit mud will be allowed to dry sufficiently to allow backfilling. The backfilling of the reserve pit will be completed within 30 days after dry conditions exist and will meet the following minimum requirements:
 - a. Backfilling will be done in such a manner that the mud and associated solids will be confined to the pit and not squeezed out and incorporated in the surface materials.
 - b. There will be a minimum of 3 feet of cover (overburden) on the pit.
 - c. When the work is completed, the pit areas will support the weight of heavy equipment without sinking and over time shall not subside over 6-inch depth.
16. If installed, production facilities will be located on cut portions of the existing drill pad.
17. In the event production is established, all land surfaces that are to remain free of vegetation (roads and well location) will be monitored for and protected from wind erosion; dry powdery soil will be treated to minimize wind erosion. The unused disturbed areas surrounding the well location will be re-contoured to appropriate configuration as soon as possible. Some or all of the stockpiled topsoil will be evenly distributed over these re-contoured areas. Brush cleared prior to construction of the well site shall be scattered back over the re-contoured area.
18. Prior approval is required to remove reserve pit fluids from the reserve pit; a request of this type will need to include the destination of the fluids and if the destination is not a State approved facility, the request will include State approval of the destination.
19. All pits, cellars, rat holes and other bore holes unnecessary for further lease operations, excluding the reserve pit, will be backfilled immediately after the drilling rig is released. Pits, cellars and/or bore holes that remain on location must be fenced as specified for the reserve pit in the applicant's Surface Use Plan.
20. In the event a producing well is established, all new production equipment which has open-vent exhaust systems, such as heater treaters, separators, dehydration units, and flare stacks, shall be designed and constructed to prevent birds and bats from entering or nesting in or on such units, and to the extent practical, to discourage birds from perching on the exhaust stacks.
21. All permanent structures (on-site for six months or longer) constructed or installed (including oil well pumpjacks) will be shade green. All facilities will be painted within six months of installation. Facilities required to comply with OSHA (Occupational Safety and Health Act) will be excluded.
22. Surface facilities should appear to blend in to the existing landscape to the greatest possible extent. Facilities should not be located on ridgelines or extend above them. Facilities should be minimal in size (or located underground) and colored and texture to blend in with the surroundings.
23. A containment berm must be installed around all storage tanks, including temporary tanks. Compact on and construction of the berm surrounding the tank or tank battery will be designed to prevent lateral movement of fluids through the utilized materials, prior to storage of fluids. The berm must be constructed to contain at minimum 110 percent of the storage capacity of the largest tank within the berm. All loading lines will be placed inside the berm.
24. Control of noxious weeds will be required through successful vegetation establishment and/or herbicide application. It is the responsibility of the lease operator to insure compliance with all local, state, and federal laws and regulations, as well as labeling directions specific to the use of any given herbicide.
25. All production facilities installed on location that have the potential to leak or spill oil, glycol, produced water, or other fluid, which may constitute a hazard to public health or safety, shall be placed within an appropriate secondary containment or diversionary structure. The structure shall hold 110% of the capacity the largest single tank in use and be impervious to any oil, glycol, produced water, or other toxic fluid for 72 hours. It shall be installed so that any spill or leakage would not drain, infiltrate, or otherwise escape to ground water, surface water, or navigable waters before cleanup is completed.

25. Reclamation Performance Standard

The lessee is required to use the reclamation practices necessary to reclaim all disturbed areas. Reclamation will ensure surface and subsurface stability, growth of a self-regenerating permanent vegetative cover and compatibility with post land use. The vegetation will be diverse and of the same seasonal growth as adjoining vegetation. Post land use will be determined by the Authorized Officer but normally will be the same as adjoining uses.

Reclamation practices which must be applied or accomplished are: re-grading to the approximate original contour, effectively controlling noxious weeds, separating, storing and protecting topsoil for redistribution during final abandonment, seeding and controlling erosion. If topsoil is not present, or quantities are insufficient to achieve reclamation goals, a suitable plant growth media will be separated, stored and protected for later use. Reclamation will begin with the salvaging of topsoil and continue until the required standards are met. If use of the disturbed area is for a short time (less than one year), practices, which ensure stability, will be used as necessary during the project, and practices needed to achieve final abandonment will commence immediately upon completion of the approved activity use and be completed, with the exception of vegetative establishment, within one year.

If use of the area is for longer periods of time (greater than one year), interim reclamation is required on the unused areas. Interim reclamation of the unused areas will begin immediately upon completion of the permanent facility(s) and be completed, with exception of vegetative establishment, within one year. For both short and long term projects vegetative establishment will be monitored annually. If the desired vegetation is not established by the end of the second growing season, cultural practices necessary for establishment will be implemented prior to the beginning of the next growing season. Interim reclamation, unless otherwise approved, will require meeting the same standards as final abandonment with the exception of original contour, which may be only partially achievable.

Annual reports consisting of reclamation practices completed and the effectiveness of the reclamation will be provided to the Little Snake Field Office. The first report will be due in January following initiation of reclamation practices and annually thereafter until final abandonment is approved.

There are numerous reclamation practices and techniques that increase the success rate of reclamation and stabilization. With the exception of those stated above, it is the lessee's prerogative to use those (s)he chooses to accomplish the objective. However, it is recommended that state-of-the-art reclamation, stabilization, and management practices be used to achieve the desired objective in a timely and cost-effective manner.

The following definitions and measurements will be used to accomplish and determine if reclamation has been achieved:

Permanent: vegetative cover will be accomplished if the basal cover of perennial species, adapted to the area, is at least ninety (90) percent of the basal cover of the undisturbed vegetation of adjoining land or the potential basal cover as defined in the Soil Conservation Service Range Site(s) for the area.

Diverse will be accomplished if at least two (2) perennial genera and three (3) perennial species, adapted to the area, make up the basal cover of the reclaimed area in precipitation zones thirteen (13) inches or less and three (3) perennial genera and four (4) perennial species in precipitation zones greater than thirteen (13) inches. One species will not make up more than fifty (50) percent of the perennial vegetation by basal cover.

Self-regenerating and adapted to the area will be evident if the plant community is in good vigor, there is evidence of successful reproduction, and the species are those commonly used and accepted in the area.

Surface stability will be accomplished if soil movement, as measured by deposits around obstacles, depths of truncated areas, and height of pedestalling, is not greater than three tenths (0.3) of an inch and if erosion channels (rills, gullies, etc.) are less than one (1) inch in depth and at intervals greater than ten (10) feet.

If this standard is not met by the end of the second growing season, two alternatives exist depending on the severity of the erosion:

If erosion were greater than two (2) times the allowable amount, corrective action would have to be taken by the responsible company at that time.

If erosion is less than or equal to two (2) times the allowable amount, and it is determined the erosion occurred during vegetative establishment and the site may become stable, no corrective action would be required at that time. Another check (and

measurements) would be performed a year later to determine if stability standards had been met. If the original measurements have not increased by more than the allowed standard, the standard would be considered met. However, if the increase were greater than the allowed standard, corrective action would be required.

Subsurface stability (mass wasting event) is of concern if disturbance has included excavation over four (4) feet in depth and greater than 10,000 square feet in area on slopes thirty five (35) percent and greater, or on any erosion-prone slope (Dartmouth Hills, Vermilion Bluffs, and badland areas). When these conditions occur, length of liability for reclamation and final abandonment will continue for ten (10) years following re-contouring to original contour or for such time that climatic patterns provide two (2) consecutive years in which measurable precipitation totals at least 125 percent of average from October 1 through September 30, as measured by data averaged from nearby regional weather stations.

The Authorized Officer may waive this stipulation, or portions of it. Such waiver will be documented and justified when not applicable, or when objectives are accomplished through another method.

SITE SPECIFIC CONDITIONS

27. No surface disturbing activities between December 1st and April 30th in order to protect wintering big game.
28. Well pad location and pipeline route will be brush beat prior to stripping of topsoil.
29. Construction or other surface-disturbing activities will not be allowed when the soils are saturated to a depth of more than 3 inches.
30. The access road constructed will be crowned, ditched, and maintained to provide a 14 to 16 foot travel way. Total width of authorized disturbance is 30 feet. Water turnouts needed to provide additional drainage from the road ditch will be constructed not to exceed 2 percent slope to minimize soil erosion.
31. Vehicular travel is limited to the approved location and approved access route. The water haul route will coincide with the proposed access road. Any changes in the water source or haul route must have written approval before the changes take place.
32. Culverts will be installed keeping the inlet and the outlet on original grade and sized to adequately drain the surface runoff (18" minimum).
33. In the event that topsoil cannot be properly distributed during reclamation, additional precautions will be taken to minimize erosion of subsoil. Periodic monitoring to assess site specific environmental conditions, timing of operations, and use of mulches and/or barriers may be required to ensure that erosion is not significant within the entire well pad location disturbance and access road easement.
34. Well pad will be reclaimed as closely as possible to pre disturbance conditions to re establish pre existing drainage.
35. Additional mitigative measures will be employed to prevent or reduce accelerated erosion if it begins to occur within or on constructed drainage and diversion ditches or surface drainages affected by the road, well pad, well pad embankments, or pipeline corridor.
36. Utilize the "One Call" system to locate and stake the centerline and limits of all underground facilities in the area of proposed excavations.
37. Provide 48-hour notification to the owner/operator of facilities prior to performing any work within 10 feet of buried or aboveground pipelines.
38. All pipelines shall be buried and trenches shall be compacted during back-filling. Pipeline trenches will be maintained in order to correct settlement and prevent erosion.
39. All pipeline construction and maintenance activities will be contained within the 25-foot pipeline easement. Exception provided only for waterbars and erosion control. Vehicular access for reclamation, maintenance, and emergencies is authorized, but pipeline routes will not be utilized as access routes.

40. Surface soil material will be stockpiled to the side of the pipeline routes during pipeline construction. Surface soil material will be segregated and will not be mixed or covered with subsurface material. Surface disturbance will be minimized to the maximum extent possible.
41. Pipeline routes will be graded to conform to the adjacent terrain, waterbarred, and seeded.
42. Install pipeline warning signs indicating location of buried pipeline, company name, and telephone number.
43. The mud used for drilling the well will utilize *fresh water* as defined in 43 CFR 3160.0

REGULATORY REMINDERS

- A. This permit is valid for a period of two years from the date of approval. Any requests for extensions must be submitted prior to the end of the two-year period. If the permit terminates, any surface disturbance created under the permit must be rehabilitated in accordance with the approved plan within 90 days of termination, unless otherwise approved by the Authorized Officer. An expired permit may be reinstated at the Authorized Officer's discretion, however, future operations may require a new application be filed for approval.
- B. All drilling operations, unless otherwise specifically approved in the APD, must be conducted in accordance with Onshore Oil and Gas Order No. 2, Drilling Operations.
- C. All 10-Day Requirement responses are made part of this APD.
- D. There shall be no deviation from the proposed drilling and/or workover program as approved, without prior approval from the Little Snake Field Office. Safe drilling and operating practices must be observed.
- E. Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease, which would entitle the applicant to conduct operations thereon.
- F. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the Little Snake Field Office. If operations are to be suspended for more than 30 days, prior approval for certain well operations must be obtained and notification given before resumption of operations in accordance with 43 CFR 3162 3-2 and 3162 3-4.
- G. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval for subsurface abandonment operations may be granted by the Little Snake Field Office. Oral approvals must be confirmed in writing (Notice of Intention to Abandon (Form 3160-5)) within 15 days. Unless the plugging is to take place immediately upon receipt of oral approval, the appropriate resource area must be notified at least 48 hours in advance of the plugging of the well, in order to provide a representative the opportunity to witness plugging operations.
- H. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) must be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with Onshore Oil and Gas Order No. 1. Daily drilling reports, a copy of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations (with Form 3160-4) will be filed and sent to the Little Snake Field Office, 455 Emerson Street, Craig, Colorado 81625. Samples (cuttings, fluid, and/or gas) will be submitted only when requested by the Authorized Officer.
- I. Section 102 (b) (3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1 (c), requires that "not later than the fifth business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, or the date on which such production has begun or resumed."

The date on which a well commences production, or resumes production after having been off production for more than 90 days is to be construed as follows:

1. For an oil well, the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank or the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever occurs first;

**U.S. Department of the Interior
Bureau of Land Management
Little Snake Field Office,
455 Emerson Street.,
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DECISION RECORD

PROJECT NAME: BIG GULCH ACCESS ROAD AND WELL PAD ASSIGNMENT TO SWN PRODUCTION COMPANY, LLC

CATEGORICAL EXCLUSION NUMBER: DOI-BLM-CO-2015-0031-CX

DECISION

It is my decision to implement the Proposed Action, as mitigated in DOI-BLM-CO-2015-0031-CX, authorizing the assignment of COC074767 FROM Quicksilver Resources Inc. to SWN Production Company, LLC.

Mitigation Measures None

COMPLIANCE WITH LAWS & CONFORMANCE WITH THE LAND USE PLAN

This decision is in compliance with the Federal Land Management and Policy Act, the Endangered Species Act, and the National Historic Preservation Act. It is also in conformance with the **Little Snake Field Office** Record of Decision/Approved Resource Management Plan.

PUBLIC INVOLVEMENT

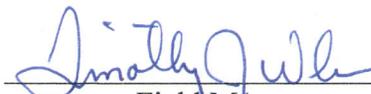
RATIONALE

The Proposed Action is categorically excluded from further documentation under the National Environmental Policy Act (NEPA) in accordance with 516 DM 11.9, E (9). This 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 apply.

ADMINISTRATIVE REMEDIES Administrative remedies may be available to those who believe they will be adversely affected by this decision. Appeals may be made to the Office of Hearings and Appeals, Office of the Secretary, U.S. Department of Interior, Board of Land Appeals (Board) in strict compliance with the regulations in 43 CFR Part 4. Notices of appeal must be filed in this office within 30 days after publication of this decision. If a notice of appeal does not include a statement of reasons, such statement must be filed with this office and the Board within 30 days after the notice of appeal is filed. The notice of appeal and any statement of reasons must also be served upon the Regional Solicitor, Rocky Mountain Region, U.S. Department of Interior, 755 Parfet Street, Suite 151, Lakewood, CO 80215.

The effective date of this decision (and the date initiating the appeal period) will be the date this notice of decision is posted on BLM'S Little Snake Field Office Internet website.

SIGNATURE OF AUTHORIZED OFFICIAL:


Assoc. Field Manager

DATE SIGNED: 6/10/2015