United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Colorado River Valley Field Office
2300 River Frontage Road
Silt, Colorado 81652
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CATEGORICAL EXCLUSION

NEPA LOG NUMBER: DOI-BLM-CO-N040-2015-0070-CX

Background

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

CASEFILE/PROJECT NUMBER: Designation of Successor Operator for Communitization Agreement: COC55118

PROPOSED ACTION TITLE/TYPE: Request for Approval of Designation of Successor Operator for Communitization Agreement: COC55118, including Federal Oil and Gas Leases

LOCATION OF THE PROPOSED ACTION: Federal lands administered by the Bureau of Land Management (BLM), Colorado River Valley Field Office (CRVFO), located in Township 6 South, Range 94 West, Section 23: Lots 6,7,10, SESW, and the Colorado River in the SW, of the Sixth Principal Meridian, Garfield County, Colorado

APPLICANT: Mustang Resources, LLC, 1660 Lincoln St, Suite 1450, Denver, Colorado 80264

DESCRIPTION OF PROPOSED ACTION: On May 20, 2015, Mustang Resources, LLC, submitted to the BLM Colorado River Valley Field Office, a request for Approval of Designation of Successor Operator for Communitization Agreement COC55118, including Federal and private oil and gas leases underlying the lands located as described above. The requested Approval of the Designation of Successor Operator would pertain to natural gas and associated hydrocarbons producible from the Wasatch formation, and would include 159.18 acres of lands.

Land Use Plan Conformance

The proposed action is subject to and has been reviewed for and is in conformance with the following plan (43 CFR 1610.5-3 and BLM 1601-1):

Name of Plan: The current land use plan is the *Glenwood Springs Resource Management Plan* (RMP), approved in 1984 and revised in 1988 (BLM 1984). Relevant amendments include the *Oil and Gas Plan Amendment to the Glenwood Springs Resource Management Plan* (BLM 1991) and the *Oil &Gas*

Leasing & Development Record of Decision and Resource Management Plan Amendment (BLM 1999a).

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 1991 Oil and Gas Plan Amendment (BLM 1991) included the following at page 3: "697,720 acres of BLM-administered mineral estate within the Glenwood Springs Resource Area are open to oil and gas leasing and development, subject to lease terms and (as applicable) lease stipulations" (BLM 1991, page 3). This decision was carried forward unchanged in the 1999 Record of Decision and RMP amendment at page 3 (BLM 1999b): "The overall objective for this Plan Amendment is the same as the objective in the 1991 RMP amendment, to facilitate orderly, economic, and environmentally sound exploration and development of oil and gas resources using balances multiple-use management [and specifically that] the entire federal mineral estate… [is] open for oil and gas leasing and development…."

The Proposed Action is in conformance with the 1991 and 1999 RMP amendments cited above because the Federal mineral estate proposed for development was duly leased. Although the 1991 and 1999 RMP amendments did not specifically address the creation of CAs, they implicitly authorized oil and gas leasing and development to occur in a manner consistent with Federal regulations and BLM policies regarding fluid minerals. Those regulations and policies recognize the benefit in some situations of the creation of a CA "[W]hen a lease or a portion thereof cannot be independently developed and operated in conformity with an established well-spacing or well-development program [and] upon a determination that it is in the public interest…." 43 CFR 3105.2-2.

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)(3), (Oil, Gas, and Geothermal Energy). "Approval of unitization agreements, communitization agreements, drainage agreements, underground storage agreements, development contracts, or geothermal unit or participating area agreements." This CX is correctly applied to the proposed action because approval by the BLM of a CA is an administrative action that does not authorize surface-disturbing activities or other operations with the potential to affect the environment but allows the development of leases that otherwise could not be developed in conformity to established well-spacing orders. Therefore, a CA creates no environmental impact.

Furthermore, no surface-disturbing activities or drilling activities related to BLM surface lands or Federal mineral lease would be authorized except as analyzed and approved in a project-specific NEPA analysis.

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**

Persons and/or Agencies Consulted

None – Internal Process

BLM Review

In addition to the preparer and undersigned, BLM staff from the Colorado State Office, Fluid Minerals Program, listed in Table 2 participated in the preparation of this CX.

Table 2. BLM Reviewers		
Name	***Title***	***Areas of Participation***
Bob Hartman	Petroleum Engineer	Communitization Agreement
Laura L. Millard	Land Law Examiner	Communitization Agreement
Steven W. Ficklin	Program Manager	Communitization Agreement

Remarks/Mitigation: None

Name of Preparer: Laura Millard, Land Law Examiner

Date: July 6, 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, applies.

In making this decision, I have considered comment from interested parties, although all such comments may not be expressly addressed herein.

I considered the potential impacts from issuance of a communitization agreement 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: Steven W. Ficklin, Program Manager

Date Signed: 7/7/2015