

**U.S. Department of the Interior
Bureau of Land Management
Colorado River Valley Field Office
2300 River Frontage Road
Silt, Colorado 81652**

Section 390 Categorical Exclusions for Oil and Gas Development, Exclusion No. 3

NEPA LOG NUMBER: DOI-BLM-CO-N040-2015-0088-CX (390)

A. Background

Bureau of Land Management (BLM) Office: Colorado River Valley Field Office

CASEFILE/LEASE NUMBER: Federal mineral leases COC12651A, COC12649A, COC12649B

PROPOSED ACTION TITLE/TYPE: Three Applications for Permit to Drill Federal wells from approved Well Pad Winter Flats 10-31-99, located on BLM land 12 miles west of De Beque, Mesa County, Colorado. These wells are the:

- WF 10-31-99 AH
- WF 10-31-99 CH
- WF 10-31-99 DH

PROPONENT: Black Hills Plateau Production, LLC

LOCATION OF PROPOSED ACTION: Township 9 South (T9S), Range 99 West (R99W), Section 10, NW $\frac{1}{4}$ NE $\frac{1}{4}$, Sixth Principal Meridian. The project area is located entirely on BLM land approximately 12 air miles west of De Beque, Mesa County, Colorado (**Figure 1**). The elevation of the project area is approximately 6,085 feet.

BACKGROUND: Well pad WF 10-31-99 and two wells to be drilled on it were described in Black Hills' De Beque Exploratory Proposal Master Development Plan (BHDEP), approved in 2013 following analysis in Environmental Assessment DOI-BLM-CO-130-2012-0021-EA. As the WF 10-31-99 pad is located off-unit, BLM has granted to Black Hills two rights-of-way (ROWs). These include ROW COC77006 for the well pad and 433 feet of access road and buried water pipeline and ROW COC77005 for 433 feet of buried natural gas pipeline. The wells drilled from the pad would produce from leases within the Winter Flats Unit (COC47700X). Depending on the timing of planned construction by Red Rock Gathering, LLC, of new natural gas and water pipelines to expand their service area for BHP lease operations, Black Hills may seek a Short Term ROW from the BLM to allow installation of a temporary surface water line from the intersection of the new access road and Mesa County V.2 Road to their D17 well pad located approximately 3 miles to the southeast, including a section of pipeline on BLM land outside both the Winter Flats and Whittaker Flats Units.

The BHDEP included up to 24 wells on 12 well pads as the exploratory phase for the area, anticipating additional future development that would be informed by production results from initial wells. Initial surface disturbance approved per exploratory well pad is about 7 acres. However, the EA for the BHDEP also allowed for pad expansion of up to 10 acres for each of the 12 exploratory pads, if required for accommodating additional wells, for a total of 114 acres of disturbance. To date, four exploratory pads and 12 APDs have been approved, including well WF 10-31-99BH, the first APD approved for this pad.

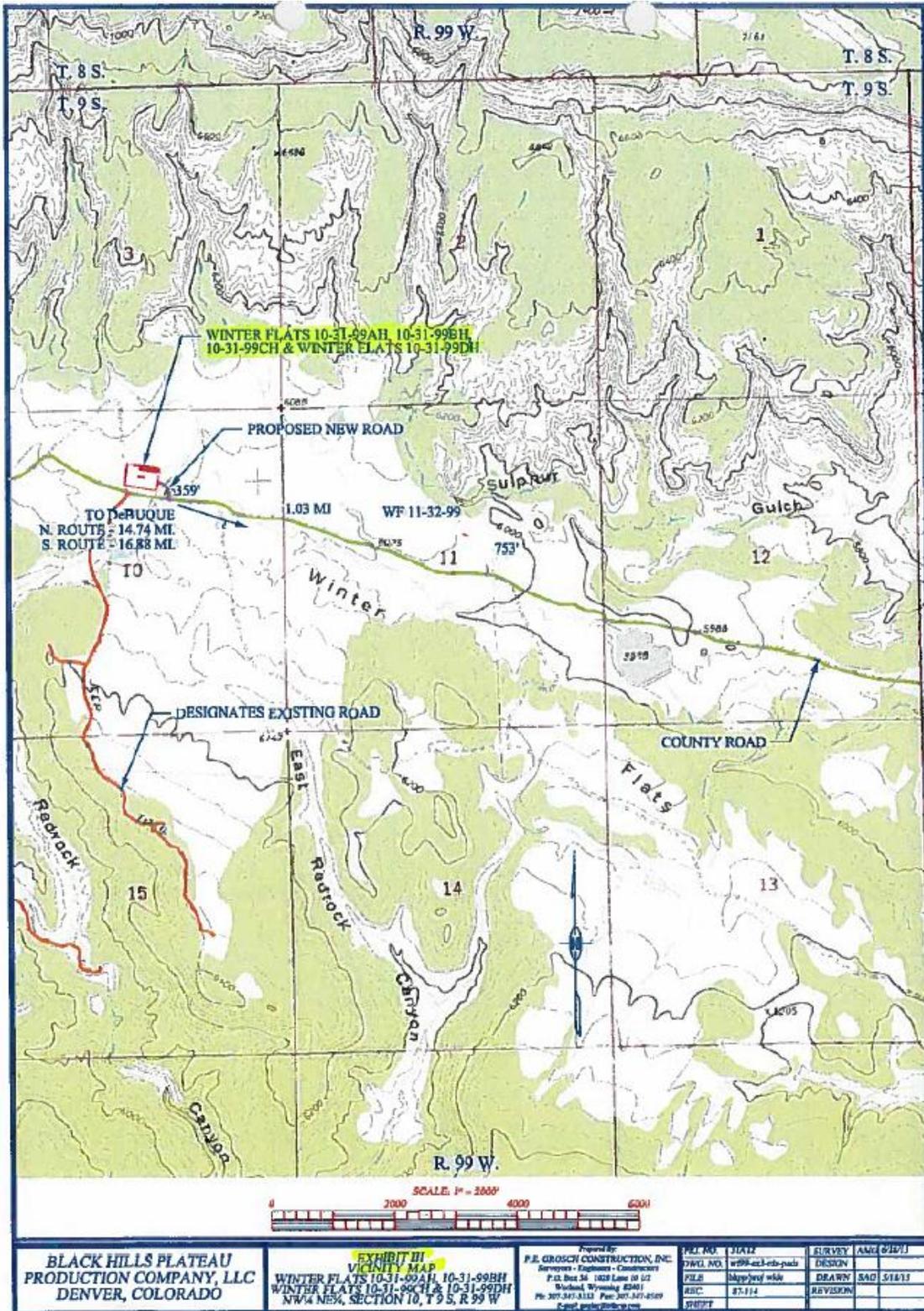


Figure 1. Well Pad Winter Flats 10-31-99 Vicinity Map

DESCRIPTION OF THE PROPOSED ACTION: If the proposed APDs are approved, the Winter Flats 10-31-99 well pad would support four horizontally drilled Federal oil and gas wells. This includes well WF 10-31-99BH, approved by the BLM on February 20, 2015 pursuant to the BHDEP cited above.

The previously approved APD authorized construction of a well pad with a surface disturbance of 6.25 acres, including 433 feet of associated new access road and collocated water and gas pipelines. At the time of interim reclamation, once the wells are put into production, 3.6 acres would be reclaimed, resulting in 2.6 acres of long-term disturbance to be maintained for the productive life of the wells. The pad would be located a short distance north of Mesa County Road V.2, which provides access to the turnoff of the proposed new access road. **Figure 2** shows the proposed construction layout for the pad, and **Figure 3** shows the proposed stormwater Best Management Practices (BMPs).

CONDITIONS OF APPROVAL: Terms and Conditions would be attached to approved APDs as mandatory, enforceable Conditions of Approval (COAs). These are listed in the Appendix to this document. No resource-specific stipulations apply to the affected Federal fluid minerals lease.

An onsite inspection was conducted on July 24, 2012, to identify measures to improve design and minimize impacts to resources at the site. Resource surveys, including special status plant, raptor, and cultural resources were completed as a part of the BHDEP and updated as required for current applications. Among the COAs identified as appropriate for the project is a requirement for the operator to submit emissions estimates for the three wells and the already approved well within 60 days following completion. The reason for this COA is that the BHDEP analyzed two wells per well pad. In addition, the BLM has recently instituted a process for managing air quality in relation to oil and gas projects. This process utilizes the CARMMS (Colorado Air Resources Management Modeling Study), which combines emissions estimates, available air quality monitoring data, and available meteorological data to ensure that air quality meets applicable standards and to provide a basis for applying more stringent emissions controls as needed.

The Proposed Action would be implemented consistent with the Federal oil and gas lease, Federal regulations (43 CFR 3100), and the operational measures included in the Applications for Permit to Drill (APDs). The Appendix lists the Surface Use and Downhole Conditions of Approval (COAs) to be implemented as mitigation measures for this project.

B. Land Use Plan Conformance

Land Use Plan (LUP) Name: The current land use plan is the *Grand Junction Field Office (GJFO) Record of Decision and Approved Resource Management Plan (ROD/ARMP)*.

Date Approved: August 10, 2015.

Determination of Conformance: The Proposed Action is subject to, has been reviewed for, and is in conformance with (43 CFR §1610.5 and § 2800, BLM 1617.3) the GJFO land use plan.

Decision Page and Language: Page 181, Fluid Minerals, MIN-OBJ-01 – “Facilitate orderly, economic, and environmentally sound exploration and development of oil and gas resources, using the best available technology.” Page 181, MIN-MA-03 – “BLM has the discretion to modify surface operations to change or add specific mitigation measures when supported by scientific analysis. All mitigation/conservation

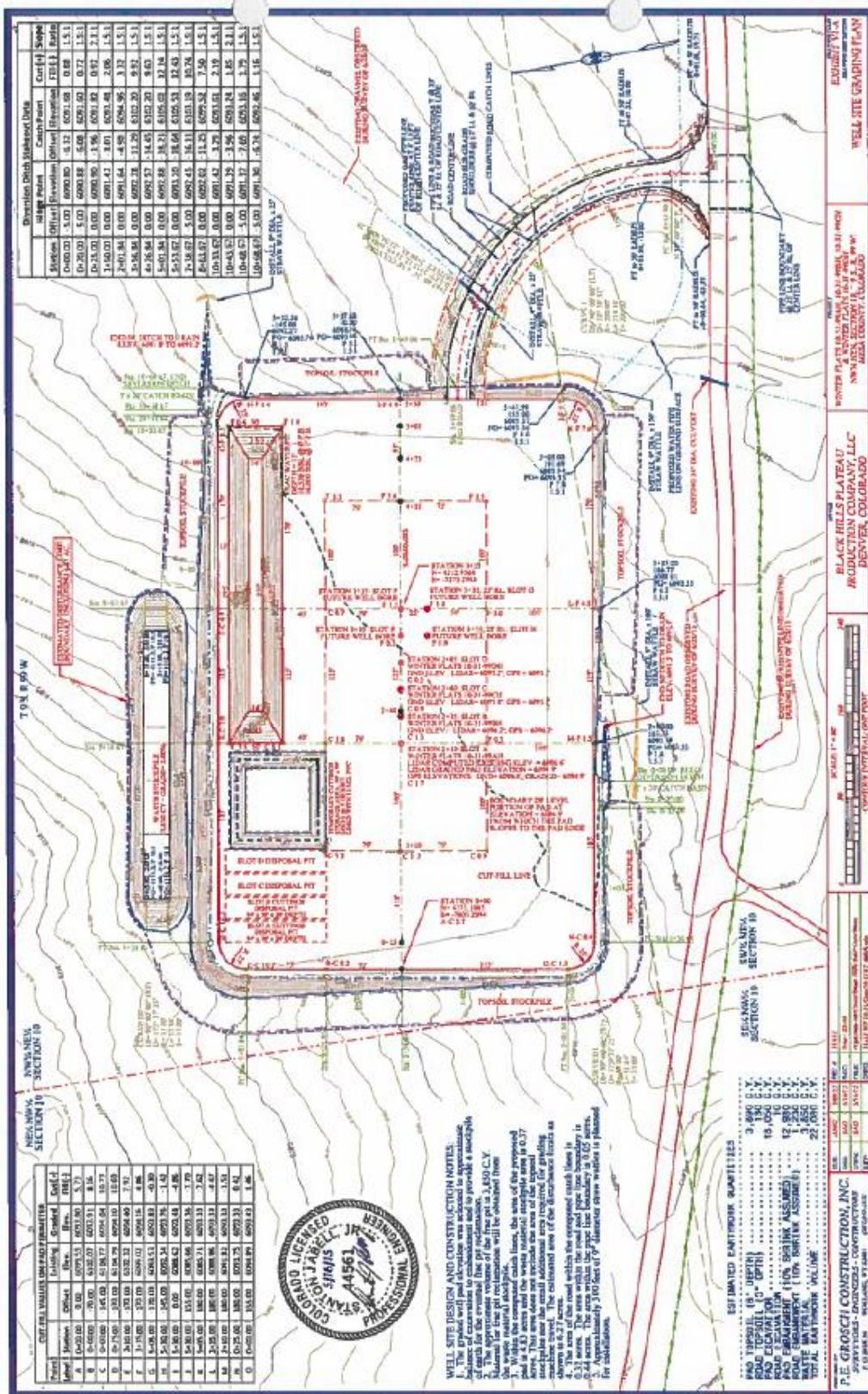


Figure 2. WF 10-31-99 Pad Construction Layout.

measures not already required as stipulations will be analyzed in a site-specific NEPA document and be incorporated, as appropriate, into COAs of the permit, plan of development, and/or other use authorizations.” Page 181, MIN-MA-04 – “Develop and apply COAs for authorizations such as, but not limited to, applications for permit to drill, sundry notices, and geophysical exploration to supplement regulation and policy, provided the COAs are consistent with the lease rights granted.”

Discussion: The Proposed Action is in conformance with the 2015 GJFO ROD/ARMP cited above, based on the following:

- The proposed drilling, completion, and production activities would utilize the best available technology. (MIN-OBJ-01)
- General and site-specific COAs identified in the *Black Hills De Beque Exploratory Proposal* (BHDEP) (DOI-BLM-CO130-2012-0021-EA), signed 5/2/2013) are incorporated into this Section 390 Categorical Exclusion and would be attached to approved APDs. These include conservation measures identified during the Section 7 Consultation under the Endangered Species Act for the prior EA (the BHDEP). (MIN-MA-03, MIN-MA-04).

Decision Page and Language: Page 200, Areas of Critical Environmental Concern (ACECs), ACEC-MA-01 – “Designate the following areas as ACECs: [South Shale Ridge].” ACEC-AU-03 – “Prohibit surface occupancy and use...and surface-disturbing activities within the [South Shale Ridge ACEC].”

Discussion: The WF 10-31-99 well pad where the three proposed new natural gas wells would be located is within the boundaries of the South Shale Ridge ACEC established in the 2015 GJFO ROD/ARMP. However, the pad was analyzed and approved in the *BHDEP* (signed 5/2/2013), and an APD for one Federal natural gas well was approved for that pad on February 20, 2015. The previously approved APD authorized construction of the well pad and ancillary facilities. The three currently proposed wells would not cause additional surface disturbance within the ACEC.

C. NEPA Compliance

Categorical Exclusion: The Proposed Action qualifies for statutory categorical exclusion from further NEPA documentation in accordance with Section 390 (b)(1) of the Energy Policy Act of 2005, under Category 3.

Consistency with CX Category #3: *Drilling an oil or gas well within a developed field for which an approved land use plan and an existing activity-level or project-specific EIS or EA exists, so long as such plan or document was approved within five (5) years prior to the date of spudding the well.* All questions listed in **Table 1** must be answered, “Yes,” to apply this Category 3 Section 390 CX to the proposal.

Table 1. Project Screening Questions	Yes	No
1. The proposed APD is within a developed oil or gas field. A developed field is defined as any field in which a confirmation well has been completed.	<u>Yes</u>	
2. The developed field in which the proposed drilling will take place is adequately analyzed in an existing activity-level or project-specific EIS or EA (not solely in an approved land use plan and associated EIS).	<u>Yes</u>	
3. The existing NEPA document was finalized or supplemented within 5 years of spudding the well.*	<u>Yes</u>	
* To meet this requirement, a COA in the Appendix specifies that the wells shall be drilled by May 2, 2018.		

NEPA Document Name: The De Beque Exploratory Plan (BHDEP), approved in 2013 following analysis in Environmental Assessment DOI-BLM-CO-130-2012-0021-EA, identified well pad WF 10-31-99, access roads and various pipeline connections. The EA satisfies the criterion of having an existing activity-level or project-level EA that applies to the Proposed Action.

Persons and/or Agencies Consulted:

Black Hills: Jessica Donahue, Lance Nelson, Brett Hurlbut.

Interdisciplinary Review: BLM staff from the CRVFO and GJFO who participated in preparation or review of this Section 390 CX or the underlying BHDEP are listed in **Table 2**. The Proposed Action was presented to the two Interdisciplinary teams on September 14, 2015.

Table 2. BLM Interdisciplinary Team		
<i>Name</i>	<i>Title</i>	<i>Areas of Participation</i>
John Brogan Natalie Clarke Alissa Leavitt Reynolds	Archaeologists	Cultural Resources, Native American Religious Concerns
Judy Perkins, Ph.D. Anna Lincoln	Botanist Ecologist	Invasive Non-native Species, Special Status Species (Plants), Vegetation
Jeff Phillips	Fuels Management Specialist	Fire and Fuels
Vanessa Caranese Scott Gerwe	Geologists	Soils, Groundwater, Fossil Resources
Carmia Woolley	Hydrologists	Surface Water, Waters of the U.S.
Julia Christiansen	Natural Resource Specialist	Project Lead, Visual Resources
Andy Windsor	Outdoor Recreation Planner	Recreation, Visual Resources
Justin Barmore Bob Hartman	Petroleum Engineers	Downhole Reviews and Conditions of Approval
Allen Crockett, Ph.D. Christina Stark	Supervisory NRS Planning and Environmental Coordinator	Technical Review, NEPA Review
Sylvia Ringer Heidi Plank	Wildlife Biologists	Special Status Species (Animals), Migratory Birds, Other Terrestrial and Aquatic Wildlife

D. Signature

The Proposed Action is statutorily categorically excluded from further NEPA documentation in accordance with Section 390 (b)(1) of the Energy Policy Act of 2005, which provides for such exclusion of drilling an oil or gas well within a developed field for which an approved land use plan and an existing activity-level or project-specific EIS or EA exists, so long as such plan or document was approved within 5 years prior to the date of spudding the well.

Authorizing Official: Allen Crockett Date: 10/6/15

E. Decision and Rationale for Action

I have decided to approve the BLM Applications for Permit to Drill (APDs) for the three proposed additional Federal wells on the previously approved Winter Flats 10-31-99 well pad, with the attached Conditions of Approval (COAs). This approval does not include installation of a temporary surface waterline from the location to the existing D17 well pad, approval for which may be sought separately if the need arises. The COAs are required by this decision, and variance from them during project implementation may require further NEPA review. I have reviewed Section C, Land Use Plan Conformance and Compliance with NEPA, and have determined that the proposed activity is in conformance with the applicable land use plan(s) and referenced NEPA documents. I have also evaluated the proposal to ensure the appropriate exclusion category as described in Section 390 of the Energy Policy Act of 2005 has been correctly applied and that no further environmental analysis is required.

	<u>10/6/15</u>
Allen Crockett, Ph.D. Supervisory Natural Resource Specialist	Date

F. Administrative Review or Appeal Opportunities

Applications for Permit to Drill and Sundry Notices

Under BLM regulations addressed in 43 CFR 3165, the decision to approve these APDs is subject to appeal and administrative review. An administrative review must be conducted in accordance with 43 CFR 3165.3, and must take place prior to pursuing an appeal to the Interior Board of Land Appeals.

Any adversely affected party may request an administrative review, before the State Director, either with or without oral presentation. Such a request must include information required under 43 CFR 3165.3(b) (State Director Review (SDR)), including all supporting documentation. Such a request must be filed in writing with the *BLM Colorado State Director, 2850 Youngfield Street, Lakewood, CO 80215* within 20 business days of the date the decision is received, or considered to have been received. Upon request and showing of good cause, an extension for submitting supporting/additional data may be granted by the State Director.

Any party who is adversely affected by the State Director's decision may appeal that decision to the Interior Board of Land Appeals in accordance with 43 CFR 3165.4.

APPENDIX
Conditions of Approval
Three Federal Wells on WF 10-31-99 Well Pad
Black Hills Plateau Production, LLC
DOI-BLM-CO-N040-2015-0088-CX(390)

Surface-Use Conditions of Approval

The surface-use COAs attached to the approved APD for the WF 10-31-99BH well approved on February 20, 2015, shall be applied to the WF 10-31-99AH, CH, and DH wells, except when inconsistent with or superseded by the COAs listed below.

Administrative Notification

- The operator shall notify the BLM representative at least 48 hours prior to initiation of construction or reclamation activities. A pre-construction meeting may be scheduled to review all conditions and or stipulations with the operator. Copies of all applicable permits shall be kept onsite during construction and drilling activities. All onsite personnel shall review the approved permit with the COAs before working on the project.

Timing of Drilling

- To comply with the requirements of Section 390 CX, Category 1, the WF 10-31-99AH, CH, and DH wells shall be drilled by May 2, 2018 (5 years from approval of the prior EA [BHDEP]).

Timing of Temporary Surface Water Pipeline

- This Section 390 CX does not authorize installation of a temporary surface waterline from the WF10-31-99 well pad to the existing D17 well pad located approximately 3 miles to the southeast along Mesa County V.2 Road. If the operator determines that a temporary surface waterline is needed, the operator shall request authorization from the CRVFO through submittal of an SF-299. No work related to a temporary surface waterline shall occur prior to receipt of a Right-of-Way (ROW) grant or Temporary Use Permit (TUP) from the BLM.

Air Emissions Estimates

- Pursuant to BLM Instruction Memorandum No. CO-2015-009 issued on February 9, 2015, within 60 days following completion of the referenced wells, the operator shall either voluntarily submit an emissions inventory to the BLM using the online Emissions Tool or provide the necessary data for the BLM to complete an emissions inventory. The BLM may direct the operator to implement appropriate mitigation measure(s) if the emissions inventory results indicate a threshold exceedance of any single criteria pollutant (PM₁₀, PM_{2.5}, CO, NO_x, SO_x).

Fire and Fuels Management

- A Fire Management Plan (Plan) specific to oil and gas operations shall be prepared and submitted to the BLM within 30 day of APD approval to assist Black Hills and its contractors in preventing and/or containing project-related accidental ignitions.
- The operator shall inform employees and contractors of the fire safety and evacuation plan to be followed in the event a wildfire moving toward an active pad or other facility.
- Proper precautions shall be taken at all times to prevent wildfires. During conditions of extreme fire danger (e.g., National Weather Service issued Red Flag warning), the BLM may place additional restrictions on surface operations or suspend operations in specific areas.

- Trees and brush cleared during site preparation shall be removed to a distance of at least twice their height from any heat-producing facility.
- Any welding, acetylene, or other open flame, shall be operated in an area barren or cleared of all flammable materials and no closer to vegetation than at least 10 feet.
- Internal combustion engines shall be equipped with approved spark arrestors and vehicles shall be parked in designated areas without fire/fuels hazards.

Limits of Disturbance

- Construction control and limit-of-disturbance stakes shall be placed before construction and maintained in place throughout to ensure construction in accordance with the surface use plan.

Road Construction and Maintenance

- Roads shall be crowned, ditched, surfaced, drained with culverts and/or water dips, and constructed to BLM Gold Book standards. Initial gravel application shall be a minimum of 6 inches. The operator shall provide timely year-round road maintenance and cleanup on the access roads. A regular schedule for maintenance shall include, but not be limited to, blading, ditch and culvert cleaning, road surface replacement, and dust abatement. When rutting within the traveled way becomes greater than 6 inches, blading and/or gravelling shall be conducted as approved by the BLM.

Dust Abatement

- The operator shall implement dust abatement measures as needed to prevent fugitive dust from vehicular traffic, equipment operations, or wind events. The BLM may direct the operator to change the level and type of treatment (watering or application of various dust agents, surfactants, and road surfacing material) if dust abatement measures are observed to be insufficient to prevent fugitive dust or to be posing a risk to adjacent vegetation, including special status plants. Only fresh water shall be used for dust abatement during construction.

Water Resources

- The operator's site-specific Storm Water Management Plan (SWMP) and BMPs shall be followed to minimize any impact from surface flow to nearby BLM ponds and other surface waters.
- BLM approval of the discharge location and proposed BMPs shall be obtained before discharging hydrostatic test water to an upland area. If hydrostatic test water or trench dewatering water is discharged, it shall be discharged to an upland area at least 150 feet from wetlands or drainages.
- Staging, refueling, and storage areas shall not be located within 300 feet of any reservoir, lake, wetland, or natural or intermittently flowing canal, stream, or river.
- No road segment shall be constructed in the channel of an intermittent stream or canal.
- Low-water crossings of perennial or intermittent streams shall be avoided. Any culverts installed across drainages shall be sized to convey 25-year stormflow events, at a minimum.
- Pipelines that cross perennial, intermittent, or ephemeral stream channels shall be constructed to withstand floods of extreme magnitude to prevent rupture and accidental contamination of runoff during high flow events. Methods and analysis outlined in BLM technical note 423-Hydraulic Considerations for Pipelines Crossing Stream Channels shall be closely followed to prevent undesirable events.

Wetlands and other Waters of the U.S.

- To the extent possible, riparian canopy or stream bank vegetation shall not be removed.
- Construction of stream crossings shall take place during periods of no to low flow to reduce potential impacts to waters of the U.S.
- The operator shall obtain appropriate permits from the U.S. Army Corps of Engineers (USACE) prior to discharging fill material into waters of the U.S. in accordance with Section 404 of the Clean Water Act. Waters of the U.S. are defined in 33 CFR Section 328.3 and may include wetlands as well as perennial, intermittent, and ephemeral streams. Permanent impacts to waters of the U.S. may require mitigation.

Noise

- Construction shall occur during daytime hours only.
- All equipment shall have sound-control devices no less effective than those provided by the manufacturer. All equipment shall have muffled exhausts.
- Consistent with COGCC 800-series rules for noise abatement, oil and gas operations at any well site, production facility, or gas facility shall comply with the COGCC maximum permissible noise levels. Where noise reduction is shown to be necessary, moveable paneled noise shields, barriers, or enclosures shall be installed adjacent to/around noisy equipment, to meet noise limits.
- Generator(s) serving drilling rigs shall be installed and operated at the site in a manner that, at a minimum, meets the COGCC's Noise Abatement regulation (No. 802). This regulation requires that noise levels in Residential/Agricultural/Rural Zones shall not exceed 50 dBA (nighttime) or 55 dBA (daytime) at a distance of 350 feet from the source.
- The use of engine braking by trucks shall not be allowed on BLM roads.

Cultural Resources and Native American Religious Concerns

- Per the Memorandum of Agreement among the BLM, the SHPO, and Black Hills, the BHDEP Treatment Plan shall document any adverse effects and specify measures for site avoidance, minimizing impacts, and treatments.
- All persons in the area who are associated with this project shall be informed that if anyone is found disturbing historic, archaeological, or scientific resources, including collecting artifacts, the person or persons would be subject to prosecution.

If subsurface cultural values are uncovered during operations, all work near the resource will cease and the Authorized Officer with the BLM notified immediately. The operator shall take any additional measures requested by the BLM to protect discoveries until they can be adequately evaluated by the permitted archaeologist. Within 48 hours of the discovery, the SHPO and consulting parties will be notified of the discovery and consultation will begin to determine an appropriate mitigation measure. The BLM, in cooperation with the operator, will ensure that the discovery is protected from further disturbance until mitigation is completed. Operations may resume at the discovery site upon receipt of written instructions and authorization by the authorized officer.

Pursuant to 43 CFR 10.4(g), the operator shall notify the BLM by telephone, with written confirmation, immediately upon the discovery of human remains, funerary items, sacred objects, or objects of cultural patrimony on Federal land. Further, pursuant to 43 CFR 10.4 (c) and (d), the holder must stop activities near the discovery that could adversely affect the discovery. The

holder shall make a reasonable effort to protect the human remains, funerary items, sacred objects, or objects of cultural patrimony for a period of thirty days after written notice is provided to the authorized officer, or until the authorized officer has issued a written notice to proceed, whichever occurs first.

Antiquities, historic ruins, prehistoric ruins, and other cultural or paleontological objects of scientific interest that are outside the authorization boundaries but potentially affected, either directly or indirectly, by the Proposed Action shall also be included in this evaluation or mitigation. Impacts that occur to such resources as a result of the authorized activities shall be mitigated at the operator's cost, including the cost of consultation with Native American groups.

Any person who, without a permit, injures, destroys, excavates, appropriates or removes any historic or prehistoric ruin, artifact, object of antiquity, Native American remains, Native American cultural item, or archaeological resources on public lands is subject to arrest and penalty of law (16 USC 433, 16 USC 470, 18 USC 641, 18 USC 1170, and 18 USC 1361).

Fossil Resources

- All persons associated with operations under this authorization shall be informed that any objects or sites of paleontological or scientific value, such as vertebrate or scientifically important invertebrate fossils, shall not be damaged, destroyed, removed, moved, or disturbed. If in connection with operations under this authorization any of the above resources are encountered, the operator shall immediately suspend all activities in the immediate vicinity of the discovery that might further disturb such materials and notify the BLM of the findings. The discovery must be protected until notified to proceed by the BLM.
- Where feasible, the operator shall suspend ground-disturbing activities at the discovery site and immediately notify the BLM of any finds. The BLM will, as soon as feasible, have a BLM-permitted paleontologist check out the find and record and collect it if warranted. If ground-disturbing activities cannot be immediately suspended, the operator shall work around or set the discovery aside in a safe place to be accessed by the BLM-permitted paleontologist.

Invasive Non-Native Plant Species

- Weed treatments shall be limited to spot treatments to protect nearby occurrences of threatened, endangered, or BLM sensitive plants.
- The operator shall regularly monitor and promptly control noxious weeds or other undesirable plant species as set forth in the BLM's *Noxious and Invasive Weed Management Plan for Oil and Gas Operators*, dated March 2007. A Pesticide Use Proposal (PUP) must be approved by the BLM prior to the use of herbicides. Annual weed monitoring reports and Pesticide Application Records (PARs), including GPS data in accordance with the February 27, 2014 letter to operators, shall be submitted to BLM by **December 1**.
- To prevent the spread of invasive species, all construction equipment and vehicles shall be power-washed, including the undercarriage, to remove all soil, mud, and vegetation material prior to entering the project area. Driving through or parking on weed infestations in the project area shall be avoided.

Wildlife

- Big Game Winter Use. To avoid or minimize impacts to wintering big game, no construction, drilling, or completion activities shall be initiated during the period from **January 1 to March 1**.
- Bald and Golden Eagles. It shall be the responsibility of the operator to comply with the Bald and Golden Eagle Protection Act (Eagle Act) with respect to "take" of either eagle species.

Under the Eagle Act, “take” includes to pursue, shoot, shoot at, poison, wound, kill, capture, trap, collect, molest and disturb. “Disturb” means to agitate or bother a bald or golden eagle to a degree that causes, or is likely to cause, based on the best scientific information available, (1) injury to an eagle; (2) a decrease in its productivity by substantially interfering with normal breeding, feeding, or sheltering behavior; or (3) nest abandonment by substantially interfering with normal breeding, feeding, or sheltering behavior. Avoidance of eagle nest sites, particularly during the nesting season, is the primary and preferred method to avoid a take.

- **Raptor Nesting.** To protect nesting raptors, a nest survey shall be completed within 0.5 mile of any proposed ground-disturbing activities to be initiated during the raptor nesting season of **February 15 to August 15**. If an active nest is found within the buffer distance, the initiation of any construction, drilling, or completion activities within the buffer width specified shall be prohibited from **March 15 to May 15**. If project-related activities are initiated within the specified buffer distance of any active nest, even if outside the 60-day TL period specified in this COA, the operator remains responsible for compliance with the MBTA with respect to a “take” of birds or of active nests (those containing eggs or young), including nest failure caused by human activity (see COA for Migratory Birds).
- **Migratory Birds – Birds of Conservation Concern.** Pursuant to BLM Instruction Memorandum 2008-050, all vegetation removal or surface disturbance in previously undisturbed lands providing potential nesting habitat for Birds of Conservation Concern (BCC) is prohibited from **May 15 to July 15**. An exception to this TL may be granted if nesting surveys indicate that no BCC species are nesting within 30 meters (100 feet) of the area to be disturbed. Nesting shall be deemed to be occurring if a territorial (singing) male is present within the distance specified above. Nesting surveys shall include an aural survey for diagnostic vocalizations in conjunction with a visual survey for adults and nests. Surveys shall be conducted by a qualified breeding bird surveyor between sunrise and 10:00 AM under favorable conditions for detecting and identifying a BCC species. This provision does not apply to ongoing construction, drilling, or completion activities initiated prior to May 1 and continuing into the 60-day period at the same location.
- **Migratory Birds – General.** It shall be the responsibility of the operator to comply with the Migratory Bird Treaty Act (MBTA) with respect to “take” of migratory bird species, which includes injury and direct mortality resulting from human actions not intended to have such result. To minimize the potential for the take of a migratory bird, the operator shall take reasonable steps to prevent use by birds of fluid-containing pits associated with oil or gas operations, including but not limited to reserve pits, produced-water pits, hydraulic fracturing flowback pits, evaporation pits, and cuttings trenches. Liquids in these pits—whether placed or accumulating from precipitation—may pose a risk to birds as a result of ingestion, absorption through the skin, or interference with buoyancy and temperature regulation.

Based on low effectiveness of brightly colored flagging or spheres suspended over a pit, this method of bird deterrence shall not be utilized.

In addition to netting of pits, any oil slicks and oil sheens shall be promptly skimmed off the fluid surface. The requirement for prompt skimming of oil slicks and oil sheens also applies to cuttings trenches in which precipitation has accumulated. All mortality or injury to birds shall be reported immediately to the BLM project lead and to the USFWS representative to the BLM Field Office at 970-243-2778 x28 and visit <http://www.fws.gov/mountain-prairie/contaminants/oilpits.htm>.

Threatened or Endangered and BLM Sensitive Animal Species

- If water is withdrawn from the Colorado River, the operator shall conform operations to the following conservation measures from the 2008 PBO shall apply:
 - Screening of pump intakes with 0.25 inch (or finer) mesh;
 - Placing the pump intake into faster moving water;
 - Pumping from off-channel locations without a connection to the river.
- No riparian vegetation shall be affected within the 100-year floodplain of the Colorado River.
- Water shall not be withdrawn from the Colorado Department of Transportation (CDOT) pond near Interstate 70 that is used as rearing habitat for razorback suckers.

Threatened or Endangered and BLM Sensitive Plant Species

- A biological monitor approved by the BLM shall be onsite during all ground-disturbing activities to ensure that impacts to ESA-listed plants are avoided and that impacts to BLM sensitive plants are minimized. The BLM shall provide the approved biological monitor with a map showing the buffer areas to be avoided. The operator shall conduct no activities within the specified areas unless specifically authorized by the BLM.

Colorado Hookless Cactus

- No individual plants shall be directly affected by project activities.
- Well pads, centralized facilities, and new roads shall be kept farther than 20 meters from individual hookless cacti.
- In areas where listed plants occur, buried pipelines shall be co-located with existing roads or existing pipeline corridors. This minimizes fragmentation of undisturbed habitats, but can at times lead to the burial of a pipeline closer than 20 meters to a hookless cactus. However, in those cases the pipeline shall be buried on the other side of the existing disturbance to maximize the distance between the pipeline and hookless cactus.
- No surface-disturbing activities shall occur within 100 meters of Colorado hookless cactus plants during the cactus flowering season (**April through May**) to minimize indirect effects (dust, etc.) to pollinators and cactus reproduction.
- Silt barriers and fugitive dust control (watering roads and surface disturbance; no additives) measures shall be implemented to minimize effects to cactus within 100 meters of existing disturbance that could result from an increase in traffic and construction-related activities.
- Temporary fencing near occupied habitats shall be installed prior to project development to prevent trampling by workers or equipment. Fencing shall be removed immediately after project activities are complete.
- Implementation of a *Stormwater Management Plan* and installation of hay wattles should minimize or avoid changes in hydrologic conditions within 20 meters of hookless cactus plants.
- Implementation of BLM's *Noxious and Invasive Weed Management Plan for Oil and Gas Operators* will minimize or avoid new or expanded occurrence of invasive species that could compete with the Colorado hookless cactus. Herbicides shall not be used to control weeds within 100 meters of Colorado hookless cactus plants unless approved by BLM. Noxious weeds closer to Colorado hookless cactus plants shall be removed by hand prior to soil disturbance to reduce

reestablishment and potential re-distribution of weed seed and/or propagules. Herbicide use more than 100 meters from Colorado hookless cactus plants shall use limited to spot-spray or wicking.

- Colorado hookless cactus plants growing within 20 meters of project activities shall be monitored annually for a minimum of 3 years after ground-disturbing activities. Additionally, select sites shall be monitored every 5 years throughout the life of the project (estimated to be 20 years) to determine long-term effects, if any, on hookless cactus survival and recruitment near the project. Monitoring results shall be presented to both the BLM and the USFWS.

De Beque Phacelia

- No individuals shall be directly affected by project activities.
- Well pads, centralized facilities, and new roads shall all be kept further than 100 m from individual De Beque phacelia plants and suitable habitats.
- No surface-disturbing activities shall occur within 200 meters of De Beque phacelia suitable habitat during the growing/flowering season (April through June).
- Areas of suitable habitat within 100 meters of project components have not yet been surveyed in a reliable year and shall have botanical surveys conducted prior to ground-disturbing activities during the flowering season (**April through June**).
- Silt barriers and fugitive dust control (watering roads and surface disturbance; no additives) measures shall be implemented to minimize effects to De Beque phacelia within 100 meters of existing disturbance that could result from an increase in traffic and construction-related activities.
- Temporary fencing near occupied habitats shall be installed prior to project development to prevent trampling by workers or equipment. Fencing shall be removed immediately after project activities are complete.
- Implementation of a SWMP and installation of hay wattles would minimize or avoid altering hydrologic conditions within 20 meters of De Beque phacelia habitats.
- Application of the BLM's Noxious and Invasive Weed Management Plan for Oil and Gas Operators would minimize or avoid the introduction or increase in noxious weed species that could compete with the De Beque phacelia. Herbicides shall not be used to control weeds within 200 meters of De Beque phacelia suitable habitat unless approved by the BLM. Noxious weeds closer than 200 meters to De Beque phacelia suitable habitat shall be removed by hand prior to soil disturbance to reduce reestablishment and potential re-distribution of weed seed and/or propagules. Herbicide use farther than 200 meters from DeBeque phacelia suitable habitat shall be limited to spot-spray or wicking only.
- De Beque phacelia habitats within 100 meters of project activities would be monitored annually for a minimum of 3 years after ground-disturbing activities. Additionally, select sites shall be monitored every 5 years throughout the life of the project (estimated to be 20 years) to determine long-term effects, if any, on De Beque phacelia survival and recruitment, and habitat suitability, near the project. Monitoring results shall be presented to both BLM and the USFWS.

Vegetation and Reclamation

- Reclamation Plans. In areas that have low reclamation potential or are especially challenging to restore, reclamation plans will be required prior to APD approval. The plan shall contain the following components: detailed reclamation plats, which include contours and indicate irregular rather than smooth contours as appropriate for visual and ecological benefit; timeline for drilling

completion, interim reclamation earthwork, and seeding; soil test results and/or a soil profile description; amendments to be used; soil treatment techniques such as roughening, pocking, and terracing; erosion control techniques such as hydromulch, blankets/matting, and wattles; and visual mitigations if in a sensitive VRM area.

- Deadline for Interim Reclamation Earthwork and Seeding. Interim reclamation to reduce a well pad to the minimum size needed for production, including earthwork and seeding of the interim reclaimed areas, shall be completed within 6 months following completion of the last well planned to be drilled on that pad as part of a continuous operation. If a period of greater than one year is expected to occur between drilling episodes, BLM may require implementation of all or part of the interim reclamation program.

Reclamation, including seeding, of temporarily disturbed areas along roads and pipelines, and of topsoil piles and berms, shall be completed within 30 days following completion of construction. Any such area on which construction is completed prior to December 1 shall be seeded during the remainder of the early winter season instead of during the following spring, unless BLM approves otherwise based on weather. If road or pipeline construction occurs discontinuously or continuously but with a total duration greater than 30 days, reclamation, including seeding, shall be phased such that no portion of the temporarily disturbed area remains in an unreclaimed condition for longer than 30 days. BLM may authorize deviation from this requirement based on the season and the amount of work remaining on the entirety of the road or pipeline when the 30-day period has expired.

If requested by the project lead NRS for a specific pad, the operator shall contact the NRS by telephone or email approximately 72 hours before reclamation and reseeded begin. This will allow the NRS to schedule a pre-reclamation field visit if needed to ensure that all parties are in agreement and provide time for adjustments to the plan before work is initiated.

The deadlines for seeding described above are subject to extension upon approval of the BLM based on season, timing limitations, or other constraints on a case-by-case basis. If the BLM approves an extension for seeding, the operator may be required to stabilize the reclaimed surfaces using hydromulch, erosion matting, or other method until seeding is implemented.

- Topsoil Stripping, Storage, and Replacement. All topsoil shall be stripped following removal of vegetation during construction of the well pad, pipelines, road, or other surface facilities. In areas of thin soil, a minimum of the upper 6 inches of surficial material shall be stripped. The BLM may specify a stripping depth during the onsite visit or based on subsequent information regarding soil thickness and suitability. The stripped topsoil shall be stored separately from subsoil or other excavated material and replaced prior to final seedbed preparation. The BLM best management practice (BMP) for the Windrowing of Topsoil shall be implemented for well pad construction whenever topography allows.
- Seedbed Preparation. For cut-and-fill slopes, initial seedbed preparation shall consist of backfilling and recontouring to achieve the configuration specified in the reclamation plan. For compacted areas, initial seedbed preparation shall include ripping to a minimum depth of 18 inches, with a maximum furrow spacing of 2 feet. Where practicable, ripping shall be conducted in two passes at perpendicular directions. Following final contouring, the backfilled or ripped surfaces shall be covered evenly with topsoil.

If directed by the BLM, the operator shall implement measures following seedbed preparation (when broadcast seeding or hydroseeding is to be used) to create small depressions to enhance capture of moisture and establishment of seeded species. Depressions shall be no deeper than 1 to 2 inches and shall not result in piles or mounds of displaced soil. Excavated depressions shall

not be used unless approved by the BLM for the purpose of erosion control on slopes. Where excavated depressions are approved by the BLM, the excavated soil shall be placed only on the downslope side of the depression.

If directed by the BLM, the operator shall conduct soil testing prior to reseeding to identify if and what type of soil amendments may be required to enhance revegetation success. At a minimum, the soil tests shall include texture, pH, organic matter, sodium adsorption ratio (SAR), cation exchange capacity (CEC), alkalinity/salinity, and basic nutrients (nitrogen, phosphorus, potassium [NPK]). Depending on the outcome of the soil testing, the BLM may require the operator to submit a plan for soil amendment. Any requests to use soil amendments not directed by the BLM shall be submitted to the CRVFO for approval.

- Seed Mixes. A seed mix consistent with BLM standards in terms of species and seeding rate for the specific habitat type shall be used on all BLM lands affected by the project. **An approved seed mix menu suitable to site-specific conditions is provided below. The seeding rates shown are for drill-seeding and shall be doubled for broadcast-seeding.**

Grass Components (Required)

<i>Common Name</i>	<i>Species Name</i>	<i>Variety</i>	<i>Soil Preference</i>	<i>PLS lbs/acre</i>
Plant All Three of the Following				
Western wheatgrass	<i>Pascopyrum [Agropyron] smithii</i>	Uncompahgre Project* (UP), Native Colorado or Utah variety, if available. If not, then: Rosana, Recovery, Rodan (<u>not</u> Arriba)	No Limitation	2.0
Thickspike wheatgrass	<i>Elymus lanceolatus, Agropyron dasystachyum</i>	Critana, Schwendimar	No Limitation Some salt tolerance	3.3
Indian ricegrass	<i>Achnatherum [Oryzopsis] hymenoides</i>	Native Colorado or Utah source preferred. If not, then Nezpar, Paloma, Rimrock	No Limitation Good for dry, rocky sites	2.7
And at Least Two of the Following				
Slender wheatgrass	<i>Elymus trachycaulus, Agropyron trachycaulum</i>	Native Colorado or Utah sources preferred, then San Luis, Revenue, Pryor	No Limitation	3.5
Bottlebrush squirreltail	<i>Elymus elymoides, Sitanion hystrix</i>	Fish Creek, Toe Jam, Wapiti	No Limitation	2.0
Sandberg bluegrass	<i>Poa sandbergii, Poa secunda</i>	UP* Colorado-Sims Mesa	No Limitation	0.3
Bluebunch wheatgrass	<i>Pseudoroegneria spicata</i>	Native Colorado or Utah sources preferred, then Anatone or Goldar	No Limitation	2.8
And at Least Two of the Following				
Sand dropseed**	<i>Sporobolus cryptandrus</i>	UP* Dolores, if available. Native Colorado or Utah sources preferred	No Limitation	0.1
Needle-and-thread; Needlegrasses (Nelson's, Letterman's, or Columbia)	<i>Hesperostipa comata; Achnatherum nelsonii, A. lettermannii, or A. columbiana</i>	Native source within 500 miles	No Limitation Good in Sandy	0.3

Common Name	Species Name	Variety	Soil Preference	PLS lbs/acre
Galleta	<i>Pleuraphis jamesii</i>	Native Colorado or Utah sources preferred	No Limitation	1.0
Great Basin wildrye	<i>Leymus cinereus</i>	Intermountain Tetraploid	No Limitation	1.0

Forb and Shrub Components (Required)

Common Name	Species Name	Variety	Soil Preference	PLS lbs/acre
Plant Three to Five of the Following				
Scarlet globemallow	<i>Sphaeralcea coccinea</i>	Native Colorado or Utah sources preferred	No Limitation	0.5
Sulphur buckwheat	<i>Eriogonum umbellatum</i>	UP* Burn Canyon	No Limitation	0.5
Winterfat	<i>Krascheninnikovia lanata</i>	Native Colorado or Utah sources preferred	No Limitation	2.4
Western yarrow	<i>Achillea millefolium</i>	UP* Dry Fork	No Limitation	0.3
Bluestem or dusty penstemon	<i>Penstemon cyanocaulis</i> or <i>Penstemon comarrhenus</i>	UP* San Miguel or UP* Delta	No Limitation	1.0
Broom snakeweed	<i>Gutierrezia sarothrae</i>	Native Colorado or Utah sources preferred	No Limitation	0.2
Utah sweetvetch	<i>Hedysarum boreale</i>	Upper Colorado Environmental Plant Center***	No Limitation	2.0
American vetch	<i>Vicia americana</i>		No Limitation	2.0
Fernleaf biscuitroot	<i>Lomatium dissectum</i>	Native Colorado or Utah sources preferred	No Limitation	0.3
Rocky Mountain beplant	<i>Cleome serrulata</i>	Native Colorado or Utah sources preferred	No Limitation	0.5
Hairy golden-aster	<i>Chrysopsis villosa</i>	Native Colorado or Utah sources preferred	No Limitation	0.5
Fourwing saltbush	<i>Atriplex canescens</i>	Native Colorado or Utah sources preferred	No Limitation	1.0
Showy fleabane**	<i>Erigeron speciosus</i>	UP* Dry Fork	No Limitation	0.1
Lewis (blue) flax	<i>Linum lewisii</i>	Maple Grove. Native Colorado or Utah sources preferred	No Limitation	0.5

*Uncompahgre Project (UP), Kathy See, nativeplant@upartnership.org/ 970-240-9498, 970-901-8247

UP seed - commercial growers/distributors:

- Granite Seed, <http://www.graniteseed.com/> 888-577-5650
- Southwest Seed, Walt Hennes, <http://www.southwestseed.com/> 970-565-8722
- Benson Farms, Jerry Benson, <http://www.bfnative-seeds.com/> 509-765-6348
- L & H Seed, Paul Herman, <http://www.lhseeds.com/> 509-234-1010
- Seed-rite, Keith Schafer, <http://www.seedrite.com/> 509-982-2400
- Bear Tooth Seed (was Heart Mountain Seed), Brian Duyck, 307-272-7779

** If planning to drill seed, small seeds must be packaged separately to allow for separate application. Small seeds, such as alkali sacaton, fleabane, flax and sand dropseed shall be planted no deeper than 0.25 inch or broadcast. If an entire site will be broadcast, the small seeds can go in the mix.

Common Name	Species Name	Variety	Soil Preference	PLS lbs/acre
***Upper Colorado Environmental Plant Center, Meeker, CO; 970-878-5003 *** White River National Forest. (sedimentary soils @ 9500 feet elevation) http://www.fs.fed.us/wildflowers/Native_Plant_Materials/developing/whiteriver.shtml - Southwest Seed, Walt Hennes, http://www.southwestseed.com/ 970-565-8722				

The seed shall contain no prohibited or restricted noxious weed seeds and shall contain no more than 0.5 percent by weight of other weed seeds. Seed may contain up to 2.0 percent of “other crop” seed by weight, including the seed of other agronomic crops and native plants; however, a lower percentage of other crop seed is recommended. Seed tags or other official documentation shall be submitted to BLM at least 14 days before the date of proposed seeding for acceptance. Seed that does not meet the above criteria shall not be applied to public lands.

- Seeding Procedures. Seeding shall be conducted no more than 24 hours following completion of final seedbed preparation.

Where practicable, seed shall be installed by drill-seeding to a depth of 0.25 to 0.5 inch. Where drill-seeding is impracticable, seed may be installed by broadcast-seeding at twice the drill-seeding rate, followed by raking or harrowing to provide 0.25 to 0.5 inch of soil cover or by hydroseeding and hydromulching. Hydroseeding and hydromulching shall be conducted in two separate applications to ensure adequate contact of seeds with the soil.

An exception to these seeding requirements shall be made for seeding of sagebrush, and other small-seeded species such as alkali sacaton, sand dropseed, and showy fleabane. Sagebrush seeding shall occur prior to winter snowfall, or on top of snow. Either sagebrush may be sown by broadcast-seeding, or, if not on snowpack, by placing the seed in the fluffy seed box of a seed drill, with the drop tube left open to allow seed to fall out on the ground surface. If drill seeding, other small-seeded species shall be packaged separately to allow for separate application, and shall be planted no deeper than 0.25 inch or broadcast. If an entire site will be broadcast, the small seeds may go in the mix with other species.

If interim revegetation is unsuccessful, the operator shall implement subsequent reseeding until interim reclamation standards are met.

- Mulch. Mulch shall be applied within 24 hours following completion of seeding in project areas within pinyon-juniper, sagebrush shrubland, and/or salt desert shrub habitat types. Mulch may consist of either hydromulch or of certified weed-free straw or certified weed-free native grass hay crimped into the soil. Mulch shall not be used within mountain shrub or spruce-fir forest habitat types, unless requested or approved by the BLM. NOTE: Mulch is not required in areas where erosion potential mandates use of a biodegradable erosion-control blanket (straw matting).
- Erosion Control. Cut-and-fill slopes shall be protected against erosion with the use of water bars, lateral furrows, or other BMPs approved by the BLM. Additional BMPs such as biodegradable wattles, weed-free straw bales, or silt fences shall have be employed as necessary to reduce transport of sediments into the drainages. The BLM may, in areas with high erosion potential, require use of hydromulch or biodegradable blankets/matting to ensure adequate protection from slope erosion and offsite transport of sediments and to improve reclamation success.
- Site Protection. The pad perimeters shall be fenced to BLM standards to exclude livestock grazing for the first two growing seasons or until seeded species are firmly established, whichever

comes later. The seeded species will be considered firmly established when at least 50% of the new plants are producing seed. The operator shall submit the proposed fencing design to the BLM for prior approval.

- **Monitoring.** The operator shall conduct annual monitoring surveys of all sites categorized as “operator reclamation in progress” and shall submit an annual monitoring report of these sites, including a description of the monitoring methods used, to the BLM by **December 31** of each year. The monitoring program shall use the four Reclamation Categories defined in Appendix I of the 1998 DSEIS to assess progress toward reclamation objectives. The annual report shall document whether attainment of reclamation objectives appears likely. If one or more objectives appear unlikely to be achieved, the report shall identify appropriate corrective actions. Upon review and approval of the report by the BLM, the operator shall be responsible for implementing the corrective actions or other measures specified by the BLM.

Visual Resources

- Tanks shall be low-profile or set in-ground to minimize visual dominance.
- All aboveground facilities shall be painted the BLM-approved color **Shale Green** using a non-reflective paint.
- To the extent practical, existing vegetation will be preserved when clearing and grading for pads, roads, and pipelines. Tree or shrub removal may be required by cutting or by shredding to provide slope stability or leave root systems in place. BLM may direct that cleared trees and rocks be salvaged and redistributed over reshaped cut-and-fill slopes or along linear features.
- To mitigate straight-line visual contrast effects of cut/ fill slopes, pad margins or cleared vegetation, adaptive management techniques may be required by the BLM before or after construction. Example: Additional tree removal along contrasting edges, to create irregularly shaped openings or natural-looking mosaic patterns; texturing or coloring surfaces to mitigate visual contrasts.

Soils

- Cuts and fills shall be minimized when working on erosive soils and on slopes in excess of 30 percent. Cut-and-fill slopes will be stabilized through revegetation practices with an approved seed mix shortly following construction activities, to minimize the potential for slope failures, erosion and soil loss. Fill slopes adjacent to drainages will be protected with BMPs designed to minimize sediment transport. On slopes greater than 50 percent, the BLM may require a professional geotechnical analysis and/or engineered plans prior to construction.

Range Management

- Damage to range improvements (fences, gates, reservoirs, pipelines, etc.) shall be avoided. If any of these features is inadvertently damaged, the operator shall repair or replace them. Where an access road bisects an existing livestock fence, a steel-frame gate or a cattle-guard with a bypass gate will be installed across the roadway.

DOWNHOLE CONDITIONS OF APPROVAL
Applications for Permit to Drill

Operator: Black Hills Plateau Production LLC
Lease Numbers: COC12651A
Pad(s): WF 10-31-99
Surface Location: Mesa County, Sec. 10, T9S R99W

See list of wells following the COAs.

1. Twenty-four hours *prior* to (a) spudding, (b) conducting BOPE tests, (c) cementing/running casing strings, and (d) within 24 hours *after* spudding, the CRVFO shall be notified. One of the following CRVFO inspectors shall be notified by phone. The contact number for all notifications is: 970-876-9064. The BLM CRVFO inspectors are David Giboo, Ed Fancher, Greg Rios, Tim Barrett, Alex Provstgaard, Brandon Jamison, and Jennifer Robinson.
2. A CRVFO petroleum engineer shall be contacted for a verbal approval prior to commencing remedial work, sidetracking operations, plugging operations on newly drilled boreholes, changes within the drilling plan, changes to the well design, changes or variances to the BOPE, deviating from conditions of approval, and conducting other operations not specified within the APD. Contact the petroleum engineer for verbal approvals (contact information below).
3. If a well control issue or failed test (e.g. kick, blowout, water flow, formation integrity test, casing failure, or a bradenhead pressure increase) arises during drilling or completions operations, the petroleum engineer shall be notified within 24 hours from the time of the event. IADC/Driller's Logs and Pason Logs (mud logs) shall be forwarded to CRVFO – Petroleum Engineer, 2300 River Frontage Road, Silt, CO 81652 within 24 hours of a well control event.
4. The BOPE shall be tested and conform to Onshore Order No. 2 for a 5M system and recorded in the IADC/Driller's log.
5. Flexible choke lines shall meet or exceed the API SPEC 16C requirements. Flexible choke lines shall have flanged connections and configured to the manufacturer's specifications. The flexible choke lines shall be anchored in a safe and workmanlike manner. At minimum, all connections shall be effectively anchored in place for safety of the personal on location. Manufacturer specifications shall be kept with the drilling rig at all times and immediately supplied to the authorized officer/inspector upon request. Specifications at a minimum shall include acceptable bend radius, heat range, anchoring, and the working pressure. All flexible choke lines shall be free of gouges, deformations, and as straight/short as possible.
6. An electrical/mechanical mud monitoring equipment shall be function tested prior to drilling out the surface casing shoe. As a minimum, this equipment shall include a pit volume totalizer, stroke counter, and flow sensor.
7. A gas buster shall be functional and all flare lines effectively anchored in place, prior to drilling out the surface casing shoe. The discharge of the flare lines shall be a minimum of 100 feet from the wellhead and targeted at bends. The panic line shall be a separate line (not open inside the buffer tank) and effectively anchored. All lines shall be downwind of the prevailing wind direction and directed into a flare pit, which cannot be the reserve pit. The flare system shall use an automatic ignition. Where noncombustible gas is likely or expected to be vented, the system shall be provided supplemental fuel for ignition and maintain a continuous flare.
8. On the first well drilled on this pad, a triple combo open-hole log shall be run from the base of the surface borehole to surface and from TD to bottom of surface casing shoe. This log shall be

submitted within 48 hours in .las and .pdf format to: CRVFO – Petroleum Engineer, 2300 River Frontage Road, Silt, CO 81652. Contact 970-876-9000 for clarification.

9. Submit the (a) mud/drilling log (e.g. Pason disc), (b) driller's event log/operations summary report, (c) production test volumes, (d) directional survey, and (e) Pressure Integrity Test results within 30 days of completed operations (i.e. landing tubing) per 43 CFR 3160-9 (a).
10. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. In accordance with 43-CFR 3162.4(b) submit a complete set of electrical/mechanical logs in .LAS format with standard Form 3160-4, Well Completion or Recompletion Report and Log.
11. Should the well be completed for production, the BLM will be notified when the well is placed in a producing status. Such notification shall be a written notification sent no later than five (5) days following the date on which the well is placed on production.
12. A schematic facilities diagram as required by 43 CFR 3162.7-5 (b.9. d.), and shall be submitted to the appropriate District Office within sixty (60) days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (b. 4).
13. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the AO.
14. "Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Contact Information

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<i>Well Pad/Well Name</i>	<i>Well #</i>	<i>Surface Location</i>
WF 10-31-99	AH	NWNE, Section 10, T9S R99W
WF 10-31-99	CH	NWNE, Section 10, T9S R99W
WF 10-31-99	DH	NWNE, Section 10, T9S R99W