

**United States Department of the Interior  
Bureau of Land Management**

**Categorical Exclusion  
DOI-BLM-CO-S050-2015-0055 CX**

**September 2015**

**Extension of Suspension of Operations and Production  
Federal Oil and Gas Lease COC-66716**

*Location: N of Bowie, Colorado*

**U.S. Department of the Interior  
Uncompahgre Field Office  
2465 South Townsend Avenue  
Montrose, CO 81403  
Phone: (970) 240-5300**



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## CATEGORICAL EXCLUSION

**NUMBER:** DOI-BLM-CO-S050-2015-0055 CX

**CASEFILE / PROJECT NUMBERS :** Federal Lease COC-66716

**PROJECT NAME:** Extension of Suspension of Operations and Production (SOP)

**PLANNING UNIT:** Uncompahgre Basin Resource Area

**LEGAL DESCRIPTION:**

Lease Number	Legal Description
COC-66716	T. 12 S., R. 90 W., Sec. 7, Lots 1-4 and E2, 6 <sup>th</sup> P.M.

**APPLICANTS:** SG Interests VII, LTD (SGVII) and Falcon Seaboard Oil and Gas, LLC (Falcon)

**DESCRIPTION OF PROPOSED ACTION:** Together as operating rights owners, SGVII and Falcon are requesting that the previous Suspension of Operations and Production (SOP) on lease COC-66716 be extended. The request to continue the SOP on the lease was received by BLM on July 2, 2015. The operator of this lease is SG Interests I, Ltd (SGI). SGVII and Falcon request that the SOP continue to be applicable as the environmental assessment for SG's proposed 12-90-7-1 application for permit to drill (APD) is still being conducted by BLM.

**A. The following information is applicable to this suspension request:**

- a. This request for SOP is subject to the provisions of 43 CFR 3103.4-4.
- b. SGI submitted the 12-90-7-1 APD on July 8, 2013, and proposed to develop the Federal mineral estate under lease COC-66716.
- c. Federal lease COC-66716 is split-estate and BLM is the surface management agency.
- d. Federal lease COC-66716 is currently under an SOP with an effective date of July 1, 2013.
- e. The current schedule for completing the environmental assessment is December 2015 (DOI-BLM-CO-S050-2015-29 5 well pad EA).

**PLAN CONFORMANCE REVIEW:** The Proposed Action is subject to and has been reviewed for conformance with 43 CFR 1610.5, BLM 1617.3 and the following plan:

**Name of Plan:** Uncompahgre Basin RMP

Date Approved: July 1989

Decision Number/Page: 9

Decision Language: Federal oil, gas and geothermal estate on both federal surface and split estate lands will be open to leasing with standard lease terms.

**CATEGORICAL EXCLUSION REVIEW**: The proposed action is designated as a categorical exclusion pursuant to 516 DM 11.9 and is listed in H-1790-1, Appendix 4, BLM Categorical Exclusion B.4., "Approval of suspension of operations, force majeure suspensions, and suspensions of operations and production." None of the following exceptions in 516 DM 2, Appendix 2, apply:

Exceptions	YES	NO
1. Have significant adverse effects on public health and safety.	_____	<u>X</u>
2. Have adverse effects 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.	_____	<u>X</u>
3. Have highly controversial environmental effects or involve unresolved conflicts concerning alternative uses of available resources.	_____	<u>X</u>
4. Have highly uncertain and potentially significant environmental effects or involve unique or unknown environmental risks.	_____	<u>X</u>
5. Establish a precedent for future action or represent a decision in principle about future actions with potentially significant environmental effects.	_____	<u>X</u>
6. Be directly related to other actions with individually insignificant but cumulatively significant environmental effects.	_____	<u>X</u>
7. Have significant impacts on properties listed, or eligible for listing, in the National Register of Historic Places.	_____	<u>X</u>
8. 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.	_____	<u>X</u>
9. Violate a Federal law, or a State, local or tribal law or requirement imposed for the protection of the environment.	_____	<u>X</u>
10. Have disproportionately high and adverse effect on low income or minority populations.	_____	<u>X</u>
11. Limit access to and ceremonial use of Indian sacred sites by Indian religious practitioners or adversely affect the physical integrity of such sacred sites.	_____	<u>X</u>
12. Significantly, 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.	_____	<u>X</u>

INTERDISCIPLINARY REVIEW:

<u>Name</u>	<u>Title</u>	<u>Area of Responsibility</u>
Thane Stranathan	Natural Resource Specialist	Lands & Minerals
Jedd Sondergard	NEPA P&EC	NEPA
Teresa Pfifer	Staff Supervisor	Lands & Minerals
John Pecor	Petroleum Engineer	Fluid Minerals TRFO

REMARKS: Cultural, threatened and endangered species, wildlife timing and other stipulations applied to the federal parcel when leased still applies.

NAME OF PREPARER: Thane Stranathan

NAME OF ENVIRONMENTAL COORDINATOR: *Houdguf*

DATE: 9/15/15

COMPLIANCE WITH NEPA

This CX for suspension of operations and production applies to Federal lease COC-66716.

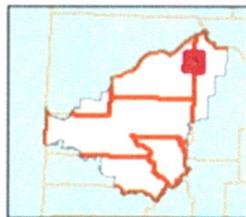
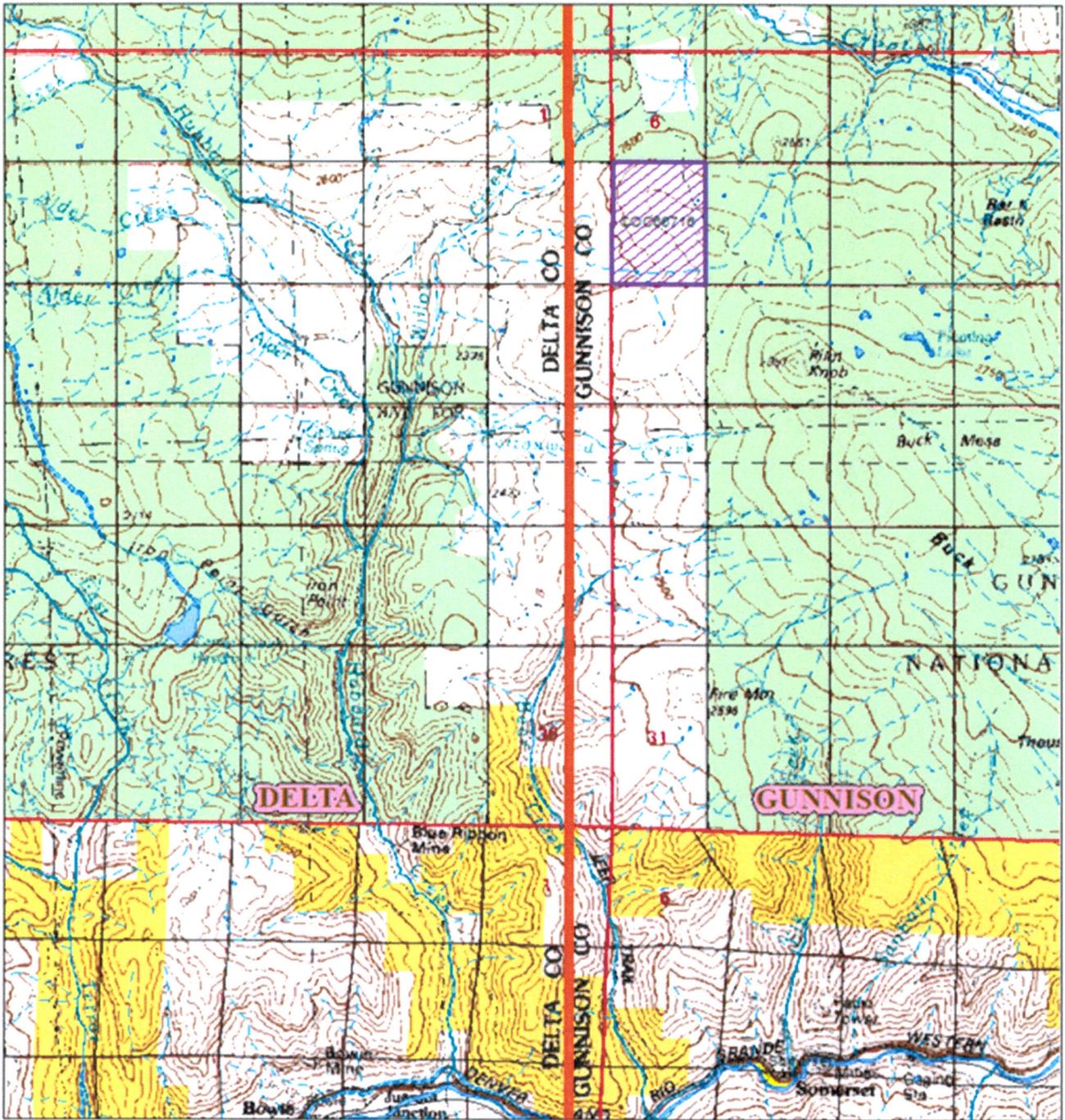
The action is categorically excluded from further documentation under the National Environmental Policy Act (NEPA) in accordance with 516 DM 11.9, B.4. This categorical exclusion is appropriate in this situation because there are no extraordinary circumstances potentially having effects that may significantly affect the environment. The Proposed Action has been reviewed, and none of the extraordinary circumstances described in 516 DM 2 apply.

SIGNATURE OF AUTHORIZED OFFICIAL: *Teresa Pfifer, Acting*

*for* Barbara Sharrow  
Field Manager  
Uncompahgre Field Office

DATE SIGNED: 9-16-15

# Lease COC-66716



## Legend

 COC66716

0 25 50 100 Miles



Uncompahgre Field Office  
 User Name: tstranat  
 Date Saved: 8/5/2013

No Warranty is made by the Bureau of Land Management as to the accuracy, reliability, or completeness of these data for individual use or aggregate use with other data.

**U.S. Department of the Interior  
Bureau of Land Management  
Uncompahgre Field Office  
2465 South Townsend Avenue  
Montrose, CO 81403**

**Decision Record**

**(DOI-BLM-CO-S050-2015-0055 CX)**

**PROJECT NAME:** SG Interests VII, LTD (SGVII) and Falcon Seaboard Oil and Gas, LLC (Falcon) request for extension of Suspension of Operations and Production (SOP) of Federal oil and gas lease COC-66716.

**DECISION:** It is my decision to approve the request to extend the SOP and suspend rental and royalty payments due, effective July 1, 2013, on Federal lease COC-66716 pursuant to provisions of 43 CFR 3103.4-4.

The lease SOP will expire when one of the following conditions is first met:

1. The first day of the month that drilling operations are commenced on or for the benefit of the lease.
2. The first day of the month that a lease begins participating in a new or revised participating area.
3. The BLM returns the APD to SGI as unapproved.

Further, as directed by BLM Manual 3160-10.31C.3., “The authorized officer shall monitor the suspension on a regular basis to determine if conditions for granting the suspension are extant, and should terminate the suspension when it is deemed no longer necessary”. There is no timeframe afforded by regulation by which BLM monitoring of the lease suspension is necessary, however BLM, in relationship to this SOP, will ensure that routine monitoring of the conditions for granting this suspension occurs.

**RATIONALE:** Our review has determined that the SOP continues to be justified on this lease as operations and production from this lease is dependent upon approval of the Federal 12-90-7-1 APD intended to develop Federal lease COC-66716.

Review of existing guidance relating to this decision finds that:

- The environmental assessment for SG’s proposed 12-90-7-1 APD is still being conducted by BLM, and the current schedule for completing it (ie, DOI-BLM-CO-S050-2015-29 5 well pad EA) is December 2015. Therefore, it is appropriate justification to grant an SOP as allowed for in BLM manual M-3160-10.21B.B.1.
- For the lease in which the SOP is granted, “any payment of rental or of minimum royalty

also shall be suspended during the period of suspension of operations and production” as provided in BLM Manual 3160-10-21A.1.

COMPLIANCE WITH NATIONAL ENVIRONMENTAL POLICY ACT

The Proposed Action is categorically excluded from further documentation under the National Environmental Policy Act (NEPA) in accordance with 516 DM 11.9, B.4. 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 516 DM 2 apply.

COMPLIANCE WITH MAJOR LAWS and CONFORMANCE WITH LAND USE PLAN:

The decision is in compliance with applicable laws, regulations and policy, including the Endangered Species Act, Migratory Bird Treaty Act, Clean Water Act, Clean Air Act, National Historic Preservation Act, and the Uncompahgre Basin Resource Management Plan Record of Decision 1989.

ADMINISTRATIVE REMEDIES:

Any adversely affected party who contests a decision of the authorized officer may request an administrative review before the State Director. Such requests, including all supporting documentation, shall be filed with the State Director within twenty (20) business days of receipt of the notice. Upon request and showing good cause, an extension for submitting supporting data may be granted by the State Director. Requests for administrative review should be sent to:

State Director (CO-922)  
Bureau of Land Management  
Colorado State Office  
2850 Youngsfield St.  
Lakewood, Colorado 80215

NAME OF PREPARER: Thane Stranathan

NAME OF ENVIRONMENTAL COORDINATOR: Houdgud DATE 9/15/15

SIGNATURE OF AUTHORIZED OFFICIAL Terese Pfifer, Acting  
for Barbara Sharrow  
Field Manager  
Uncompahgre Field Office

DATE SIGNED 9-16-15