

U.S. Department of the Interior
Bureau of Land Management
White River Field Office
220 E Market St
Meeker, CO 81641

**SECTION 390
CATEGORICAL EXCLUSION FOR
OIL AND GAS DEVELOPMENT**

GRMR Hamill 19-16HA APD
DOI-BLM-CO-N05-2016-0046-CX

Identifying Information

Project Title: GRMR Hamill 19-16HA APD

Legal Description: T5N R90W Sec19

Applicant: GRMR Oil & Gas LLC (GRMR)

Casefile/Project Number: COC68822

Issues and Concerns

GRMR Oil & Gas LLC (GRMR) is proposing a horizontal oil well. This well would be located on an existing pad at T. 5N R. 90W Section 19. This location has already been built and will be used initially to drill a Fee/Fee well, meaning that the well pad is located on private surface and that the well will be drilling into non-Federal minerals. The proposed horizontal well would start producing in Fee minerals and continue producing into Federal Lease COC68822, making this a Fee/Fee/Fed well.

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

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

Conformance with the Land Use Plan

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

Land Use Plan: Little Snake Record of Decision and Resource Management Plan (RMP)

Date Approved: October 2011

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

- Allow for the availability of the federal oil and gas estate (including coalbed natural gas) for exploration and development.
Objectives for achieving these goals include:
- Identify and make available the federal oil and gas estate (including coalbed natural gas) for exploration and development.
- Facilitate reasonable, economical, and environmentally sound exploration and development of oil and gas resources (including coalbed natural gas).

Section/Page: Section 2.13 Energy and Minerals, page RMP-36

Proposed Action

Project Components and General Schedule

The existing well pad is approximately 3.3 acres and no expansion is proposed. The access road is approximately 2.4 acres; no additional disturbance is needed for the access road. Production facilities are located on-site, which currently include several oil and water storage tanks and a combo unit. There are no additional proposed ancillary facilities at this time.

No pipelines are anticipated for this location. Oil and water production will be trucked. Water needed for drilling purposes will be transported via a water truck and obtained from Hamill Family Limited Partnership, LLP at the Hamill Diversion along the Williams Fork River, this traffic would travel from the draw point along Highway 317, to County Road 37, to the access road.

The proposed well will be drilled in October – November 2015, immediately following the drilling of the Hamill 19-16D, Fee-Fee well. The APD, which is available upon request at the White River Field Office, is incorporated as part of the Proposed Action.

BLM Required Conditions of Approval to Mitigate Impacts to Cultural and Paleontological Resources

1. The applicant is responsible for informing all persons who are associated with the project that they will be subject to prosecution for knowingly disturbing archaeological sites or for collecting artifacts.
2. If any archaeological materials are discovered as a result of operations under this authorization, activity in the vicinity of the discovery will cease, and the BLM LSFO Archaeologist will be notified immediately. Work may not resume at that location until approved by the AO. The applicant will make every effort to protect the site from further

impacts including looting, erosion, or other human or natural damage until BLM determines a treatment approach, and the treatment is completed. Unless previously determined in treatment plans or agreements, BLM will evaluate the cultural resources and, in consultation with the State Historic Preservation Office (SHPO), select the appropriate mitigation option within 48 hours of the discovery. The applicant, under guidance of the BLM, will implement the mitigation in a timely manner. The process will be fully documented in reports, site forms, maps, drawings, and photographs. The BLM will forward documentation to the SHPO for review and concurrence.

3. Pursuant to 43 CFR 10.4(g), the applicant must notify the AO, by telephone and 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), the operator must stop activities in the vicinity of the discovery and protect it for 30 days or until notified to proceed by the AO.
4. The applicant is responsible for informing all persons who are associated with the project operations that they will be subject to prosecution for disturbing or collecting vertebrate or other scientifically-important fossils, collecting large amounts of petrified wood (over 25lbs./day, up to 250lbs./year), or collecting fossils for commercial purposes on public lands.
5. If any paleontological resources are discovered as a result of operations under this authorization, the applicant or any of his agents must stop work immediately at that site, immediately contact the BLM Paleontology Coordinator, and make every effort to protect the site from further impacts, including looting, erosion, or other human or natural damage. Work may not resume at that location until approved by the AO. The BLM or designated paleontologist will evaluate the discovery and take action to protect or remove the resource within 10 working days. Within 10 days, the operator will be allowed to continue construction through the site, or will be given the choice of either (a) following the Paleontology Coordinator's instructions for stabilizing the fossil resource in place and avoiding further disturbance to the fossil resource, or (b) following the Paleontology Coordinator's instructions for mitigating impacts to the fossil resource prior to continuing construction through the project area.

Categorical Exclusion Review

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

The Proposed Action qualifies as a categorical exclusion under the Section 390 of the Energy Policy Act, #2: "*Drilling an oil and gas location or well pad at a site at which drilling has occurred within five (5) years prior to the date of spudding the well.*"

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

1. Is the proposed well to be drilled from a location or well pad that has been previously disturbed or constructed to support drilling a well?

The location already exists from the Hamill 19-16D, (Fee-Fee well) which is currently being drilled. The Hamill 19-16HA will be drilled immediately following that well.

2. Has drilling occurred on the site within five years prior to the date of spudding the proposed well?

Drilling is occurring as of October 20, 2015.

3. The APD must contain the following condition of approval: "If the well has not been spudded by 10/20/2020 (five years from previous well spud or completion), the Application for Permit to Drill (APD) will expire and the operator is to cease all operations related to preparing to drill the well."

Interdisciplinary Review

The Proposed Action was presented to, and reviewed by, the White River Field Office interdisciplinary team on 10/21/2015. A complete list of resource specialists who participated in this review is available upon request from the White River Field Office. The table below lists resource specialists who provided additional review or remarks concerning cultural resources and special status species.

Name	Title	Resource	Date
Michael Selle	Archaeologist	Cultural Resources, Native American Religious Concerns	10/21/2015
Ed Hollowed	Wildlife Biologist	Special Status Wildlife Species	10/21/2015
Heather Woodruff	Ecologist	Special Status Plant Species	10/21/2015
Kelly Elliott	Natural Resource Specialist	Project Lead	10/21/2015

Cultural Resources: Files search of the Colorado Office of Archaeology and Historic Preservation (OAHP) office on line database, COMPASS, was conducted on October 21, 2015 and included the project area and four surrounding sections in Township 5 North, Range 90 and 91 West. The files search resulted in the identification of one cultural resource, the abandoned Badger Mine which is an abandoned coal mine. Consultation with the Colorado State Historic Preservation Office (SHPO) determined the site was officially not eligible for nomination to or listing on the National Register of Historic Places (NRHP). There are no other resources recorded in the vicinity which is covered by ten inventory projects. There should be no effects to any known cultural resources in the vicinity of the well pad.

Native American Religious Concerns: No Native American religious concerns are known in the area, and none have been noted by Northern Ute Tribal authorities. Should recommended inventories or future consultations with Tribal authorities reveal the existence of such sensitive properties, appropriate mitigation and/or protection measures may be undertaken.

Threatened and Endangered Wildlife Species: There are no threatened or endangered wildlife species issues or concerns associated with the Proposed Action. To protect big game winter range no surface use is allowed during the following time period(s) December 1 – April 30. This does not apply to operation and maintenance of production facilities.

Threatened and Endangered Plant Species: There are no special status plant species issues or concerns associated with the Proposed Action because none are known to occur in the project area.

Tribes, Individuals, Organizations, or Agencies Consulted

Consultation with the Colorado State Historic Preservation Office (SHPO) determined the site was officially not eligible for nomination to or listing on the National Register of Historic Places (NRHP).

Compliance with NEPA

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

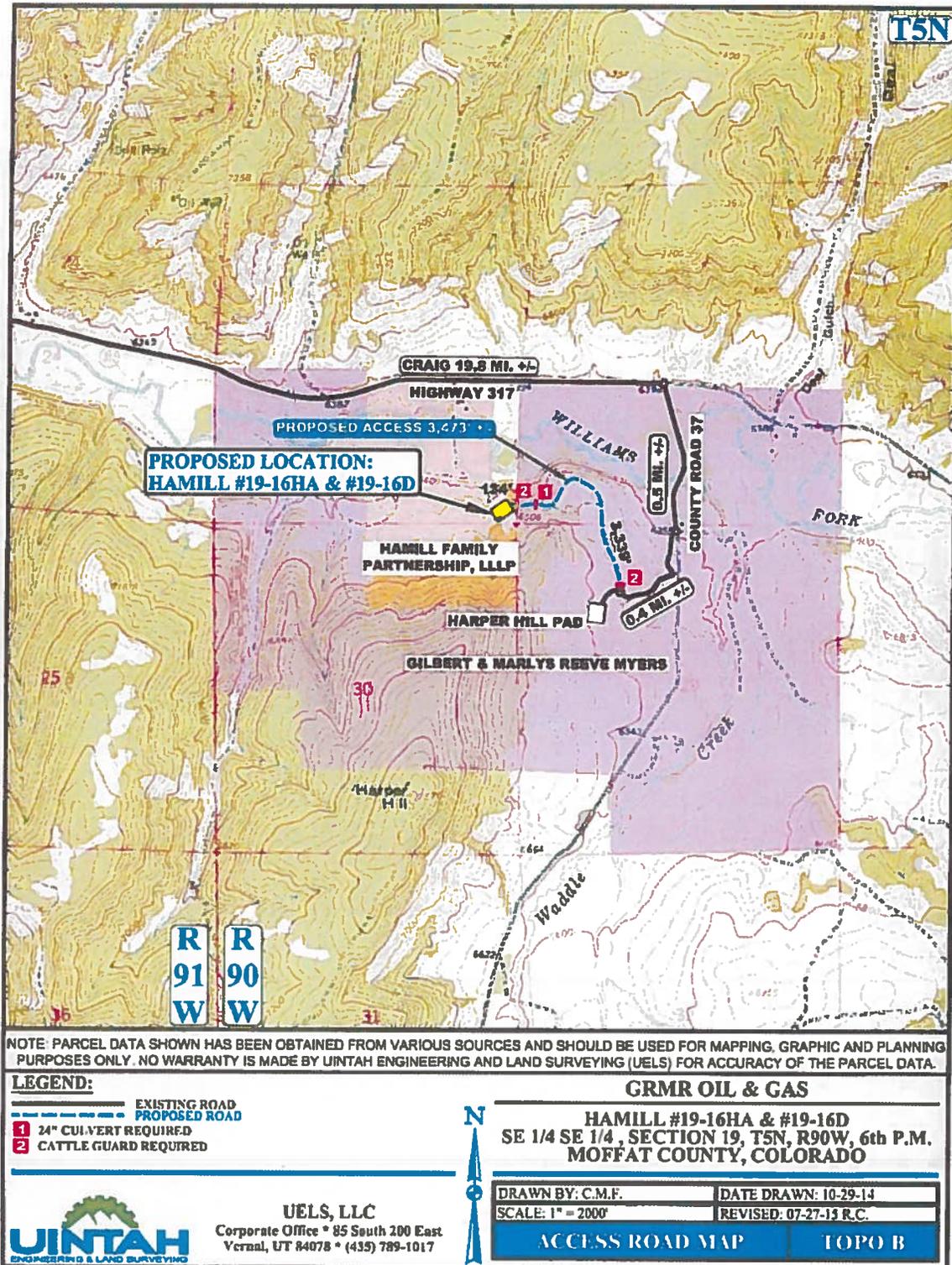
Kent E. Walther

Field Manager

10/22/2015

Date

Appendix A. Figures



U.S. Department of the Interior
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Decision Record

GRMR Hamill 19-16HA APD **DOI-BLM-CO-N05-2016-0046-CX**

Decision

It is my decision to implement the Proposed Action as described in DOI-BLM-CO-N05-2016-0046-CX, authorizing the construction, operation, and maintenance of the Hamill 19-16HA.

BLM Required Conditions of Approval to Mitigate Impacts to Cultural and Paleontological Resources

1. The applicant is responsible for informing all persons who are associated with the project that they will be subject to prosecution for knowingly disturbing archaeological sites or for collecting artifacts.
2. If any archaeological materials are discovered as a result of operations under this authorization, activity in the vicinity of the discovery will cease, and the BLM WRFO Archaeologist will be notified immediately. Work may not resume at that location until approved by the AO. The applicant will make every effort to protect the site from further impacts including looting, erosion, or other human or natural damage until BLM determines a treatment approach, and the treatment is completed. Unless previously determined in treatment plans or agreements, BLM will evaluate the cultural resources and, in consultation with the State Historic Preservation Office (SHPO), select the appropriate mitigation option within 48 hours of the discovery. The applicant, under guidance of the BLM, will implement the mitigation in a timely manner. The process will be fully documented in reports, site forms, maps, drawings, and photographs. The BLM will forward documentation to the SHPO for review and concurrence.
3. Pursuant to 43 CFR 10.4(g), the applicant must notify the AO, by telephone and 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), the operator must stop activities in the vicinity of the discovery and protect it for 30 days or until notified to proceed by the AO.
4. The applicant is responsible for informing all persons who are associated with the project operations that they will be subject to prosecution for disturbing or collecting vertebrate

or other scientifically-important fossils, collecting large amounts of petrified wood (over 25lbs./day, up to 250lbs./year), or collecting fossils for commercial purposes on public lands.

5. If any paleontological resources are discovered as a result of operations under this authorization, the applicant or any of his agents must stop work immediately at that site, immediately contact the BLM Paleontology Coordinator, and make every effort to protect the site from further impacts, including looting, erosion, or other human or natural damage. Work may not resume at that location until approved by the AO. The BLM or designated paleontologist will evaluate the discovery and take action to protect or remove the resource within 10 working days. Within 10 days, the operator will be allowed to continue construction through the site, or will be given the choice of either (a) following the Paleontology Coordinator's instructions for stabilizing the fossil resource in place and avoiding further disturbance to the fossil resource, or (b) following the Paleontology Coordinator's instructions for mitigating impacts to the fossil resource prior to continuing construction through the project area.

Mitigation Measures

1. If the well has not been spudded by 10/20/2020 (five years from previous well spud or completion), the Application for Permit to Drill (APD) will expire and the operator is to cease all operations related to preparing to drill the well.
2. The volume of water used in well drilling and completion and the water's source and disposition (e.g., imported fresh, production water, recycled, reinjected, or truck disposal) shall be reported to the designated NRS within 90 days of its use.
3. To protect big game winter range, no surface use is allowed during the following time period(s) December 1 – April 30. This does not apply to operation and maintenance of production facilities.

Compliance with Laws & Conformance with the Land Use Plan

This decision is in compliance with the Endangered Species Act and the National Historic Preservation Act. It is also in conformance with the 2011 Little Snake Record of Decision and Resource Management Plan.

Public Involvement

This project was posted in the public room's National Environmental Policy Act (NEPA) register on 9/2/2015 at the White River Field Office, Little Snake Field Office and Kremmling Field Office. No comments or inquiries have been received.

Rationale

The Proposed Action is categorically excluded from further documentation under the National Environmental Policy Act (NEPA) in accordance with Section 390 of the Energy Policy of 2005. The Proposed Action involves drilling of a well from an already existing pad without any further surface disturbance proposed. The original well is a Fee/Fee (private surface and private minerals) well, and the Proposed Action is for a well to be drilled on that same location, produce first out of private minerals through into federal minerals. This situation makes this a

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

Administrative Remedies

State Director Review

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

Appeal

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

Signature of Authorized Official



Field Manager



Date