United States Department of the Interior
BUREAU OF LAND MANAGEMENT
Colorado River Valley Field Office
2300 River Frontage Road
Silt, Colorado 81652
www.co.blm.gov

CATEGORICAL EXCLUSION

NEPA LOG NUMBER: DOI-BLM-CO-N040-2016-0029-CX

Background

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

CASEFILE/PROJECT NUMBER: COC57807 (Communitization Agreement)

PROPOSED ACTION TITLE/TYPE: Request for Creation of Communitization Agreement 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 8 South, Range 100 West, the N2 of Section 31, of the Sixth Principal Meridian, Garfield County, Colorado

APPLICANT: Foundation Energy Management, LLC, 1801 Broadway, Suite 1500, Denver, Colorado 80202

DESCRIPTION OF PROPOSED ACTION: On July 23, 2015, Foundation Energy Management, LLC submitted to the BLM Grand Junction Field Office (GJFO) a request for the creation of a Communitization Agreement (CA) (Casefile COC57807) including Federal and private oil and gas leases underlying the lands located as described above. The requested CA would pertain to natural gas and associated hydrocarbons producible from the Dakota Formation and would include 321.040 acres of lands. The BLM has determine that the Federal lease or leases cannot otherwise be developed and operated in conformity with the well-spacing program established for the area covered by the request and that the formation of the CA is in the public interest.

Land Use Plan 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 following plan:

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

Date Approved: August 10, 2015.

Determination of Conformance: The Proposed Action is subject to and 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."

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

Table 1. Extraordinary Circumstances	Yes	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*
Stephen Garcia	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: January 4, 2016

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: 1/5/2016