

U.S. Department of the Interior
Bureau of Land Management
Glenwood Springs Energy Office
2425 S. Grand Avenue, Suite 101
Glenwood Springs, CO 81601

Statutory Categorical Exclusion, CO140-2008-096

Project: Proposal to Realign County Road 302 to Accommodate COGCC's Public Road Setback Requirement on the Existing PI16 Well Pad east of Battlement Mesa.

Location: T7S, R95W Section 16, NE $\frac{1}{4}$ SE $\frac{1}{4}$, 6th PM

Proposal: EnCana Oil & Gas (USA) Inc ("EnCana") proposes to realign Garfield County Road 302 (CR302) to accommodate the Colorado Oil and Gas Conservation Commission (COGCC) regulation requiring a setback distance from a public road (the drill rig's mast height plus 50 %). The recently constructed PI16 pad lies within 170 feet of CR302. The required COGCC setback distance is 220 feet. EnCana plans to drill the eight approved wells on PI16 pad with new PACE rig which has taller rig mast than was originally planned during the well permitting for the pad. EA #CO140-2008-027 analyzed the site-specific impacts related to the construction of the PI16 pad including improvements to the existing parking area along CR302.

To satisfy the COGCC road setback, it was determined that realigning CR302 would be the best option. Closing the road during the drilling period is not feasible since the road serves year-round residences. EnCana cannot realistically adjust their drilling schedule to bring rig with shorter mast in the short term (drilling on PI16 pad would commence by June 9, 2008). Furthermore, Garfield County Road and Bridge foreman indicates that the proposed road change would improve overall alignment and drainage conditions.

The new segment of CR302 would be constructed to County road standards (crowned road with 24 foot width, 2 foot shoulders, bar ditches on both sides, pit run subgrade layered with 3" road base and capped with $\frac{3}{4}$ " gravel surface conditioned with dust surfactant) for distance of approximately 850 feet (Figure 1 and 2). Storm water structures and culvert extension would be incorporated into the construction work to address road drainage impacts. Topsoil will be stripped along the new road segment and stockpiled for later use in reclamation of existing road. Road reclamation would include recovery of existing road surfacing for use in new construction or placed on parking area surface.

BLM would provide authorization through Sundry Notice allowing EnCana to construct the proposed road segment. Work would meet Garfield County Road standards. Verbal permission for vacation of existing road segment would be sought from County Road and Bridge Department prior to beginning any work, so construction work could transition from construction on new segment to the closure and reclamation of the existing segment.

Resource surveys including migratory bird, weeds, sensitive plants and cultural resources have been completed. The existing parking area would be reconfigured with the rock delineators around the area's perimeter shifted to the south edge of the parking area.

Lease Stipulation: Federal Lease COC-01524 does not include any special stipulations.

BLM Conditions of Approval: Conditions and stipulations that would be included on the Sundry Notice are attached.

NEPA Compliance: The following category of Categorical Exclusions pursuant to Section 390 of the Energy Policy Act (Act of 2005) applies to this proposal:

Category #1: “ *Individual surface disturbances of less than five (5) acres so long as the total surface disturbance on the lease is not greater than 150 acres and site-specific analysis in a document prepared pursuant to NEPA has been previously completed.* ” The expected surface disturbance of constructing the new road segment would be approximately 0.7 acre.

Prepared by: Jim Byers, Natural Resource Specialist 6/4/08

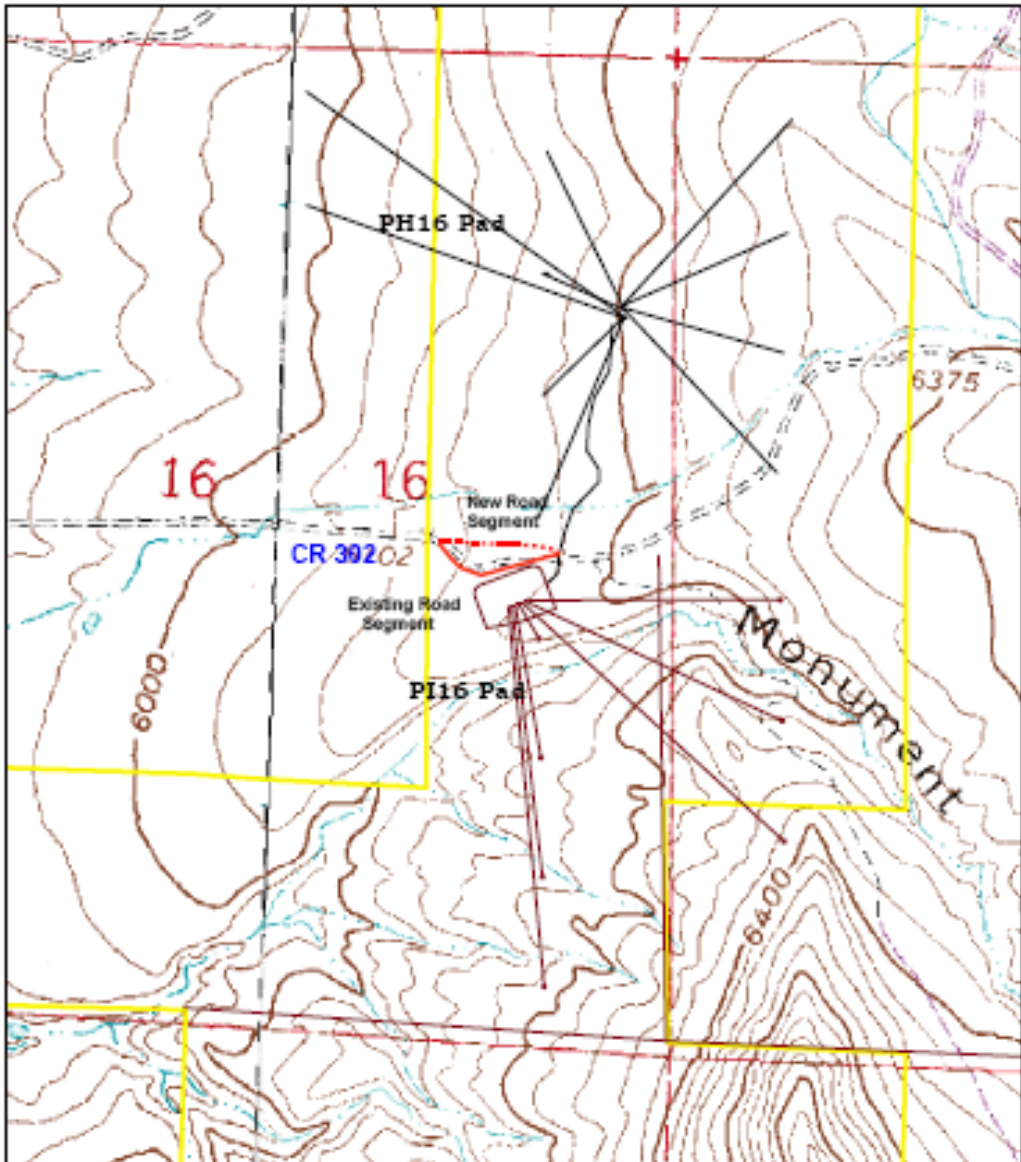
Approval: It is my decision to approve the proposed action with the above referenced terms and conditions:



Allen B. Crockett, Ph.D., J.D.
Supervisory Natural Resource Specialist

6/5/08

Date



Road Realignment of County Road 302 near PI16 Pad
T7S R95W Sec 16, NE¼SE¼ 6th P.M.
 Garfield County, CO
 Surface Owner: BLM

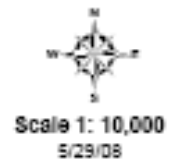


Figure 1. Project Location Map

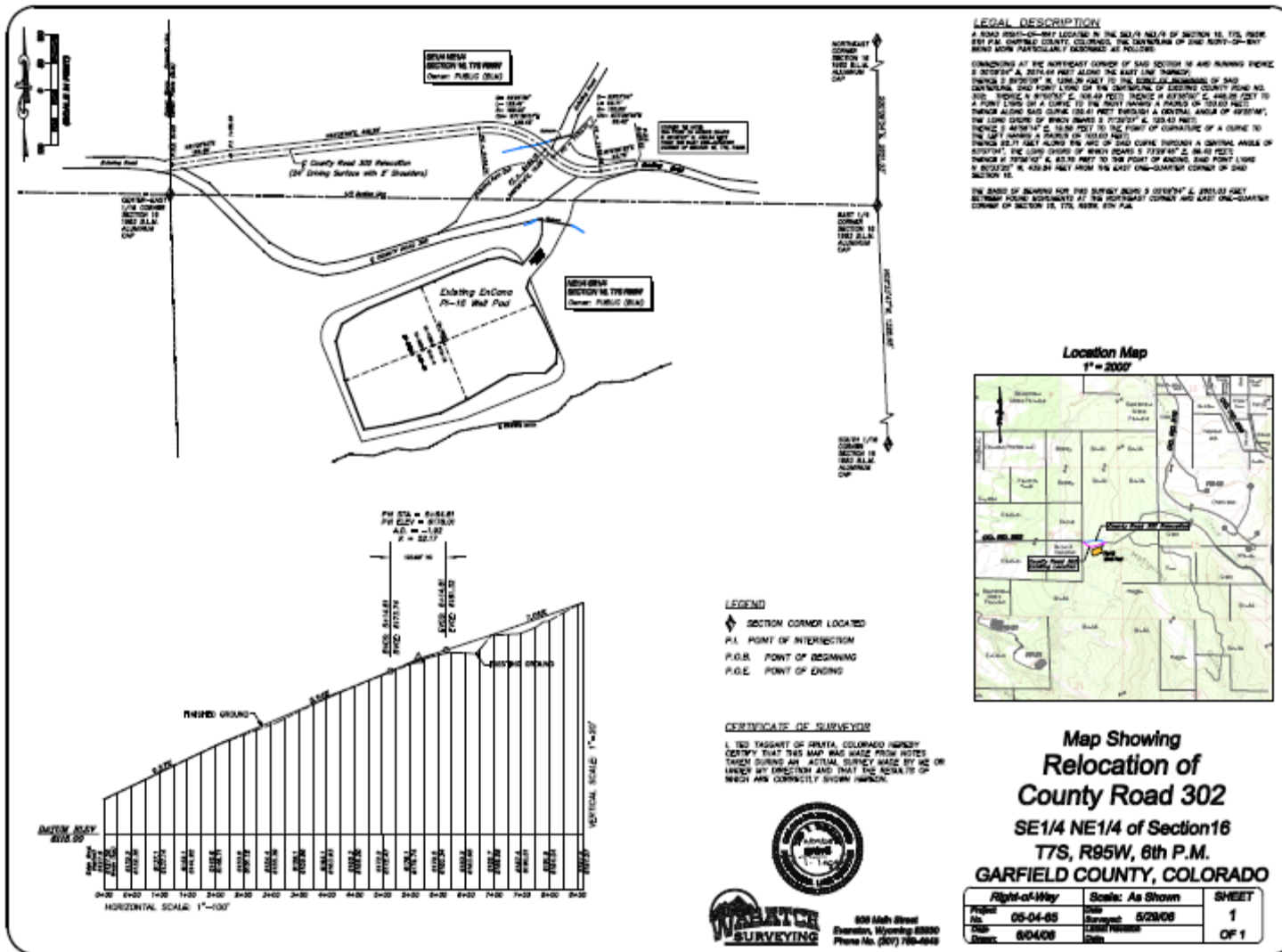


Figure 2. Road Construction Survey

**SURFACE USE CONDITIONS OF APPROVAL
C0140-2008-096 SCE**

1. Administrative Notification. At least 48 hours prior to construction of access road, the operator shall notify BLM representative of construction startup plans. The proposed road shall be staked and flagged prior to start of construction.

2. Road Construction and Reclamation Plans. Topsoil along new road segment shall be stripped to full depth of topsoil layer and staged along the existing County Road segment for use during final road reclamation. The new segment of CR302 would be constructed to County road standards (crowned road with 24 foot width, 2 foot shoulders, bar ditches on both sides, pit run subgrade layered with 3" road base and capped with ¾" gravel surface conditioned with dust surfactant) for distance of approximately 850 feet (Figure 1). Storm water structures and culvert extension would be incorporated into the construction work to address road drainage impacts.

Road reclamation of original County Road 302 segment shall only occur after Garfield County Road and Bridge representative has reviewed new road segment construction and given approval to BLM for closure of original road segment. Road reclamation work shall include the recovery of existing road surfacing for use in new construction or placed on parking area surface. Final reclamation work shall include reshaping of road to surrounding topography, re-establishing existing drainages across and through the reclaimed roadway, placing boulders along the reshaped roadway to inhibit motorized use, installing waterbars across the roadway to reduce erosion impacts, and conducting timely seeding with native vegetation per COA #8 (within 72 hours of completion of road closure).

3. Road Maintenance. The operator shall be responsible for providing timely year-round road maintenance and cleanup on the access road. A regular schedule for maintenance shall include, but not be limited to, blading, ditch and culvert cleaning, road surface replacement, and dust abatement. The road shall be crowned, ditched, and drained with culverts and/or water dips. When rutting within the traveled way becomes greater than 6 inches, blading and/or gravelling shall be conducted as approved by the authorized officer.

4. Dust Abatement. The operator shall implement dust abatement measures as needed or directed by the BLM authorized officer. The level and type of treatment (watering or application of various dust agents, surfactants, and road surfacing material) may be changed in intensity and must be approved by the BLM authorized officer. Magnesium chloride or other chemical suppressant shall not be applied within 100 feet of any drainage.

5. Parking Area Changes. To accommodate the new road along north side of parking area, the large boulders staged along the north side of parking area shall be moved in manner that allows future vehicle access to the parking area.

6. Paleontological 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 authorized officer of the findings. The discovery must be protected until notified to proceed by the BLM authorized officer.

As feasible, the operator shall suspend ground-disturbing activities at the discovery site and immediately notify the BLM authorized officer of any finds. The BLM authorized officer 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.

Contact Karen Conrath, GSEO Geologist, at 970-947-5235 or karen_conrath@blm.gov.

7. Cultural Education/Discovery. 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 will be subject to prosecution.

Pursuant to 43 CFR 10.4(g), the BLM authorized officer shall be notified by telephone, with 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), activities shall stop in the vicinity of the discovery, and the discovery shall be protected for 30 days or until notified by the BLM authorized officer to proceed.

If in connection with operations under this contract, the operator, its contractors, their subcontractors, or the employees of any of them discovers, encounters, or becomes aware of any objects or sites of cultural value or scientific interest such as historic ruins or prehistoric ruins, graves or grave markers, fossils, or artifacts, the operator shall immediately suspend all operations in the vicinity of the cultural resource and shall notify the BLM authorized officer of the findings (16 USC 470h-3, 36 CFR 800.112). Operations may resume at the discovery site upon receipt of written instructions and authorization by the BLM authorized officer. Approval to proceed will be based upon evaluation of the resource. Evaluation shall be by a qualified professional selected by the BLM authorized officer from a Federal agency insofar as practicable. When not practicable, the operator shall bear the cost of the services of a non-Federal professional.

Within five working days, the BLM authorized officer will inform the operator as to:

- whether the materials appear eligible for the National Register of Historic Places
- what mitigation measures the holder will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and,
- the timeframe for the BLM authorized officer to complete an expedited review under 36 CFR 800.11, or any agreements in lieu thereof, to confirm through the SHPO State Historic Preservation Officer that the findings of the BLM authorized officer are correct and that mitigation is appropriate

The operator may relocate activities to avoid the expense of mitigation and delays associated with this process, as long as the new area has been appropriately cleared of resources and the exposed materials are recorded and stabilized. Otherwise, the operator shall be responsible for mitigation costs. The BLM authorized officer will provide technical and procedural guidelines for relocation and/or to conduct mitigation. Upon verification from the BLM authorized officer that the required mitigation has been completed, the operator will be allowed to resume construction.

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). Further actions also require compliance under the provisions of NHPA and the Archaeological Resource Protection Act.

7a. Colorado State Statutes CRS 24-80-1301 for Historic, Prehistoric, and Archaeological Resources, and for Unmarked Human Graves.

24-80-1302. Discovery of human remains.

(1) Except as provided in section 24-80-1303 with regard to anthropological investigations, any person who discovers on any land suspected human skeletal remains or who knowingly disturbs such remains shall immediately notify the coroner of the county wherein the remains are located and the sheriff, police chief, or land managing agency official.

(2) The coroner shall conduct an onsite inquiry within hours of such notification to attempt to determine whether such skeletal remains are human remains and to determine their forensic value. If the coroner is unable to make such determinations, the police chief, the sheriff, the coroner, or the land managing agency official shall request the forensic anthropologist of the Colorado bureau of investigation to assist in making such determinations. If it is confirmed that the remains are human remains but of no forensic value, the coroner shall notify the state archaeologist of the discovery. The state archaeologist shall recommend security measures for the site.

(3) Prior to further disturbance, the state archaeologist shall cause the human remains to be examined by a qualified archaeologist to determine whether the remains are more than one hundred years old and to evaluate the integrity of their archaeological context. Complete documentation of the archaeological context of the human remains shall be accomplished in a timely manner.

(4) (a) If the on-site inquiry discloses that the human remains are native American, the state archaeologist shall notify the commission.

(b) The remains shall be disinterred unless the landowner, the state archaeologist, and the chairman of the commission or his designee unanimously agree to leave the remains in situ.

(c) Disinterment shall be conducted carefully, respectfully, and in accordance with proper archaeological methods and by an archaeologist who holds a permit issued under sections 24-80-405 and 24-80-406. In the event the remains are left in situ, they shall be covered over.

(d) Without the landowner's express consent for an extension of time, disinterment shall be accomplished no later than ten consecutive days after the state archaeologist has received notification from the coroner pursuant to subsection (2) of this section.

(e) The archaeologist who conducts the disinterment will assume temporary custody of the human remains, for a period not to exceed one year from the date of disinterment, for the purpose of study and analysis. In the event that a period in excess of one year is required to complete such study and analysis, the commission shall hold a hearing and may, based upon its findings, grant an extension. During the period that the human remains are in the temporary custody of the archaeologist who conducted the disinterment, an archaeological analysis and report shall be prepared. At the same time, a physical anthropological study shall be conducted to include, but not be limited to, osteometric measurement, pathological analysis, and age, sex, and cause of death determinations. The cost of the disinterment, archaeological analysis, and physical anthropological study shall be borne by the state archaeologist

except when the human remains are recovered from private lands. In the latter case, if no party can be identified who will bear the cost of such scientific study; the state archaeologist shall bear such costs.

(f) Upon completion of the studies pursuant to paragraph (e) of this subsection (4), the state archaeologist shall consult with the commission regarding reinterment.

(5) Those remains which are verifiably nonnative American and are otherwise unclaimed will be delivered to the county coroner for further conveyance to the Colorado state anatomical board.

24-80-1305. Violation and penalty

(1) Any person who knowingly disturbs an unmarked human burial in violation of this part 13 commits a class 1 misdemeanor and shall be punished as provided in section 18-1-106 C.R.S.

(2) Any person who has knowledge that an unmarked human burial is being unlawfully disturbed and fails to notify the local law enforcement agency with jurisdiction in the area where the unmarked human burial is located commits a class 2 misdemeanor and shall be punished as provided in section 18-1-106,C.R.S.

8. Reclamation. The goals, objectives, timelines, measures, and monitoring methods for final reclamation of oil and gas disturbances are described in Appendix I (Surface Reclamation) of the 1998 Draft Supplemental EIS (DSEIS). Specific measures to follow during interim and temporary (pre-interim) reclamation are described below.

- a. Deadline for Final Road Reclamation. Road cut-and-fill slopes including stormwater control features shall undergo final seeding to stabilize the material and minimize weed infestations within 72 hours following completion of road construction work. Furthermore, the entire existing County Road segment shall be seeded within 72 hours following completion of road reclamation work.

Both of these deadlines are subject to being extended upon approval of the authorized officer based on season, timing limitations, or other constraints on a case-by-case basis.

- b. Topsoil Stripping, Storage, and Replacement. Topsoil shall be stripped following removal of vegetation during construction of well pads, pipelines, roads, or other surface facilities. This shall include, at a minimum, the upper 6 inches of soil. Any additional topsoil present at a site, such as indicated by color or texture, shall also be stripped. The authorized officer may specify a stripping depth during the onsite visit. The stripped topsoil shall be stored separately from subsoil or other excavated material and replaced prior to final seedbed preparation.
- c. 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.

Final seedbed preparation shall consist of scarifying (raking or harrowing) the spread topsoil prior to seeding. If more than one season has elapsed between final seedbed preparation and seeding,

and if the area is to be broadcast-seeded or hydroseeded, this step shall be repeated no more than 1 day prior to seeding to break up any crust that has formed.

Seedbed preparation is not required for topsoil storage piles or other areas of temporary seeding.

Requests for use of soil amendments, including basic product information, shall be submitted to the BLM for approval.

- d. 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 (see Attachments 1 and 2 of the letter provided to operators dated April 30, 2008). Note that temporary seeding allows use of a seed mix containing sterile hybrid non-native species in addition to native perennial species.

For private surfaces, the menu-based seed mixes are recommended, but the surface landowner has ultimate authority over the seed mix to be used in reclamation. The seed shall contain no noxious, prohibited, or restricted 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 supplied to the BLM Glenwood Springs Energy Office Ecologist (Beth Brenneman, 970-947-5232 or beth_brenneman@blm.gov) 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.

- e. 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. Hydroseeding and hydromulching may be used in temporary seeding or in areas where drill-seeding or broadcast-seeding/raking are impracticable. Hydroseeding and hydromulching must be conducted in two separate applications to ensure adequate contact of seeds with the soil.

If interim revegetation is unsuccessful, the operator shall implement subsequent reseeding until interim reclamation standards are met. Requirements for reseeding of unsuccessful temporary seeding will be considered on a case-by-case basis.

- f. Mulch. Mulch shall be applied within 24 hours following completion of seeding. In areas of interim reclamation that used drill-seeding or broadcast-seeding/raking, mulch shall consist of crimping certified weed-free straw or certified weed-free native grass hay into the soil. Hydromulching may be used in areas of interim reclamation where crimping is impracticable, in areas of interim reclamation that were hydroseeded, and in areas of temporary seeding regardless of seeding method.

NOTE: Mulch is not required in areas where erosion potential mandates use of a biodegradable erosion-control blanket (straw matting).

- g. Erosion Control. Cut-and-fill slopes shall be protected against erosion with the use of water bars, lateral furrows, or other measures approved by the authorized officer. Biodegradable straw

matting, bales or wattles of weed-free straw or weed-free native grass hay, or well-anchored fabric silt fence shall be used on cut-and-fill slopes and along drainages to protect against soil erosion. Additional BMPs shall be employed as necessary to reduce erosion and offsite transport of sediment.

- h. Site Protection. The pad 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 percent of the new plants are producing seed. The authorized officer will approve the type of fencing.
- i. Monitoring. The operator shall conduct annual monitoring surveys of reclaimed areas and shall submit an annual monitoring report to the authorized officer 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 authorized officer.

9. Weed Control. The operator shall regularly monitor and promptly control noxious weeds or other undesirable plant species as set forth in the Glenwood Springs Energy Office *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 shall be submitted by **December 31**. Contact Beth Brenneman, Glenwood Springs Energy Office Ecologist, at 970-947-5232 or beth_brenneman@blm.gov.

10. Culverts. Culverts at drainage crossings or culverts routing drainage around the proposed pad shall be installed during no-flow or low-flow conditions and shall be designed and installed to pass a 25-year or greater storm event. The minimum culvert diameter in any installation for a drainage crossing or road drainage shall be 24 inches. Rock material at site shall be used to armor culvert inlets and outlets. Contact Noel Ludwig, Glenwood Springs Energy Office Hydrologist at 970-947-5215 or noel_ludwig@blm.gov. Crossings of drainages deemed to be jurisdictional waters of the U.S. pursuant to Section 404 of the Clean Water Act may require additional culvert design capacity. Due to the flashy nature of area drainages and anticipated culvert maintenance, the U.S. Army Corps of Engineers recommends designing drainage crossings for the 100-year event. Contact Sue Nall at 970-243-1199 x16 or susan.nall@usace.army.mil.

11. Range Management. Range improvements (fences, gates, reservoirs, pipelines, etc) shall be avoided during development of natural gas resources to the maximum extent possible. If range improvements are damaged during exploration and development, the operator will be responsible for repairing or replacing the damaged range improvements. If a new or improved access road bisects an existing livestock fence, steel frame gate(s) or a cattleguard with associated bypass gate shall be installed across the roadway to control grazing livestock.