

**CO-800-2004-0038 EA  
FONSI**

The environmental assessment of the proposed action and associated Surface Use Conditions of Approval (Exhibit A) have been reviewed and result in a Finding of No Significant Impact on the human environment. Therefore, an environmental impact statement is not necessary to further analyze the environmental effects of the proposed action.

**DECISION RECORD**

DECISION: It is my decision to approve the Proposed Action in EA No. CO-800-2004-0038 for the approval of two Applications for Permit to Drill for the construction, use, and maintenance of two connected well bores using horizontal drilling technology, subject to Exhibit A.

RATIONALE: The two well bores with multiple horizontal laterals are needed to develop existing lease rights in the Fruitland Formation of the Ignacio-Blanco Field. The wells will facilitate efficient reservoir drainage of 600 acres of federal minerals and 40 acres of fee minerals from a private surface location. All surface disturbance associated with the Proposed Action (1.77 acres) would occur on private land. Approval of the proposed action together with Exhibit A, results in no adverse impacts to the human environment.

The Proposed Action is subject to and has been found to be in conformance with the 1985 San Juan/San Miguel Resource Management Plan and the 1991 Colorado Oil and Gas Leasing and Development EIS, which state “(The) BLM actively encourages and facilitates the development by private industry of public land mineral resources so that national and local needs are satisfied and economically and environmentally sound exploration, extraction and reclamation practices are provided.”

ADMINISTRATIVE REVIEW AND APPEAL: Under BLM regulations, this decision is subject to administrative review in accordance with 43 CFR §3165. Any request for administrative review of this decision must include information required under 43 CFR §3165.3(b) (State Director Review), including all supporting documentation. Such a request must be filed in writing with the State Director, Bureau of Land Management, 2850 Youngfield Street, Lakewood, Colorado 80215, within 20 business days of the date this Decision Record is received or considered to have been received.

Any party who is adversely affected by the State Director’s decision may appeal that decision to the Interior Board of Land Appeals, as provided in 43 CFR §3165.4.

LOCATION: N.M.P.M., T.34 N., R.6 W., Section 17U, La Plata County, CO

APPLICANT: CDX Gas, LLC, 1801 Broadway, Suite 1060, Denver, CO 80202

MITIGATION and STIPULATION MEASURES: Attached as Exhibit A.

COMPLIANCE and MONITORING: Attached as Exhibit A.

PREPARER: Walt Brown

ENVIRONMENTAL COORDINATOR: Camela Hooley

AUTHORIZED OFFICIAL: \_\_\_\_\_

Pauline E. Ellis  
Columbine Field Office Manager

\_\_\_\_\_ Date

ATTACHMENTS: Exhibit A: Surface Use Conditions of Approval

## **EXHIBIT A**

### **Surface Use Conditions of Approval Secord 17U-34-6 Nos. 1 and 1X Lease No. COC-22979**

- The proposed well pad location would be located entirely within a previously disturbed and abandoned well location on private land. All Secord proposed action activities would be confined to the permitted areas, at all times.
- Minimize disturbance by clearing and otherwise disturbing only vegetation within the minimum area needed for safe and efficient development, production, and maintenance\*\*.
- CDX would drill, case and cement both wells as specified in the eight-point drilling plans of the Secord APDs and as directed by the SJPLC, to protect the quality and quantity of all ground water aquifers. To assure all casings and cementing are established, bradenhead testing would be implemented as specified in the San Juan /BLM Notice to Lessees (NTL) MDO-91-1, Change 1. Drilling and/or cementing operations may be witnessed by the SJPLC.
- The reserve pit would be located in the previous reserve pit area, in the southwestern corner and would be lined with an impervious 12-mil plastic nylon reinforced liner.
- All pits would be fenced as set forth in the 13-point surface use plans of the Secord APDs.
- Fresh water used for drilling would be obtained from a commercial well in the Town of Ignacio. Water for drilling below the surface casing would be obtained from the existing Penrose No. 1 and the Anderson No. 1 wells (Fruitland CBM production wells).
- Immediately upon completion of the wells, all fluids would be removed from the reserve pit and all materials not needed for production removed from the site.
- The entire access road would have a maximum width of 20 feet with a 15-foot running surface\*\*.
- The new road would cross the Reservoir Canyon drainage with three 36-inch culverts, as specified by the landowners\*\*.
- One 36-inch culvert would be installed in a smaller, side-drainage crossing north of the Reservoir Canyon crossing\*\*.
- Nine-inch diameter fiber logs would be placed downstream of all culverts. These would be removed when the disturbed soils surrounding the culverts have been fully revegetated. Fiber and rock would be placed over any fill required to be placed in the Reservoir Canyon crossing. Rock would be placed below all culverts to avoid erosion from flowing water\*\*.
- As requested by the landowners, two gates and cattleguards would be installed. The construction, road surfacing, maintenance and abandonment of the existing and new access roads would meet the specification of the landowners. Water along the access road would be diverted at frequent intervals by cutouts, mud holes would be filled and detours around mud holes would not be permitted\*\*.

- Dust control on the existing and proposed access roads would be done at the request and under the specifications of the landowner\*\*.
- The pipelines would be laid within the existing 20-foot disturbance of the existing access road, except the western approximate 900.29 feet of the pipelines\*\*.
- Immediately east of the tie-in at the BP America location, the pipelines would bore under the Bayfield Irrigation Ditch, with a five-foot minimum clearance below the bottom of the irrigation ditch\*.
- During the well production phase, all disturbed areas except the access road running surface and approximately 0.78 of an acre for production equipment on the well pad would be reclaimed and reseeded, as specified by the landowners. Approximately 1.46 acres would remain disturbed on the well pad and the access road. Following final well abandonment, the entire well pad and access road would be reclaimed as outlined by the landowners\*\*.
- The top 6-inches of topsoil would be stockpiled for redistribution during reclamation\*\*.
- This reclamation would include, but is not limited to recontouring disturbed areas to as near original contours as possible, installation of water-bars, top soil redistribution and reseeding\*\*.
- The Natural Resources Conservation Service (NRCS), Durango, Colorado has recommended the seed mixture listed below in Table 1.1, at a rate for broadcast seeding. CDX would follow NRCS and landowner specifications for reseeding. To assist in controlling noxious and invasive weeds, the Secord proposed action area would be reseeded with certified weed-free seed. CDX would control noxious weeds on all areas within the Secord proposed action at the direction of the landowners, La Plata County Extension Service, and in cooperation with the SJPLC\*\*.

**Table 1.1: Natural Resources Conservation Service Recommended Seeding Mix and Rates for the Secord No. 1 and No. 1X Well Pad, Access Road and Pipeline.**

Species	(A) Required PLS* Rates per acre (100%)	(B) % of Species in Mixture	PLS Seeding rate per species/acre (A) x (B) = (C)
Hard Fescue	4	20%	0.8 PLS
Intermediate Wheatgrass	20	20%	4 PLS
Meadow Brome	22	20%	4.4 PLS
Pubescent Wheat	18	20%	3.6 PLS
Smooth Brome	13	20%	2.6 PLS

Pure Live Seed (PLS)

- To minimize the spread of noxious weeds, CDX would be required to wash all equipment prior to entering the Secord proposed action area. The specifications for equipment washing would be set by the SJPLC.
- It would be CDX's responsibility to monitor, control and eradicate all listed invasive/noxious weeds within the project area during the life of the Secord proposed action, at the direction of the landowners, La Plata County Extension Service and in cooperation with the SJPLC\*\*.
- It would be CDX's responsibility to monitor, control and eradicate all listed invasive/noxious weeds if such weeds spread to public land as a result of the Secord proposed action.

- If any cultural sites or traditional cultural properties were encountered during construction, the contractor would immediately stop all construction activities and notify the SJPLC. The SJPLC would then document the site, and evaluate its eligibility for inclusion on the National Register of Historic Places. Should a site be evaluated as eligible for inclusion on the National Register of Historic Places, it would be treated in the proper manner to mitigate any effects to the site from project activities, according to the guidelines set by the SJPLC and the Colorado State Historic Preservation Officer (SHPO).
- CDX is responsible for informing all personnel and sub-contractors of the legal penalties associated with destroying, disturbing or collecting historic or archaeological resources.
- CDX would abide by the San Juan National Forest seasonal restriction on construction and drilling from December 1<sup>st</sup> through April 30<sup>th</sup>, unless otherwise approved by the Authorized Officer.
- If Knowlton's cacti are discovered during any phase of the Second proposed action, all activities in the area would cease, and the SJPLC would be immediately notified. An appropriate buffer would be established around the occurrences of Knowlton's cactus, within which no ground disturbing activities would occur.
- Recommended mitigation measures for sensitive bird and mammal species applicable to the Second proposal are:
  - Prohibit employees and contractors from bringing dogs or carrying firearms on site.
  - Conduct periodic employee and contractor wildlife awareness programs that cover seasonal wildlife requirements and sensitivities, how disturbances affect wildlife and ways personnel can reduce disturbances.
  - Remove all contaminants from project sites to avoid exposure to wildlife.
  - Fence or cover emergency pits that are connected to each disposal well to prevent animals from drinking any contaminated water.
  - Install mufflers or screens on exhaust systems to the extent possible to avoid wildlife entrapment and mortality.
  - Minimize disturbance by clearing and otherwise disturbing only vegetation within the minimum area needed for safe and efficient development, production, and maintenance.
- All equipment over ten (10) feet in height would be located on the "cut side" or east side of the well pad to limit visual impacts to residences\*\*.
- CDX would be required to meet all La Plata County Noise Regulations and Standards, and SJPLC noise mitigation requirements for all production equipment. If a pumping unit or compressor is required it would have a hospital grade muffler and sound boarding to meet these requirements.
- If any engines are required, any emissions would comply with the State of Colorado air permitting and regulations.

- If liquid storage tanks are on location, they would be fenced and contained within a containment dike of sufficient capacity, at a minimum, to contain the entire contents of the largest tank. All tanks would be fenced to landowner and/or SJPLC specifications.
- The potential for such spills would be reduced by implementation of the Spill Prevention Control and Countermeasures (SPCC). Mitigation measures designed to prevent spills and leaks from affecting surface waters are outlined in the Second APDs.
- All permanent facilities would be painted Juniper Green-Federal Standard 595a-17127 within six months of well completion\*\*.
- Facilities requiring compliance with the Occupational Safety and Health Act (OSHA) would be painted as required by law.
- All wastes and products brought to the project site would be handled as specified by law and label directions. All substances would be properly contained, removed and disposed of. Materials would be handled to minimize leaks and spills.
- CDX would comply with the use and disposal of hazardous materials as regulated primarily under the Resource Conservation and Recovery Act (RCRA) of 1976 (42 U.S.C. 6901, et seq.), the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) of 1980, as amended (42 U.S.C. 9601, et seq.), and the Toxic Substances Control Act (TSCA) of 1976, as amended (15 U.S.C. 2601, et seq.).
- No extremely hazardous substances (40 CFR 355) would be used during the proposed action.
- No chemicals subject to reporting under the Emergency Planning and Right-to-Know Act of 1968, would be used, produced, stored, transported or disposed of in association with the proposed action.
- CDX would have available at the project site, current Material Safety Data Sheets (MSDS) for all chemicals, compounds and/or substances which would be used during any phase of the proposed action.
- Any spills would be reported to the SJPLC and immediately cleaned up and disposed of in accordance with SJPLC, federal and State of Colorado regulations. The notification of releases such as natural gas, natural gas liquids, produced water and petroleum, outside the facility site is required under the CERCLA and under the national BLM Notice to Lessees (NTL)-3A.
- Non-hazardous solid waste generated at the proposed project area would be stored in appropriate containers and disposed of at an approved facility on an as needed basis. Human solid and liquid wastes would be generated primarily during the drilling and construction phases of the project and would be contained within portable facilities at the site. Solid, non-hazardous wastes would be contained in a trash cage.
- CDX would implement BMPs (Best Management Practices) and “good housekeeping practices” including spill control measures, to minimize the potential impacts from hazardous and non hazardous wastes.

- CDX has conducted water quality, quantity and flow sampling for three water wells within a one-mile radius of the proposed Basin Fruitland wells. If an issue arises with any of these three water wells during the production phase of the project, CDX would retest water quantity, quality, depth and flow of these private water wells. CDX may be requested by the State of Colorado and/of the SJPLC to participate in any investigations concerning water well issues within a one-mile radius of the proposed Second wells.
- Maintenance activities on the wells and/or pipelines may occur at any time of year however, they would be restricted to daylight hours\*\*.
- All aspects of the Second proposed action including construction, drilling, operations, maintenance and abandonment would be done in accordance with applicable federal, State of Colorado and La Plata County laws and regulations, as well as specifications of the February 27, 2004 Surface Use Agreement between CDX and the landowners.
- When the well is no longer commercially viable, both wells would be abandoned under SJPLC regulations and as specified in the landowners' agreements for surface restoration. Surface equipment would be removed, except for aboveground well bore markers. Underground pipelines would be purged, plugged and left in place. All disturbed areas not needed for another purpose would be recontoured and revegetated to landowner specifications.

**\* - Indicates Bayfield Irrigation Ditch requirements.**

**\*\* - Indicates requirements based on the Surface Use Agreement between the private landowner and CDX Gas, LLC.**