

ENVIRONMENTAL ASSESSMENT RECORD

1. **NUMBER** CO-110-2004-007
2. **CASEFILE/PROJECT NUMBER:** COC-63731, COC-07805
3. **PROJECT NAME:** APDs #6601 (COC-63731) & #7367 (COC-07805)
4. **LEGAL DESCRIPTION:** T1S, R99W, SENE sec.10, (#6601), T4S, R101W, NWSW sec.18 (#7367), 6th P.M.
5. **APPLICANT:** ENCANA OIL & GAS (USA)
6. **NEED FOR PROPOSED ACTION:** To respond to applicant's proposal to exercise lease rights and develop hydrocarbon reserves.

7. **DESCRIPTION OF PROPOSED ACTION:**

a. Proposed Action: For well #6601, the applicant proposes to construct an access road (400' x 30' ROW-0.28 ac.), construct well pad (1.8 ac.), and install buried steel pipeline (32,635' x 60' ROW-45 ac., surface disturbance on BLM-18,635' x 60'= 25.6 ac.). For well #7367, the applicant proposes to construct an access road (1056' x 30' ROW-0.72 ac.), construct well pad (1.1 ac.), and install buried steel pipeline (2850' x 60' ROW-3.92 ac.). Total surface disturbance on BLM for the proposed action would be approximately 33.42 acres. If the well is a producer, the applicant proposes to contour and seed areas not needed for production. If the well is a non-producer, the well would be plugged and all surface disturbed areas would be contoured and seeded. Subsequent seedings would be required, in case of seeding failures, until acceptable vegetation is established.

b. No Action Alternative: There would be no additional surface disturbance.

8. **PLAN CONFORMANCE REVIEW:**

a. Name of Plan: White River Record of Decision and Approved Resource Management Plan (ROD/RMP).

b. Date Approved: July 1, 1997

c. Page/Decision: Page 2-5: "Make federal oil and gas resources available for leasing and development in a manner that provides reasonable protection for other resource values."

d. The proposed action has been reviewed for conformance with this plan (43 CFR 1610.5, BLM 1617.3) The action conforms to the decisions/pages of the plan listed above.

9. RELATIONSHIP TO OTHER NEPA DOCUMENTS: This environmental assessment is tiered to, and incorporates by reference the White River Resource Area Resource Management Plan (PRMP) and Final Environmental Impact Statement (FEIS) approved May 29, 1996.

10. AFFECTED ENVIRONMENT/ENVIRONMENTAL IMPACTS/MITIGATION MEASURES:

CRITICAL ELEMENTS

An X in the “Not Affected” column in the table below indicates that the critical element has been analyzed and will not be affected by the proposed action or the no action alternative. Affected elements are addressed in the paragraphs following the table.

Not Affected	Critical Element	Specialist Signature	Date
	Air Quality		
	Cultural Resources		
X	Floodplains, Wetlands, Riparian Zones, and Alluvial Valleys	Glenn Klingler	11-19-03
X	Native American Concerns	K. Whitaker	10/23/03
X	Prime and Unique Farmlands	K. Whitaker	10/23/03
X	Threatened and Endangered Animals	Glenn Klingler	11-19-03
X	Threatened and Endangered Plants	T. Meagley	11-13-03
	Wastes, Hazardous or Solid		
	Water quality, Surface or Ground		
X	Wilderness Area, Wild and Scenic Rivers	Chris Ham	11/17/03
X	Areas of Critical Environmental Concern	T. Meagley	11-13-03
X	Environmental Justice	K. Whitaker	10/23/03
	Noxious Weeds, Invasive, Non-Native Species/Reclamation		

AIR QUALITY:

Affected Environment: There are no special designation air sheds or non-attainment areas nearby that would be affected by the proposed action. During periods of low precipitation, air quality in the area of the proposed action is often diminished by dust caused by human disturbance.

Impact of Proposed Action: The proposed action would result in short term, local impacts to air quality during and after construction, due to dust being blown into the air. After adequate vegetation is reestablished, blowing dust should return to pre-construction levels.

Impact of No Action Alternative: No increase in dust will occur.

Mitigative Measures: The applicant will spread water on road surfaces to control fugitive dust.

Signature of specialist: CHollowed 11/20/03

CULTURAL RESOURCES:

Affected Environment:

#6601 well pad, access road and well tie pipeline: well pad, access road and well tie pipeline has been inventoried at the Class III (100% pedestrian) level (Pool 2003, Compliance Dated 10/17/2003) with one previously recorded site revisited during the inventory. One Isolated Find was also recorded.

#7367 well pad and well tie pipeline: (no access road identified?) The proposed well pad and well tie pipeline have been inventoried at the Class III (100% pedestrian) level (Montgomery 2003, Compliance Dated 10/03/2003) with no new cultural resources identified.

Impact of Proposed Action:

#6601 well pad, access road and well tie pipeline: Provided mitigation measures are adhered to there will be no impacts to cultural resources.

#7367 well pad well tie pipeline: There will be no new impacts to cultural resources under this proposed action.

Impact of No Action Alternative:

#6601 well pad, access road and well tie pipeline: There would be no impacts to cultural resources under the No Action Alternative.

#7367 well pad and well tie pipeline: There would be no impacts to cultural resources under the No Action Alternative.

Mitigative Measures:

#6601 well pad, access road and well tie pipeline: All construction activities on the pipeline where it passes through the site, 5RB 1521, must remain within in the existing construction disturbance corridor.

1. The operator is responsible for informing all persons who are associated with the project operations that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during any project or construction activities, the operator is to immediately stop activities in the immediate area of the find that might further disturb such materials, and immediately contact the authorized officer (AO). Within five working days the AO will inform the operator as to:

- whether the materials appear eligible for the National Register of Historic Places
- the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary)
- a timeframe for the AO to complete an expedited review under 36 CFR 800-11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation cost. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

2. Pursuant to 43 CFR 10.4(g) the holder of this authorization must notify the AO, 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), you must stop activities in the vicinity of the discovery and protect it for 30 days or until notified to proceed by the authorized officer.

#7367 well pad and well tie pipeline:

1. The operator is responsible for informing all persons who are associated with the project operations that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during any project or construction activities, the operator is to immediately stop activities in the immediate area of the find that might further disturb such materials, and immediately contact the authorized officer (AO). Within five working days the AO will

inform the operator as to:

- whether the materials appear eligible for the National Register of Historic Places
- the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary)
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Signature of specialist: Michael Selle 11/19/2003

WASTES, HAZARDOUS OR SOLID:

Affected Environment: There are no known hazardous or other solid wastes on the subject lands. No hazardous materials are known to have been used, stored or disposed of at this site.

Impact of Proposed Action: No listed or extremely hazardous materials in excess of threshold quantities are proposed for use in this project. While commercial preparations of fuels and lubricants proposed for use may contain some hazardous constituents, they would be stored, used and transported in a manner consistent with applicable laws, and the generation of hazardous wastes would not be anticipated.

Impact of No Action Alternative: No hazardous or other solid wastes would be generated under the no action alternative.

Mitigative Measures: The operator shall be required to collect and properly dispose of any solid wastes generated by this project.

Signature of specialist: Marty O'Mara 11/12/03

WATER QUALITY, SURFACE OR GROUND: (This includes all information related to Public Land Health Standard 5.)

Affected Environment: Well #6601 is located in Big Duck Creek, which is tributary to Yellow Creek and the White River. Well #7367 is located in West Douglas Creek, which is tributary to Douglas Creek and the White River. A review of the Colorado's 1989 Nonpoint Source Assessment Report (plus updates), the 305(b) report, the 303(d) list and the Unified Watershed Assessment was done to see if any water quality concerns have been identified. All actions are within the White River watershed.

The State has designated the segment well 6601 is in as "Use Protected". They further classified this stream segment as Warm Aquatic Life 2, Recreation 2, and Agriculture. The state has further defined water quality parameters with table values. These standards reflect the ambient water quality and define maximum allowable concentrations for the various water quality parameters. The anti-degradation rule does not apply to segments that are considered to be use protected. For these drainages, on the parameters listed in the table apply.

Well #7367 is in a Category 1, Priority 2, watershed (The Lower White) identified in the Unified Watershed Assessment report. The state has reasons to believe this watershed has water quality problems (sediment and salinity loads) that may impair the watershed. It's designated beneficial uses are: Aquatic Life Cold 1, Recreation 1a, Water Supply and Agriculture. The state has further defined water quality parameters with table values. These standards reflect the ambient water quality and define maximum allowable concentrations for the various water quality parameters. The anti-degradation rule applies to this segment meaning no further water quality degradation is allowable that would interfere with or become harmful to the designated uses.

Water quality data is not available for the upper reaches of Big Duck Creek and West Douglas Creek. These segments of stream are considered to be ephemeral drainages which flow in direct response to winter snow melt and late summer/fall rainstorms. Water quality of precipitation is considered to be of good quality, but can be high is sediment depending on the magnitude and duration of the storm event.

Impact of Proposed Action: Impacts to water quality from development of these wells, roads and pipelines would be similar to other surface disturbing activities. Some of the impacts would be exposure of soil surface to wind and water erosion, reduced water quality due to erosion of sediment and salt, off roads, drill pads, and pipeline rights of ways, and piping or rill erosion where well pads and roads are exposed to climatic elements. These impacts would be short term until re-vegetation has occurred. If any of them turn out to be dry holes, reclamation especially on the road should be started immediately by re-contouring and seeding the right of way.

Impact of No Action Alternative: There would not be any impacts as a result of not permitting the proposed action.

Mitigative Measures: Oil and Gas operations are considered to be a light industrial activity by the Colorado Department of Public Health and Environment. If an action disturbs more than 5 acres they are classified as industrial dischargers. This requires operators/owners to obtain permits authorizing the discharge of storm water from these sites. Both wells, access roads and pipelines disturb more than 5 acres and are in areas that have very erosive soils. These wells will need to have a permit from the state, which requires a stormwater management plan be developed showing how best management practices (BMPs) will be used to control runoff and sediment transport.

In addition, apply the following Conditions of Approval, (BMPs) listed in Appendix B, in the White River ROD/RMP to help minimize surface disturbing impacts:

4. When preparing the site, all suitable topsoil should be stripped from the surface of the location and stockpiled for reclamation once the location is ready for production. Use topsoil pile to grade around the wellhead and seed.
6. All sediment control structures or disposal pits will be designed to contain a 100-year, 6-hour storm event. Storage volumes within these structures will have a design life of 25 years.
8. All activity shall cease when soils or road surfaces become saturated to a depth of three inches unless otherwise approved by the Authorized Officer.
24. Provide vegetative or artificial stabilization of cut and fill slopes in the design process. Avoid establishment of vegetation where it inhibits drainage from the road surface or where it restricts safety or maintenance.
35. Eliminate undesirable berms that retard normal surface runoff.

Signature of specialist: CHollowed 11/20/03

NOXIOUS WEEDS, INVASIVE, NON-NATIVE SPECIES/RECLAMATION: (This includes vegetation information related to Public Land Health Standard 3.)

Affected Environment: The primary noxious weeds of concern for #6601 and the associated pipeline are whitetop (*Cardaria draba*) and perennial pepperweed (*Lepidium latifolium*). Both of these species are found in the Duck Creek drainage where the pipeline will be constructed. The invasive alien cheatgrass is present on disturbed sites throughout the area.

Well #7367 is located on the Red Rock fire, which burned during the summer of 2003. This fire is to be stabilized during the winter of 2003/2004 by aerial broadcast seeding. A non-native seed mix was selected for this stabilization project. Numerous noxious weeds have cropped up in this area including; houndstongue, bull, musk and Canada thistle, spotted and Russian thistle and black henbane. All of these species are serious threats to the native rangelands.

Impact of Proposed Action: The extensive earthen disturbance created by the proposed action will create numerous safe sites for the invasion and proliferation of noxious weeds and cheatgrass. Without mitigation, noxious weeds and cheatgrass will invade the disturbed areas and spread to surrounding plant communities resulting in a long-term decline in environmental quality.

The seed mix chosen for well 7367, includes a non-native seed mix similar to that used to stabilize the wild fire. The non-native varieties used have not been shown to interbreed with the adjacent plant communities or to spread off-site. Prompt control of noxious weeds would prevent spread to the adjacent areas.

Impact of No Action Alternative: There will be no change from the present situation.

Mitigation Measures: Promptly revegetate all disturbed areas with Native Seed mix #2 and monitor both the pipeline and location for the occurrence of both noxious and invasive species. The operator will be responsible for eradicating all noxious and invasive species which occur onsite using materials and methods approved by the authorized officer.

For well #7367 use standard seed mix #3. Apply Condition of Approval #179 from the White River ROD/RMP, Appendix B: Application of herbicides must be under field supervision of an EPA-certified pesticide applicator. Herbicides must be registered by the EPA and application proposals must be approved by the BLM.

Signature of specialist: Mark Hafkenschiel Robert Fowler 11-14-03

NON-CRITICAL ELEMENTS

An X in the “Not Affected” column in the table below indicates that the non-critical element has been analyzed and will not be affected by the proposed action or the no action alternative. Affected elements are addressed in the paragraphs following the table.

Not Affected	Non-Critical Element	Specialist Signature	Date
	Access and Transportation		
X	Forest Management	R. Fowler	11-14-03
	Geology and Minerals		
X	Hydrology and Water Rights	CHollowed	11/20/03
	Land Status/Realty Authorizations		
X	Fire Management	Ken Holsinger	11/25/03
	Paleontology		

Not Affected	Non-Critical Element	Specialist Signature	Date
X	Rangeland Management	Mark Hafkenschiel R. Fowler	10/30/03 11-14-03
	Recreation		
	Soils		
	Visual Resources		
X	Wildlife Aquatic	Glenn Klingler	11-19-03
	Wildlife Terrestrial		
X	Wild Horses	R. Fowler	11-14-03

ACCESS AND TRANSPORTATION:

Affected Environment:

Well #6601: Motorized vehicles are restricted to existing roads and trails, year-round, in the vicinity of the proposed well pad, access road, and the first two miles of pipeline. On public lands for the remainder of the proposed route for the pipeline, motorized vehicle traffic is restricted to existing roads and trails, only from October 1 to April 30. Off-road travel is allowed outside this window. The proposed access road will tie into Rio Blanco County (RBC) Road #24X. Most of the proposed pipeline route will parallel an un-numbered road which crosses both public and private land.

Well #7367: In the vicinity of the proposed action for this well, motorized vehicles are restricted to existing roads and trails from October 1 to April 30. Off-road travel is allowed outside this window. The access road will connect to BLM Road 1241A.

Impact of Proposed Action:

Well #6601: The proposed access road and the disturbed area from the pipeline will create a loop tying RBC 24X, and the un-numbered road along Big Duck Creek. There is potential that all terrain vehicles could make use of this loop. However, public use of the loop would require trespass, since the point at which the proposed access road connects to the county road is on private land.

Well #7367: The disturbed area from the proposed pipeline will create a route which motorized vehicles could use to connect from BLM 1241A to the un-numbered road in the bottom of Red Rock Canyon. Implementation of mitigation outlined below will minimize the potential for this to occur.

Impact of No Action Alternative: None.

Mitigative Measures: The pipeline for Well #7367 must be a surface line. The operator will make every attempt to minimize disturbance when installing this line.

Signature of specialist: Scott Pavey 11/19/03

GEOLOGY AND MINERALS:

Affected Environment: The surface geologic formation of well location # 6601 is Uinta and EnCana's targeted zone is in the Mancos. Well # 7367 surface formation is the Mesaverde and the targeted formation is the Mancos. During drilling potential water, coal, oil and gas zones will be encountered from surface to the targeted zone and in 6601 oil shale resources will be encountered in the Green River formation.

Impact of Proposed Action: The cementing procedure of the proposed actions isolates the formations and will prevent the migration of gas, water, and oil between formations. The oil shale zones in 6601 and, in both wells, the coal zones located the Mesaverde will also be isolated during this procedure. However, conventional recovery of the coals that are intersected in 6601 is not considered feasible. Development of these wells will deplete the hydrocarbon resources in the targeted formation.

Impact of No Action Alternative: None

Mitigative Measures: None

Signature of specialist: Paul Daggett 11/25/2003

LAND STATUS/REALTY AUTHORIZATIONS:

Affected Environment: The off-lease portion of the pipeline and access road will require a right-of-way.

Impact of Proposed Action: The off-lease portion of the pipeline and access will require rights-of-way for the Canary 6601. The pipeline will be an amendment to an existing right-of-way, COC67037, while the access road will be a new right-of-way, COC67282. There are several other rights-of-way in the vicinity of the new pipeline: two pipeline rights-of-way and five rights-of-way for access to other facilities.

Impact of No Action Alternative: None

Mitigative Measures: The Colorado One Call Law must be used when crossing or paralleling the 2 existing pipelines—Great Northern Gas and Encana.

Signature of specialist: Penny Brown 10/23/03

PALEONTOLOGY:

Affected Environment:

#6601 well pad, access road and well tie pipeline: the proposed well pad, access road and well tie pipeline is located in an area mapped as the Uinta Formation (Tweto 1979), which the BLM has classified as a Category I fossil bearing formation, meaning it is a known producer of scientifically important fossil remains.

#7367 well pad and well tie pipeline: The proposed well pad and well tie pipeline is located in an area that is mapped as the Mesa Verde Formation (Tweto 1979) which the BLM has classified as a Category I fossil bearing formation meaning it is a known producer of scientifically important fossil resources.

Impact of Proposed Action:

#6601 well pad, access road and well tie pipeline: If for any reason it becomes necessary to excavate into the underlying bedrock formation in order to grade the road, level the well pad or excavate the reserve/blooiie pit there is a potential to impact scientifically important fossil resources.

#7376 well pad and well tie pipeline: If for any reason it becomes necessary to excavate into the underlying bedrock formation in order to grade the road, level the well pad or excavate the reserve/blooiie pit there is a potential to impact scientifically important fossil resources.

Impact of No Action Alternative: There would be no new impacts to fossil resources under the No Action Alternative.

Mitigative Measures:

#6601 well pad, access road and well tie pipeline: If for any reason it becomes necessary to excavate into the underlying bedrock to grade the road, level the pad, excavate the reserve/blooiie pit or excavate the trench to bury the well tie pipeline then a paleontological monitor shall be present. Monitor shall be present before such excavation into bedrock begins.

#7367 well pad and well tie pipeline: If for any reason it becomes necessary to excavate into the underlying bedrock to level the pad, excavate the reserve/blooiie pit or excavate the trench to bury the well tie pipeline then a paleontological monitor shall be present. Monitor shall be present before such excavation into bedrock begins.

Signature of specialist: Michael Selle 11/19/2003

RECREATION:

Affected Environment: The proposed action occurs within the White River Extensive Recreation Management Area (ERMA). BLM custodially manages the ERMA to provide for unstructured recreation activities such as hunting, dispersed camping, hiking, horseback riding, wildlife viewing and off-highway vehicle use.

Impact of Proposed Action: The public will lose approximately 5.2 acres of dispersed recreation potential while wells are in operation. The public will most likely not recreate in the vicinity of these facilities and will be dispersed elsewhere.

Impact of No Action Alternative: No loss of dispersed recreation potential and no impact to hunting recreationists.

Mitigative Measures: None.

Signature of specialist: Chris Ham 11/17/03

SOILS:

Affected Environment: Soils have been mapped in an order III soil survey by the NRCS. A copy of this survey is available for review in the White River Field Office. Refer to the table below for the type of soils affected by the proposed action.

Proposed action	Soil Number	Soil Name	Slope	Range site	Salinity	RunOff	Erosion Potential	Bedrock
Access road	73	Rentsac channery loam	5-50%	Pinyon-Juniper woodlands	<2	Rapid	Moderate to very high	10-20
Well # 6601	75	Rentsac-Piceance complex	2-30%	PJ woodland/Rolling Loam	<2	Medium	Moderate to high	10-20
Access road	104	Yamac Loam	2-15%	Rolling Loam	<2	Medium	Slight to moderate	>60
Well #7367 & access road	74	Rentsac-Moyerson-Rock Outcrop complex	5-65%	PJ Woodlands/Clayey Slopes	<2	Medium	Moderate to high	10-20

Revegetation limitations for these soil types include an arid climate and droughty soil condition. None of these locations have been mapped as areas that have fragile soils on slopes greater than 35 %. No special designations have been assigned to the proposed locations.

Impact of Proposed Action: There would be an increase in erosion and sedimentation from overland flows, due to removal of vegetation, soil compaction, and exposure of underlying

soil layers. These impacts would be short term during the construction phase and for a period after construction providing successful reclamation occurs.

Impact of No Action Alternative: Impacts are not anticipated.

Mitigative Measures: Apply the following Conditions of Approval from Appendix B of White River ROD/RMP:

96. Water bars or dikes shall be constructed on all of the rights-of-way, and across the full width of the disturbed area, as directed by the authorized officer.

97. Slopes within the disturbed area shall be stabilized by non-vegetative practices designed to hold the soil in place and minimize erosion. Vegetative cover shall be reestablished to increase infiltration and provide additional protection from erosion.

98. When erosion is anticipated, sediment barriers shall be constructed to slow runoff, allow deposition of sediment, and prevent it from leaving the site. In addition, straining or filtration mechanisms may also contribute to sediment removal from runoff

Signature of specialist: CHollowed 11/20/03

VISUAL RESOURCES:

Affected Environment: The proposed action for #7367 is located within a VRM Class II Area. The objective of this class is to retain the existing character of the landscape. The level of change to the characteristic landscape should be low. Management activities may be seen, but should not attract the attention of the casual observer. Any changes must repeat the basic elements of form, line, color, and texture found in the predominant natural features of the characteristic landscape.

The proposed action for #6601 is located within a VRM Class III Area. The objective of this class is to partially retain the existing character of the landscape. The level of change to the characteristic landscape should be moderate. Management activities may attract attention but should not dominate the view of the casual observer. Changes should repeat the basic elements found in the predominant natural features of the characteristic landscape.

Impact of Proposed Action: The proposed action for well #7367 would be located below the crest of a ridge between Red Canyon and West Douglas Creek in a recently burned stand of pinyon/juniper. The burn consumed all vegetation down to mineral soil. The construction of the well pad would not change the appearance of the characteristic landscape even if it were visible to a casual observer. The route commonly traveled by a casual observer is state highway #139 along West Douglas Creek, which is at a lower elevation than the proposed well location, and therefore, the proposed well location is not visible from this route. By using low profile production equipment and painting all equipment Juniper Green, the facilities on the well pad would mimic the color and form of the surrounding vegetation. If

the proposed action was seen by a casual observer, it should not attract his/her attention and, therefore, the management objectives of the VRM II classification would be retained.

The proposed action for well #6601 is located on a sloping hillside in and with a backdrop of juniper/sagebrush vegetation. The route most commonly traveled by a casual observer would be a gravel road along Little Duck Creek and the proposed location is on the opposite side of the ridge and not visible from this route. Another route less traveled would be in Big Duck Creek, which is lower in elevation, and the proposed location would not be easily viewed. If the proposed well pad was noticed by a casual observer, the well pad would not dominate the view, since the well pad is below the crest of the ridge and production facilities would be painted Juniper Green and would repeat the basic form and color of the surrounding vegetation. The management objectives of the VRM III classification would be retained.

Impact of No Action Alternative: There would be no additional environmental impacts from the no action alternative.

Mitigative Measures: Use low profile production equipment and paint all production facilities Juniper Green.

Signature of specialist: K. Whitaker 10/23/03

WILDLIFE TERRESTRIAL:

Affected Environment:

#6601: BLM has not yet conducted a survey of the vicinity of the proposed action.

#7367: This location is located near the top of a knob at an elevation of 7649 feet. The area previously consisted of pinyon-juniper woodlands, but was burned by a high-intensity fire in the spring of 2003. No woody or herbaceous vegetation exists on the pad location. The pipeline right of way traverses mountain shrub communities and pinyon-juniper woodlands near the bottom of Rock Canyon. The well and access road are located within Severe Winter Range for elk. The potential for raptors to nest along the pipeline right of way in the pinyon-juniper, as well as parts of the six-mile access road is moderate to high.

Impact of Proposed Action:

Well #6601: BLM cannot assess potential impacts until the area of the proposed action has been surveyed.

Well #7367 and the six miles of access road from State Route 139 traverse Severe Winter Range for elk. The increase of activity associated with this pad and access road can adversely impact wintering elk and woodland nesting raptors.

Impact of No Action Alternative: Failure to construct these wells/pipeline would eliminate increased activity associated with commercial oil/gas development, thus eliminating impacts.

Mitigative Measures: Since both of these wells involve disturbance to Severe Winter Range for deer/elk, the BLM will prohibit surface-disturbing activities for 60 days from January 1 through February 29, 2004. Implementation of this condition of approval may be re-evaluated on a case-by-case basis at the time EnCana wishes to begin surface-disturbing activities.

Current raptor surveys must be obtained from the BLM White River Field office if these locations are not completed by January 1. It is the responsibility of EnCana to contact the BLM to have these surveys conducted after February 1 (if locations not completed).

Signature of specialist: Glenn Klingler 12-2-03

CUMULATIVE IMPACTS: No cumulative impacts were identified. The White River PRMP/FEIS analyzed cumulative impacts of resource-area-wide oil and gas development.

Signature of specialist: Scott Pavey 12/2/03

FINDING OF NO SIGNIFICANT IMPACT (FONSI)/DECISION RECORD

FONSI: The environmental assessment, analyzing the environmental effects of the proposed action for Well #7367, has been reviewed. The approved mitigation measures (see attached Conditions of Approval) 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 for Well #7367. BLM has not yet completed its analysis of the impacts from the proposed action for Well #6601. Therefore, this FONSI does not apply to Well #6601.

DECISION AND RATIONALE: It is my decision to approve the development of Well #7367, as described by the proposed action, with mitigation measures outlined in the attached Conditions of Approval. Development of *Well #6601 is not approved* at this time. Approval of Well #6601 will be addressed after BLM completes its analysis of potential impacts.

SIGNATURE OF PREPARER: Keith Whitaker

DATE SIGNED: 12/2/03

SIGNATURE OF ENVIRONMENTAL COORDINATOR: Scott Perry

DATE SIGNED: 12/2/03

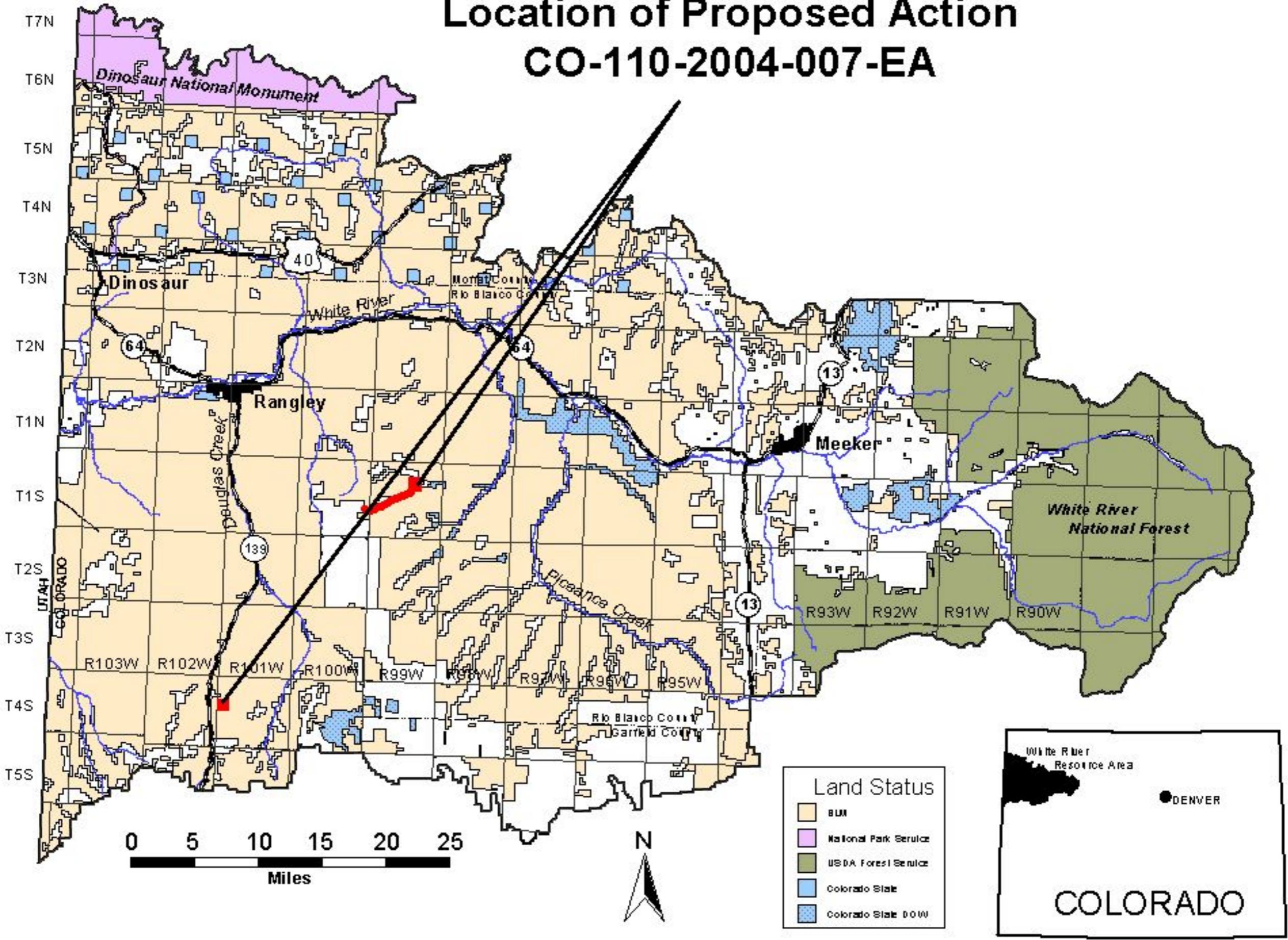
SIGNATURE OF AUTHORIZED OFFICIAL: Verna Rhee

DATE SIGNED: 12/2/03

ATTACHMENTS:

- 1) Map of the Location of the Proposed Action
- 2) Conditions of Approval

Location of Proposed Action CO-110-2004-007-EA



CONDITIONS OF APPROVAL FOR APPLICATION FOR
PERMIT TO DRILL

Operator: Encana Oil & Gas (USA) Inc. Well No.: South Douglas Creek # 7367
 Location: T4S, R101W, 6thPM, NWSW sec. 18 Lease No.: COC-07805
 The Bureau of Land Management, White River Resource Area Office, address and home
 telephone contacts are:

Address: 73544 Hwy 64, Meeker, Colorado 81641
 Office Phone: (970) 878-3800
 Office Fax: (970) 878-3805
 Natural Resource Specialist: Keith Whitaker, home phone (970) 878-3497
 Fluid Minerals Supervisor: Vern Rholl, home phone (970) 878-3202
 Petroleum Engineering Tech: Bill Kraft, home phone (970) 878-4595
 Petroleum Engineer: Marty O'Mara, home phone (970) 878-5360

All lease and/or unit operations are to be conducted in such a manner to ensure full compliance with the applicable laws, regulations (43 CFR Part 3160), Onshore Orders, Notices to Lessees, and the approved plan of operations. Approval of this application does not relieve you of your responsibility to obtain other required federal, state, or local permits.

This application is valid for a period of one year from the date of approval. Any requests for extensions must be submitted prior to the end of the one year period. If the application terminates, any surface disturbance created under the application must be rehabilitated in accordance with the approved plan within 90 days of termination, unless otherwise approved by the authorized officer. An expired application may be reinstated at the authorized officer's discretion, however, future operations may require a new application to be filed for approval.

You have the right to request a State Director Review (SDR) of the decision to approve this APD with the attached conditions in accordance with 43 CFR 3165.3(b). A request for a SDR must occur prior to filing an appeal with the Interior Board of Land Appeals (IBLA). Your request for a SDR and all supporting documentation must be filed with the State Director (CO-922), 2850 Youngfield St., Lakewood, Colorado 80215, within 20 business days of receipt of this letter.

I. CONDITIONS OF APPROVAL SPECIFIC TO SOUTH DOUGLAS CREEK #7367

1. The operator shall contact the BLM Office at (970) 878-3800 24 hours prior to the following operations:
 - spudding (including dry hole digger or rat hole rigs)
 - running and cementing all casing strings
 - pressure testing of BOPE or any casing string
 - surface reclamation work

2. All permanent (onsite for six [6] months or longer) structures, facilities and equipment placed onsite shall be low profile and painted Munsell Soil Color Chart Juniper Green or equivalent within six months of installation.
3. When preparing the site, all suitable topsoil should be stripped from the surface of the location and stockpiled for reclamation once the location is abandoned. When topsoil is stockpiled on slopes exceeding five percent, construct a berm or trench below the stockpile.
4. All sediment control structures or disposal pits, will be designed to contain a 100-year, 6- hour storm event. Storage volumes within these structures will have a design life of 25 years.
5. All activity shall cease when soils or road surfaces become saturated to a depth of three inches unless otherwise approved by the Authorized Officer.
6. Eliminate undesirable berms that retard normal surface runoff.
7. Provide vegetative or artificial stabilization of cut and fill slopes in the design process. Avoid establishment of vegetation where it inhibits drainage from the road surface or where it restricts safety or maintenance.
8. Disturbed areas shall be restored as nearly as possible to its original contour.
9. All disturbed sites shall be promptly reclaimed to the satisfaction of the Field Office Manager.
10. Seed all disturbed surfaces with the following seed mixture:

SPECIES (VARIETY)	LBS. PLS/ACRE
Pubescent wheatgrass (Luna)	4
Western wheatgrass (Rosanna)	2
Crested wheatgrass (Ephraim)	1
Indian ricegrass (Nezpar)	1
Orchardgrass (Paiute)	1
Yellow sweetclover (Madrid)	0.5
11. Distribute topsoil evenly over the location and prepare a seedbed by disking or ripping. Drill seed on contour at a depth no greater than 1/2 inch. In areas that cannot be drilled, broadcast at double the seeding rate and harrow seed into the soil.
12. Use seed that is certified and free of noxious weeds. Seed certification tags must be submitted to the Field Office Manager.
13. Application of herbicides must be under field supervision of an EPA-certified pesticide applicator. Herbicides must be registered by the EPA, and application proposals must

be approved by the BLM.

14. Water bars or dikes shall be constructed on all of the rights-of-way, and across the full width of the disturbed area, as directed by the authorized officer.
15. Slopes within the disturbed area shall be stabilized by non-vegetative practices designed to hold the soil in place and minimize erosion. Vegetative cover shall be reestablished to increase infiltration and provide additional protection from erosion.
16. When erosion is anticipated, sediment barriers shall be constructed to slow runoff, allow deposition of sediment, and prevent it from leaving the site. In addition, straining or filtration mechanisms may also contribute to sediment removal from runoff.
17. For #7367 well pad and well tie pipeline: If for any reason it becomes necessary to excavate into the underlying bedrock to level the pad, excavate the reserve/bloolie pit or excavate the trench to bury the well tie pipeline then a paleontological monitor shall be present. Monitor shall be present before such excavation into bedrock begins.
18. No load lines shall extend outside the tank dike.
19. The reserve pit shall have a minimum of two feet of freeboard at all times. Freeboard shall be measured from the top of the pit liner to the surface of the water in the reserve pit.
20. All produced fluids including dehydrator vent/condensate line effluent must be contained. All production pits must be fenced with woven wire.
21. The concentration of hazardous substances in the reserve pit at the time of pit backfilling must not exceed the standards set forth in CERCLA.
22. All open-vent exhaust stacks associated with heater-treater, separator and dehydrator units shall be installed to prevent birds and bats from entering the exhaust stacks and to the extent practical to discourage perching and nesting.
23. Reclamation should be implemented concurrent with construction and site operations to the fullest extent possible. Final reclamation actions shall be initiated within six months of the termination of operations unless otherwise approved in writing by the Authorized Officer.
24. The goal for rehabilitation of any disturbed area shall be the permanent restoration of original site conditions and productive capability.

25. Fill material shall be pushed into cut areas and up over backslopes. Leave no depressions that will trap water or form ponds.
26. The operator shall be required to collect and properly dispose of any solid wastes generated by this project.
27. The applicant will spread water on road surfaces to control fugitive dust.
28. Oil and Gas operations are considered to be a light industrial activity by the Colorado Department of Public Health and Environment. If an action disturbs more than 5 acres they are classified as industrial dischargers. This requires operators/owners to obtain permits authorizing the discharge of storm water from these sites. Wells 7445 and 7373 disturb more than 5 acres and are in areas that have very erosive soils. These wells will need to have a permit from the state, which requires a stormwater management plan be developed showing how BMP's will be used to control runoff and sediment transport.
29. The pipeline for Well #7367 shall be an uncoated steel surface line. The operator shall make every attempt to minimize disturbance when installing this line.
30. The Colorado One Call Law must be used when crossing or paralleling the 2 existing pipelines—Great Northern Gas and Encana.
31. Since this well involves disturbance to Severe Winter Range for deer/elk, the BLM will prohibit surface-disturbing activities for 60 days from January 1 through February 29, 2004. Implementation of this condition of approval may be re-evaluated on a case-by-case basis at the time EnCana wishes to begin surface-disturbing activities.
32. Current raptor surveys must be obtained from the BLM White River Field office if these locations are not completed by January 1. It is the responsibility of EnCana to contact the BLM to have these surveys conducted after February 1 (if locations not completed).

II. NOTICES

A. DRILLING PLAN

1. All operations, unless otherwise specifically approved in the APD, must be conducted in accordance with Onshore Oil and Gas Order No. 2; Drilling Operations.

2. One copy of all charted BOPE tests, logs, core descriptions, core analyses, well-test data, geologic summaries, sample descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed with the completion report, Form 3160-4. This completion report shall be filed within 30 days of completion of operations and submitted prior to or along with the first production notice.
3. The United States of America considers the development of groundwater resources to be necessary and frequently indispensable to effective land management. Therefore, any groundwater intercepted by the party conducting mineral exploration shall be reported to the District Manager immediately including approximate quantities and a sample in a sealed quart container. The United States shall have the first opportunity to file state water right for the intercepted groundwater. The undersigned may file for water right only with a written waiver from the District Manager.
4. To protect the water and energy resources in the formation that are penetrated, the production casing shall be cemented to the surface casing.

B. SURFACE USE PLAN OF OPERATIONS

1. In accordance with Onshore Order #1, III.E and ARPA 1979 as amended (AL, 96-95), the operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the Authorized Officer (AO). Within five working days the AO will inform the operator as to:
 - whether the materials appear eligible for the National Register of Historic Places;
 - the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and,
 - a timeframe for the AO to complete an expedited review under 36 CFR 800-11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation cost. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

2. Pursuant to 43 CFR 10.4(g) the holder of this authorization must notify the authorized officer, 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), you must stop activities in the vicinity of the discovery and protect it for 30 days or until notified to proceed by the authorized officer.