

U.S. Department of the Interior
Bureau of Land Management
White River Field Office
73544 Hwy 64
Meeker, CO 81641

ENVIRONMENTAL ASSESSMENT

NUMBER: CO-110-2004-112-EA

CASEFILE/PROJECT NUMBER (optional): COC 57699 (# 24-12 & 24-13M), COC 63936 (#26-1/26-2)

PROJECT NAME: 4 APD's

LEGAL DESCRIPTION: T1S, R104W, NWSW sec 24 (#24-12), T1S, R104W, SWSW, sec. 24 (#24-13M), T1S, R104W, NENE, sec 26 (#26-1/26-2)

APPLICANT: KGH Operating

ISSUES AND CONCERNS (optional):

DESCRIPTION OF PROPOSED ACTION AND ALTERNATIVES:

Background/Introduction: The pipelines proposed in the APDs were analyzed in this document; however, a third party will be building the pipelines. They will need to apply for a separate right-of-way authorization.

Proposed Action: The applicant is proposing to drill four wells in the area of Gilsonite Ridge. The 24-12 & 24-13M are proposed off existing pads. Surface disturbance associated with the 24-12 and the 24-13M locations will be 1.27 acres each, plus pipeline of 8,000' X 50' (9.2 acres). Total disturbance will be 10.47 acres **each**. The 26-1/26-2 will be directional from the same location and will require new surface disturbance. Surface disturbance associated with the 26-1/26-2 location will be 1.45 acres for the proposed access road and 1.13 for the pad plus pipeline of 2,100' X 50' (2.4 acres). Total disturbance will be 4.98 acres.

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

ALTERNATIVES CONSIDERED BUT NOT CARRIED FORWARD:

NEED FOR THE ACTION: To respond to the request by the applicant to exercise lease rights and develop hydrocarbon reserves.

PLAN CONFORMANCE REVIEW: The Proposed Action is subject to and has been reviewed for conformance with the following plan (43 CFR 1610.5, BLM 1617.3):

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

Date Approved: July 1, 1997

Decision Number/Page: Page 2-5

Decision Language: “Make federal oil and gas resources available for leasing and development in a manner that provides reasonable protection for other resource values.”

AFFECTED ENVIRONMENT / ENVIRONMENTAL CONSEQUENCES / MITIGATION MEASURES:

STANDARDS FOR PUBLIC LAND HEALTH: In January 1997, Colorado Bureau of Land Management (BLM) approved the Standards for Public Land Health. These standards cover upland soils, riparian systems, plant and animal communities, threatened and endangered species, and water quality. Standards describe conditions needed to sustain public land health and relate to all uses of the public lands. Because a standard exists for these five categories, a finding must be made for each of them in an environmental analysis. These findings are located in specific elements listed below:

CRITICAL ELEMENTS

AIR QUALITY

Affected Environment: The entire White River RA has been designated as either attainment or unclassified for all pollutants, and most of the area has been designated prevention of significant deterioration (PSD) class II.

Environmental Consequences of the Proposed Action: The proposed action would result in short term, local impacts to air quality during construction, from fugitive dust being blown into the air.

Environmental Consequences of the No Action Alternative: Under the no action alternative, there would be no adverse affects on air quality.

Mitigation: Require the operator will utilize dust abatement measures to control fugitive dust as needed.

CULTURAL RESOURCES

Affected Environment: 24-12 well: The proposed 24-12 well has been inventoried at the Class III (100% pedestrian) level (Conner 2004, Compliance dated 4/30/04) with no cultural resources identified at the well location.

24-13M well: The proposed 24-13M well has been inventoried at the Class III (100% pedestrian) level (Conner 2000, Compliance Dated 5/15/2000) with no cultural resources identified at the well location.

26-1 well pad and access: the proposed well pad and access have been inventoried at the Class III (100% pedestrian) level (Conner 2004, Compliance Dated 4/30/2004) with no cultural resources identified on the access route or well pad location.

26-2 well pad and access: the proposed well pad and access have been inventoried at the Class III (100% pedestrian) level (Conner 2004, Compliance Dated 4/30/2004) with no cultural resources identified on the access route or well pad location.

Environmental Consequences of the Proposed Action: 24-12 well: this well location will not impact any known cultural resources.

24-13M well: this well location will not impact any known cultural resources.

26-1 well pad and access: this well pad location and access road will not impact any known cultural resources.

26-2 well pad and access: this well pad location and access road will not impact any known cultural resources.

Environmental Consequences of the No Action Alternative: There would be no new impacts to cultural resources under the No Action Alternative.

Mitigation: 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

recording 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.

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

Affected Environment: The proposed project is within the pinyon/juniper woodland vegetation association. The juniper woodland soils in this area are shallow and shale derived. Past reclamation efforts have included non-native species, which have performed well in soil stabilization.

The two noxious weeds found in this area are halogeaon and cheatgrass. Both of these species are found throughout the area. Halogeaon has the ability to rapidly colonize disturbed areas, but is easily controlled by successful revegetation. Cheatgrass is found throughout the area in all of the plant communities. This specie can hinder reclamation because of its highly competitive nature. Non-native species have been shown to out-compete cheatgrass. Noxious weeds, such as knapweeds, transported on site by construction equipment and support vehicles would also be of concern.

Impact of Proposed Action: Using the proposed non-native seed mix would adequately stabilize soils. These species have not been shown to move off site or to interbreed with adjacent plant species.

With prompt control of any noxious weeds that occur on the project area there would not be any adverse impacts to the adjacent plant communities. Prompt reclamation would prevent cheatgrass and halogeaon from establishing.

Impact of No Action Alternative: There would be no impacts.

Mitigative Measures: Use Seed Mix #2 for reclamation. In accordance with Condition of Approval #179 from Appendix B of the White River ROD/RMP, 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.

MIGRATORY BIRDS

Affected Environment: Non-game populations associated with these ranges are widespread and common throughout sagebrush and pinyon-juniper habitats in this Resource Area (e.g., green-tailed and spotted towhee, vesper and lark sparrows). There are no specialized or narrowly endemic species known to occupy the project area.

Environmental Consequences of the Proposed Action: Although this action would represent an incremental and longer term reduction in the extent of sagebrush and pinyon-juniper habitat available for migratory bird breeding functions, implementation of this project would have no measurable influence on the abundance or distribution of breeding migratory birds even at the smallest landscape scale.

Environmental Consequences of the No Action Alternative: Incremental reductions of sagebrush and pinyon-juniper rangelands would not occur at this time or place.

Mitigation: None.

THREATENED, ENDANGERED, AND SENSITIVE ANIMAL SPECIES (includes a finding on Standard 4)

Affected Environment: There are no threatened, endangered or sensitive animal species occurring within the project area.

Environmental Consequences of the Proposed Action: None.

Environmental Consequences of the No Action Alternative: None.

Mitigation: None.

Finding on the Public Land Health Standard for Threatened & Endangered species: There are no threatened, endangered or sensitive animal species occurring within the project area. Thus, this standard is not applicable.

THREATENED, ENDANGERED, AND SENSITIVE PLANT SPECIES (includes a finding on Standard 4)

Affected Environment: There are no threatened, endangered or sensitive plant species occurring within the project area.

Environmental Consequences of the Proposed Action: None

Environmental Consequences of the No Action Alternative: None

Mitigation: None

Finding on the Public Land Health Standard for Threatened & Endangered species: There is no reasonable likelihood that the proposed action or no action alternative would have an influence on the condition or function of Threatened, Endangered, or Sensitive plant species. Thus, there would be no effect on achieving the land health standard.

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.

Environmental Consequences of the 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.

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

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

WATER QUALITY, SURFACE AND GROUND (includes a finding on Standard 5)

Affected Environment: The proposed action is in the Weaver Canyon and Cottonwood Creek drainages. These drainages are identified in Segment 22, which is all tributaries to the White River, including all wetlands, lakes and reservoirs, from a point immediately above the confluence with Douglas Creek to the Colorado/Utah border, except for specific listings in Segment 23.

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. These wells are 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. The State has classified these stream segments as Aquatic Life Warm 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 these upper reaches of Weaver Canyon and Cottonwood Creek. These segments of stream are considered to be ephemeral, which means they 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 in sediment depending on the magnitude and duration of the storm event.

Oil and Gas operations are considered to be a light industrial activity by the Colorado Department of Public Health and Environment. As industrial dischargers the applicant is required to obtain a permit authorizing the discharge of stormwater from these well pads and roads and show how the lessee will prevent sediment from entering the surrounding water ways.

Environmental Consequences of the Proposed Action: Fragile watersheds that have very high erosion potential (i.e. Cottonwood Creek) are frequently high in salts and can contribute to increased salinity loads to the White River and the Colorado River Basin. Annual runoff is dynamic and dependent on some aspects we control, such as the amount of vegetation retained for watershed protection and vegetation density. Depleting this vegetation cover needed to protect watersheds from raindrop impact and runoff could cause long-term erosion and water quality problems for Cottonwood Creek and on downstream. BMPs are needed to re-establish a protective vegetative cover and to collect sediment during runoff events

Environmental Consequences of the No Action Alternative: Impacts from the no-action alternative are not anticipated.

Mitigation: Submit a copy of the Stormwater Discharge Plan, which is required by the State identifying how BMPs will be used to reduce stormwater discharge. Apply Conditions of Approval, (BMPs) listed in Appendix B, in the White River RMP to help minimize surface disturbing impacts.

When preparing the site, all suitable topsoil should be stripped from the surface of the location and stockpiled for reclamation. For the interim, if the topsoil is stockpiled on slopes exceeding five percent, construct a berm or trench below the stockpile. Once construction is completed, reclaim as much of the pad that is not needed for maintenance of the well facility.

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.

All activity shall cease when soils or road surfaces become saturated to a depth of three inches unless otherwise approved by the Authorized Officer.

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.

Eliminate undesirable berms that retard normal surface runoff. Fill material associated with construction of this project shall not be deposited in ephemeral draws adjacent to two of these wells.

Finding on the Public Land Health Standard for water quality: Water quality of this drainage is well within the standards set by the state. The proposed action will have no effect on meeting this standard.

WETLANDS AND RIPARIAN ZONES (includes a finding on Standard 2)

Affected Environment: There are no wetlands or riparian zones present in the project area.

Environmental Consequences of the Proposed Action: None.

Environmental Consequences of the No Action Alternative: None.

Mitigation: None.

Finding on the Public Land Health Standard for riparian systems: There are no wetlands or riparian zones present in the project areas. Thus, there would be no effect on achieving the land health standard.

CRITICAL ELEMENTS NOT PRESENT OR NOT AFFECTED:

No ACECs, flood plains, prime and unique farmlands, wilderness, or Wild and Scenic Rivers exist within the area affected by the proposed action. There are also no Native American religious or environmental justice concerns associated with the proposed action.

NON-CRITICAL ELEMENTS

The following elements **must** be addressed due to the involvement of Standards for Public Land Health:

SOILS (includes a finding on Standard 1)

Affected Environment: The wells are on soil mapping unit #73, Rentsac channery loam, on slopes 5 to 50 percent. This soil type is shallow, well drained on ridges, foothills, and side slopes. It formed in residuum derived dominantly from calcareous sandstone. Typically, the surface layer is grayish brown channery loam about 5 inches thick. The next layer is very channery loam about 4 inches thick. The underlying material is extremely flaggy light loam 7 inches thick. Hard sandstone is at a depth of 16 inches. Depth to sandstone ranges from 10 to 20 inches. Permeability of the Rentsac soil is moderately rapid. Available water capacity is very low. Effective rooting depth is 10 to 20 inches. Runoff is rapid, and the hazard of water erosion is moderate to very high. This unit is well suited to the production of pinyon and juniper trees for use as firewood, fenceposts, and Christmas trees. Because of the steepness of slope, only the foot slopes and ridges generally are accessible for harvesting of trees. This map unit is a Pinyon-Juniper woodland range site.

Wells #24-2 and #24-13 have been delineated on CSU-1, which indicates problems such as fragile soil, high salt concentrations, excessive erosion, or steep slopes. CSU-1 stipulation description states, surface-disturbing activities will be allowed only after the operator submits an engineered construction/ reclamation plan and approved by the Area Manager. The plan would address how soil productivity would be restored and how surface runoff would be treated to avoid accelerated erosion and mass wasting. Exceptions would be granted if after environmental analysis the proposed action did not fit the criteria identifying fragile soils on slopes greater than 35% or the disturbance would not result in any long-term decrease in site productivity or increased erosion.

Environmental Consequences of the Proposed Action: General impacts associated with oil and gas and road development include but are not limited to, loss of topsoil, soil compaction and possible increase in sediment loads to the White River. The primary surface-disturbing impact would be a potential increase in sediment transport from runoff events after the protective vegetative cover has been removed.

Because wells #24-2 and #24-13 are in an area that has been identified as CSU-1, it is important to recognize the increased erosion potential and designing BMPs, which will minimize this erosion. The wells themselves are not on slopes greater than 35%, based on the way they are designed will make a difference to erosion potential. Submitting a copy of the Stormwater Discharge Plan, which is required by the State (Stormwater Discharge Permit) identifying how BMPs will be used to reduce stormwater discharge and erosion off of the roads, could replace the construction/reclamation plan required by the BLM.

BMPs used to slow runoff, trap sediment and prepare reclaimed areas for seeding would help reduce soil loss. With an explanation of how these BMPs will be used and implementation of these BMPs, impacts are expected to be short in duration, during the construction phase and for a short time after construction until successful reclamation is achieved.

Environmental Consequences of the No Action Alternative: Impacts are not anticipated from not permitting the proposed action.

Mitigation: Submit a copy of the Stormwater Discharge Plan, which is required by the State identifying how BMPs will be used to reduce stormwater discharge. Use Standard Seed mix # 2 for the range sites identified. In addition, the following COAs from Appendix B, White River ROD/RMP should be applied.

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.

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.

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.

Finding on the Public Land Health Standard for upland soils: The described plant communities meet the standards for plant health. This status will not change with the proposed action.

VEGETATION (includes a finding on Standard 3)

Affected Environment: The project area is pinyon/juniper woodlands. These woodlands are two types; recently burned and old growth. Both of these areas provide woodland products for the local population in the form of fuel wood and juniper posts. The burned sites are primarily grasses with scattered shrub species.

Environmental Consequences of the Proposed Action: Following reclamation these vegetation sites have relatively good success at establishment of perennial vegetation cover. The juniper woodland would establish cover suitable for soil retention within 3-5 years and initial establishment of junipers in 15-20 years. Development of a late seral community would take 150-200 years.

Environmental Consequences of the No Action Alternative: There would be no impacts.

Mitigation: None

Finding on the Public Land Health Standard for plant and animal communities (partial, see also Wildlife, Aquatic and Wildlife, Terrestrial): The above described plant community meets the standards for plant health. This status will not change with the proposed action.

WILDLIFE, AQUATIC (includes a finding on Standard 3)

Affected Environment: There is no aquatic wildlife in the project area.

Environmental Consequences of the Proposed Action: None.

Environmental Consequences of the No Action Alternative: None.

Mitigation: None.

Finding on the Public Land Health Standard for plant and animal communities (partial, see also Vegetation and Wildlife, Terrestrial): There is no aquatic wildlife present in the project areas. Thus, there would be no effect on achieving the land health standard.

WILDLIFE, TERRESTRIAL (includes a finding on Standard 3)

Affected Environment: Well #24-12: This location occurs at a plugged well site and will represent only about 50% new disturbance. The country immediately adjacent to the site was previously pinyon-juniper woodland, but was burned in the last three years. Recent vegetation consists of rabbit brush, Ephedra and various grasses. No potential for raptor nesting exists at this site (vegetation was recently burned). This well is in normal winter range for mule deer.

Well #24-13: This site occurs on an active well pad and will represent 50% new disturbance. Part of the proposed pit lies near the top of a steep draw. The surrounding vegetation was burned in the same fire mentioned above and the existing vegetation consists of young pinyon-juniper, rabbit brush, and Indian ricegrass. No nesting substrate for raptors exists due to the recent burn. This well falls within normal winter range for mule deer.

Well #26-1 and #26-2: Both wells occur on the same pad. The pad consists of a flat sagebrush park surrounded by young pinyon-juniper woodlands. The 0.4 mile road crosses through a burned area first followed by sub mature to mature pinyon-juniper woodlands and sagebrush. Understory vegetation consists of Ephedra and serviceberry and appeared heavily browsed by big game. Nesting potential for raptors in the woodlands is moderate. This site falls within normal winter range for mule deer.

Environmental Consequences of the Proposed Action: The construction of this project will result in a slight long-term increase of road traffic associated with commercial oil/gas related activities. The development of commercial oil/gas facilities results in incremental reductions of winter range habitat for big game. Additionally, it will result in increased activity in an area holding moderate potential for nesting by raptors (Wells #26-1 and #26-2), as well as an increase in the disturbance from additional road traffic. The location of the pit near a steep draw (Well #24-13) creates the potential for leaching to enter an ephemeral drainage.

Environmental Consequences of the No Action Alternative: Failure to construct this well package would reduce short-term construction activity levels in this area as well as longer term activity associated with increased road traffic related to commercial oil/gas development. No net loss of big game winter habitat would occur at this time or place.

Mitigation: The following conditions of approval apply. For Wells #26-1 and #26-2, if construction and completion activities do not occur between August 15 and February 1, a current raptor survey must be conducted on this site. It is the responsibility of KGH Operating to contact the BLM or a third party contractor to have this survey completed. Additionally, a locked gate shall be constructed at the junction of the existing road and the point of new road construction or at a location as near as possible to the existing road (i.e., where the pinyon juniper trees begin) in such a way as to preclude use of this road and pad by motorized vehicles.

For Well #24-13, the pit must be lined or otherwise modified to preclude the leaching of materials from the pit into the steep draw nearby.

Finding on the Public Land Health Standard for plant and animal communities (partial, see also Vegetation and Wildlife, Aquatic): This project would not jeopardize the viability of any animal population. It would have no significant consequence on terrestrial habitat condition, utility, or function, nor have any discernible affect on animal abundance or distribution at any landscape scale. This public land health standard will thus be met.

OTHER NON-CRITICAL ELEMENTS: For the following elements, only those brought forward for analysis will be addressed further.

Non-Critical Element	NA or Not Present	Applicable or Present, No Impact	Applicable & Present and Brought Forward for Analysis
Access and Transportation			X
Cadastral Survey	X		
Fire Management		X	
Forest Management			X
Geology and Minerals			X
Hydrology/Water Rights	X		
Law Enforcement		X	
Paleontology			X
Rangeland Management			X
Realty Authorizations			X
Recreation			X
Socio-Economics		X	
Visual Resources			X
Wild Horses	X		

ACCESS AND TRANSPORTATION

Affected Environment: The proposed project area is within a “open seasonally” motorized management area which limits motorized travel to existing roads and trails from October 1 through April 30 of each year. The remainder of the year the area is open to cross-country travel so long as no resource damage occurs.

Environmental Consequences of the Proposed Action: Although 2,100 feet of new road may be constructed, it does not appreciably change the access profile to the area.

Environmental Consequences of the No Action Alternative: None.

Mitigation: None.

FOREST MANAGEMENT

Affected Environment: The project area is pinyon/juniper woodlands. These woodlands are two types; recently burned and old growth. Both of these areas provide woodland products for the local population in the form of fuel wood and juniper posts. The burned sites are primarily grasses with scattered shrub species.

Environmental Consequences of the Proposed Action: Following reclamation these vegetation sites have relatively good success at establishment of perennial vegetation cover. The juniper woodland would establish cover suitable for soil retention within 3-5 years and initial establishment of junipers in 15-20 years. Development of a late seral community would take 150-200 years.

Environmental Consequences of the No Action Alternative: There would be no impacts.

Mitigation: From the White River RMP of 1997, Appendix B, 7; All trees removed in the process of construction shall be purchased from the Bureau of Land Management. The trees shall be cut with a maximum stump height of six inches and disposed of by one of the following methods:

- a. Trees must be cut before being dozed off the area of disturbance. Trees shall be cut into four-foot lengths, down to four inches in diameter and placed along the edge of the disturbance.
- b. Purchased trees may be removed from federal land for resale or private use. Limbs may be scattered off the area of disturbance but not dozed off.
- c. Chipped and scattered.

GEOLOGY AND MINERALS

Affected Environment: The surface geologic formation of the proposed wells is Green River. KGH's targeted zone for 24-12, 26-2, and 26-1 is in the Mancos and the target for 24-13M is in the Morrison. These wells are located on federal oil and gas leases COC-57699 and COC-63936. During drilling potential water, coal, oil and gas zones will be encountered from surface to the targeted zone. There are patented gilsonite mining claims located approximately 800 feet southwest of 26-1 and 26-2.

Environmental Consequences of the Proposed Action: The cementing procedure of the proposed actions isolates the formations and will prevent the migration of gas, water, and oil between formations. Coal zones located in the Mesaverde will also be isolated during this procedure. Development of these wells will deplete the hydrocarbon resources in the targeted formation. Drilling of 26-1 and 26-2 should not adversely impact the gilsonite resources located southwest of the wells.

Environmental Consequences of the No Action Alternative: None

Mitigation: None

PALEONTOLOGY

Affected Environment: 24-12 well pad: The proposed well pad location appears to be located in an area mapped as the Douglas Creek member of the Lower Green River Formation (Tweto 1979) which the BLM has classified as a Category II fossil bearing formation, meaning the fossil potential of the formation is poorly understood in this area.

24-13M well pad: The proposed well pad location appears to be located in an area mapped as the Douglas Creek member of the Lower Green River Formation (Tweto 1979) which the BLM has classified as a Category II fossil bearing formation, meaning the fossil potential of the formation is poorly understood in this area.

26-1 and 26-2 well pad and access road: The proposed well pad location and access route appear to be located in an area mapped as the Douglas Creek member of the Lower Green River Formation (Tweto 1979) which the BLM has classified as a Category II fossil bearing formation, meaning the fossil potential of the formation is poorly understood in this area.

Environmental Consequences of the Proposed Action: Previous work in the Douglas Creek member of the Lower Green River Formation has resulted in at least one instance of recovery of fossil fish of an unspecified species therefore there is some unknown potential to impact scientifically important fossil resources on any of the proposed well locations and/or access roads.

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

Mitigation: 24-12 well location: If it becomes necessary to excavate into undisturbed bedrock to construct the reserve/blooiie pit then an approved paleontologist shall be present to monitor all excavations.

24-13M well location: If it becomes necessary to excavate into undisturbed bedrock to construct the reserve/blooiie pit then an approved paleontologist shall be present to monitor all excavations.

26-1 and 26-2 well locations and access road: If it becomes necessary to excavate into undisturbed bedrock to construct the reserve/blooiie pit then an approved paleontologist shall be present to monitor all excavations.

RANGELAND MANAGEMENT

Affected Environment: The project area is within the Weaver Draw allotment on which sheep are grazed during the winter and early spring. This allotment is administered out of the Vernal BLM office.

Environmental Consequences of the Proposed Action: Pinyon/juniper woodlands do provide thermal cover for livestock, but this area provides little forage and is not used by the livestock operator. Following reclamation it is expected that the opportunity for livestock use of the area would increase but only slightly.

Environmental Consequences of the No Action Alternative: None

Mitigation: None

REALTY AUTHORIZATIONS

Affected Environment: A right-of-way will be required for the pipeline route for these wells and the off-lease portion of the access for 26-1 and 26-2 wells will also require a right-of-way.

Environmental Consequences of the Proposed Action: The proposed action will require the operation and construction of 10,100 feet of new pipeline with a minimum width of 30 feet encompassing approximately 6.96 acres more or less. There is the possibility that the disturbance may be more or less depending on the route that wasn't defined in the APD submission.

Environmental Consequences of the No Action Alternative: Under the no action alternative, the pipeline construction would not be allowed and a different method of transportation would have to be found.

Mitigation: Standard right-of-way stipulations for pipelines and roads from the BLM manual will be applied. Condition of approval needs to be added to the APDs that says the pipelines are not approved at this time because of unrelated third party pipeline contractor.

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.

The project areas and the surrounding Gilsonite Ridge area most closely resembles a Recreation Opportunity Spectrum (ROS) class of Semi-Primitive Motorized (SPM). SPM recreation setting is typically characterized by a natural appearing environment with few administrative controls, low interaction between users but evidence of other users may be present. SPM recreation experience is characterized by a high probability of isolation from the sights and sounds of humans that offers an environment that offers challenge and risk.

Environmental Consequences of the Proposed Action: The public will most likely not recreate in the vicinity of these facilities and will be dispersed elsewhere. If action coincides with hunting seasons (September through November) it will most likely disrupt the experience sought by those recreationists.

With the introduction of new well pads and roads, an increase of traffic could be expected increasing the likelihood of human interactions, the sights and sounds associated with the human environment and a less naturally appearing environment.

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

Mitigation: None.

VISUAL RESOURCES

Affected Environment: The proposed action is located in a Visual Resource Management (VRM) Class 2 area. The objective of this class is to retain the existing characteristic 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.

Environmental Consequences of the Proposed Action: Wells 24-12 and 24-13M would be drilled off of existing oil and gas locations. Both existing locations are located near the top of the ridge line and there are no routes in the area located above the road leading to these existing locations. The route traveled by a casual observer would be in the bottom of Cottonwood Draw, which, in elevation, is well below the Gilsonite Hills and approximately four miles to the east. By utilizing low profile production facilities and painting these facilities Juniper Green, the facilities would blend in with and mimic the existing vegetation. Well 26-1 & 26-2 will be drilled from the same drill pad. The proposed well pad would be located on a bench to the west below the ridge line of the Gilsonite Hills and not visible from an existing route (Cottonwood Draw) that would be traveled by a casual observer. Using low profile production facilities and painting Juniper Green would blend the production equipment with the surrounding vegetation. The level of change to the existing landscape would be low and any changes would not attract the attention of the casual observer. The standards for VRM II classification would be retained.

Environmental Consequences of the No Action Alternative: None

Mitigation: Use low profile production facilities and paint all production facilities Juniper Green.

CUMULATIVE IMPACTS SUMMARY: Cumulative impacts from oil and gas development were analyzed in the White River Resource Area Proposed Resource Management Plan/Final

Environmental Impact Statement (PRMP/FEIS) completed in June 1996. Current development, including the proposed action, has not exceeded the cumulative impacts from the foreseeable development analyzed in the PRMP/FEIS.

REFERENCES CITED:

Conner, Carl E.

2000 Class III Cultural Resources Inventory for the Proposed Fed. #24-13 Well Location in Rio Blanco County, Colorado for KGH Operating. Grand River Institute, Grand Junction, Colorado.

2004 Class III Cultural Resources Inventory for Five Well Pad Locations (6 Drill Holes) and Related Short Accesses of the Proposed Meagher #11-12, Fed #24-14, Fed #24-13, Fed #19-12G, and the Fed #26-1 & 26-1 in Rio Blanco County, Colorado for KGH Operating Company. Grand River Institute, Grand Junction, Colorado

Tweto, Ogden

1979 Geologic Map of Colorado. United States Geologic Survey, Department of the Interior, Reston, Virginia.

PERSONS / AGENCIES CONSULTED:

INTERDISCIPLINARY REVIEW:

Name	Title	Area of Responsibility
Caroline Hollowed	Hydrologist	Air Quality
Tamara Meagley	NRS	Areas of Critical Environmental Concern
Tamara Meagley	NRS	Threatened and Endangered Plant Species
Michael Selle	Archaeologist	Cultural Resources Paleontological Resources
Robert Fowler	Forester	Invasive, Non-Native Species
Glenn Klingler	Wildlife Biologist	Migratory Birds
Glenn Klingler	Wildlife Biologist	Threatened, Endangered and Sensitive Animal Species, Wildlife
Marty O'Mara	Hazmat Collateral	Wastes, Hazardous or Solid
Caroline Hollowed	Hydrologist	Water Quality, Surface and Ground Hydrology and Water Rights
Glenn Klingler	Wildlife Biologist	Wetlands and Riparian Zones
Chris Ham	ORP	Wilderness
Caroline Hollowed	Hydrologist	Soils
Robert Fowler	Forester	Vegetation
Glenn Klingler	Wildlife Biologist	Wildlife Terrestrial and Aquatic
Chris Ham	ORP	Access and Transportation
Ken Holsinger	NRS	Fire Management
Robert Fowler	Forester	Forest Management
Paul Daggett	Mining Engineer	Geology and Minerals
Robert Fowler	Forester	Rangeland Management
Penny Brown	Realty Specialist	Realty Authorizations
Chris Ham	ORP	Recreation
Keith Whitaker	Natural Resource Specialist	Visual Resources
Valerie Dobrich	NRS	Wild Horses

Finding of No Significant Impact/Decision Record (FONSI/DR)

CO-110-2004-112-EA

FINDING OF NO SIGNIFICANT IMPACT (FONSI)/RATIONALE: The environmental assessment and analyzing the environmental effects of the proposed action have been reviewed. The approved mitigation measures (listed below) 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/RATIONALE: It is my decision to approve development of wells #24-12, #24-13M, and #26-1/26-2 as described in the proposed action with mitigation measures listed below.

MITIGATION MEASURES: 1. Require the operator will utilize dust abatement measures to control fugitive dust as needed.

2. 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.

3. 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.

4. Submit a copy of the Stormwater Discharge Plan, which is required by the State identifying how BMPs will be used to reduce stormwater discharge. Apply Conditions of Approval, (BMPs) listed in Appendix B, in the White River RMP to help minimize surface disturbing impacts.

5. When preparing the site, all suitable topsoil should be stripped from the surface of the location and stockpiled for reclamation. For the interim, if the topsoil is stockpiled on slopes exceeding five percent, construct a berm or trench below the stockpile. Once construction is completed, reclaim as much of the pad that is not needed for maintenance of the well facility.

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.

7. All activity shall cease when soils or road surfaces become saturated to a depth of three inches unless otherwise approved by the Authorized Officer.

8. 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.

9. Eliminate undesirable berms that retard normal surface runoff. Fill material associated with construction of this project shall not be deposited in ephemeral draws adjacent to two of these wells.

11. Use Seed Mix #2 for reclamation. In accordance with Condition of Approval #179 from Appendix B of the White River ROD/RMP, 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.

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

13. 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.

14. 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.

15. 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.

16. For Wells #26-1 and #26-2, if construction and completion activities do not occur between August 15 and February 1, a current raptor survey must be conducted on this site. It is the responsibility of KGH Operating to contact the BLM or a third party contractor to have this survey completed. Additionally, a locked gate shall be constructed at the junction of the existing road and the point of new road construction in such a way as to preclude use of this road and pad by motorized vehicles.

17. For Well #24-13, the pit must be lined or otherwise modified to preclude the leaching of materials from the pit into the steep draw nearby.

18. All trees removed in the process of construction shall be purchased from the Bureau of Land Management. The trees shall be cut with a maximum stump height of six inches and disposed of by one of the following methods:

a. Trees must be cut before being dozed off the area of disturbance. Trees shall be cut into four-foot lengths, down to four inches in diameter and placed along the edge of the disturbance.

b. Purchased trees may be removed from federal land for resale or private use. Limbs may be scattered off the area of disturbance but not dozed off.

c. Chipped and scattered.

19. 24-12 and 24-13 well location: If it becomes necessary to excavate into undisturbed bedrock to construct the reserve/blooiie pit then an approved paleontologist shall be present to monitor all excavations.

20. 26-1 and 26-2 well locations and access road: If it becomes necessary to excavate into undisturbed bedrock to construct the reserve/blooiie pit then an approved paleontologist shall be present to monitor all excavations.

21. Use low profile production facilities and paint all production facilities Juniper Green.

22. Standard right-of-way stipulations for pipelines and roads from the BLM manual will be applied.

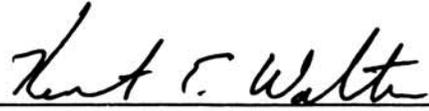
23. Condition of approval needs to be added to the APDs that says the pipelines are not approved at this time because of unrelated third party pipeline contractor.

COMPLIANCE/MONITORING:

NAME OF PREPARER: *Samara Magley 7/29/04*

NAME OF ENVIRONMENTAL COORDINATOR: *Carlie P. Hollowed 7/28/04*

SIGNATURE OF AUTHORIZED OFFICIAL:



Field Manager

DATE SIGNED:

7/28/04

ATTACHMENTS: Location map of the proposed action.

Location of Proposed Action CO-110-2004-112-EA

