

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No.
1b. Type of Well: <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name
1c. Type of Completion: <input type="checkbox"/> Hydraulic Fracturing <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		7. If Unit or CA Agreement, Name and No.
2. Name of Operator		8. Lease Name and Well No.
3a. Address	3b. Phone No. (include area code)	9. API Well No.
4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface At proposed prod. zone		10. Field and Pool, or Exploratory
14. Distance in miles and direction from nearest town or post office*		11. Sec., T. R. M. or Blk. and Survey or Area
		12. County or Parish
		13. State
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)	16. No of acres in lease	17. Spacing Unit dedicated to this well
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	20. BLM/BIA Bond No. in file
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work will start*	23. Estimated duration
24. Attachments		

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, and the Hydraulic Fracturing rule per 43 CFR 3162.3-3 (as applicable)

- | | |
|---|---|
| <ul style="list-style-type: none"> 1. Well plat certified by a registered surveyor. 2. A Drilling Plan. 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | <ul style="list-style-type: none"> 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). 5. Operator certification. 6. Such other site specific information and/or plans as may be requested by the BLM. |
|---|---|

25. Signature	Name (Printed/Typed)	Date
Title		
Approved by (Signature)	Name (Printed/Typed)	Date
Title		Office

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated on Federal and Indian lands and leases for action by appropriate Federal agencies, pursuant to applicable Federal laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from local Federal offices.

ITEM I: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local Federal offices for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on the reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective productive zone.

ITEM 22: Consult applicable Federal regulations, or appropriate officials, concerning approval of the proposal before operations are started.

ITEM 24: If the proposal will involve hydraulic fracturing operations, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

NOTICES

The Privacy Act of 1974 and regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR 3160

PRINCIPAL PURPOSES: The information will be used to: (1) process and evaluate your application for a permit to drill a new oil, gas, or service well or to reenter a plugged and abandoned well; and (2) document, for administrative use, information for the management, disposal and use of National Resource Lands and resources including (a) analyzing your proposal to discover and extract the Federal or Indian resources encountered; (b) reviewing procedures and equipment and the projected impact on the land involved; and (c) evaluating the effects of the proposed operation on the surface and subsurface water and other environmental impacts.

ROUTINE USE: Information from the record and/or the record will be transferred to appropriate Federal, State, and local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecution, in connection with congressional inquiries and for regulatory responsibilities.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if you elect to initiate a drilling or reentry operation on an oil and gas lease.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM connects this information to a new evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases. This information will be used to analyze and approve applications. Response to this request is mandatory only if the operator elects to initiate drilling or reentry operations on an oil and gas lease. The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT: Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Connection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.

Additional Operator Remarks

Location of Well

0. SHL: SWSW / 254 FSL / 326 FWL / TWSP: 32N / RANGE: 4W / SECTION: 7 / LAT: 37.0259378 / LONG: -107.3335125 (TVD: 0 feet, MD: 0 feet)
PPP: SWSW / 236 FSL / 1119 FWL / TWSP: 32N / RANGE: 4W / SECTION: 7 / LAT: 37.0258238 / LONG: -107.3307994 (TVD: 2725 feet, MD: 3047 feet)
BHL: SESW / 216 FSL / 1944 FWL / TWSP: 32N / RANGE: 4W / SECTION: 7 / LAT: 37.025705 / LONG: -107.3279752 (TVD: 3110 feet, MD: 3958 feet)
PPP: SESW / 213 FSL / 1330 FWL / TWSP: 32N / RANGE: 4W / SECTION: 7 / LAT: 37.0257934 / LONG: -107.330077 (TVD: 2823 feet, MD: 3280 feet)
BHL: NESE / 1521 FSL / 200 FEL / TWSP: 32N / RANGE: 4W / SECTION: 8 / LAT: 37.0290858 / LONG: -107.2989071 (TVD: 2863 feet, MD: 12511 feet)
PPP: SWSW / 232 FSL / 1289 FWL / TWSP: 32N / RANGE: 4W / SECTION: 7 / LAT: 37.0257993 / LONG: -107.3302165 (TVD: 2804 feet, MD: 3235 feet)
BHL: NENE / 305 FNL / 200 FEL / TWSP: 32N / RANGE: 4W / SECTION: 17 / LAT: 37.0240714 / LONG: -107.2988472 (TVD: 2880 feet, MD: 12434 feet)
PPP: SWSW / 233 FSL / 1248 FWL / TWSP: 32N / RANGE: 4W / SECTION: 7 / LAT: 37.0258052 / LONG: -107.330356 (TVD: 2785 feet, MD: 3190 feet)
BHL: SWNE / 2181 FNL / 200 FEL / TWSP: 32N / RANGE: 4W / SECTION: 17 / LAT: 37.0189184 / LONG: -107.2989005 (TVD: 2900 feet, MD: 12725 feet)
PPP: SWSW / 234 FSL / 1207 FWL / TWSP: 32N / RANGE: 4W / SECTION: 7 / LAT: 37.025811 / LONG: -107.3304956 (TVD: 2766 feet, MD: 3145 feet)
BHL: SESE / 1042 FSL / 200 FEL / TWSP: 32N / RANGE: 4W / SECTION: 17 / LAT: 37.0135026 / LONG: -107.2989475 (TVD: 2920 feet, MD: 13486 feet)

BLM Point of Contact

Name: ASHLEY C HITCHELL

Title: LIE

Phone: (970) 385-1304

Email: ahitchell@blm.gov

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Review and Appeal Rights

A person contesting a decision shall request a State Director review. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

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**United States Department of the Interior
Bureau of Land Management**

**Decision Record
DOI-BLM-CO-S010-2018-0030-EA**

September 2018

**North Carracas 32-4 and 32-5
Natural Gas Wells, Well Pads, and Pipelines**

Location: *North Carracas 32-5 (Middle Pad 1E)
NWNE/4, Section 14, Township 32 North, Range 5 West, N.M.P.M.
North Carracas 32-4 (Middle Pad 2F)
NWNW/4, Section 18, Township 32 North, Range 4 West, N.M.P.M.
SWSW/4, Section 7, Township 32 North, Range 4 West, N.M.P.M.
Archuleta County, Colorado*

Applicant/Address: *Red Willow Production Company
P.O. Box 369
Ignacio, Colorado 81137*

U.S. Department of the Interior
Bureau of Land Management
Tres Rios Field Office
161 Burnett Drive, Unit 4
Durango, CO 81301
Phone: 970-247-4874



DECISION RECORD
DOI-BLM-CO-S010-2018-0030-EA

North Carracas 32-4 and 32-5 Natural Gas Wells, Well Pads, and Pipelines

I have reviewed the Environmental Assessment (EA), DOI-BLM-CO-SO10-2018-0030, and the Finding of No Significant Impact (FONSI) that was prepared based upon that EA. Following a review of those documents, it is my decision to implement the Proposed Action as described in the EA. My decision applies only to Southern Ute Indian Tribal mineral estate oil and gas development under BLM's fiduciary responsibility to the Tribe and its individual members.

Authorities

Delegated by Congress to the Secretary of the Interior, the trust responsibility for Indian mineral management and development requires the federal government to take such action as serves the best interests of the Indian people. The Southern Ute Indian Tribe (SUIT) mineral estate is very important to the Southern Ute Indian people. Historically, mineral development has been and still is a major source of income for the SUIT. Through the provisions of the Indian Self Determination Act of 1968 and the Indian Mineral Development Act (IMDA) of 1982, the SUIT has taken an active role in the management and development of their mineral resources.

Tribes are viewed under federal law as sovereign nations, and federal agencies coordinate with the Tribes on a "government to government" basis. Given the SUIT's sovereign status, state and local jurisdiction over the SUIT and its lands is limited. However, federal agencies have a trust responsibility to Tribes, which must be considered when federal actions potentially affect Tribal resources. As a result of the trust responsibility, the BLM's decision-making process is significantly different on Indian land from its process on public land. On Indian land, the BLM has the added responsibility of assigning considerable weight to Indian goals and interests, whereas on public land, the BLM's actions are guided by the Federal Land Policy and Management Act (FLPMA) and the public's best interest. Additionally, with regard to Indian lands, land use conflicts and ambiguities in federal regulations and policies are generally resolved in favor of the Indian Tribe's best interests. This is consistent with the federal government's responsibility to protect Indian land and take such action as best serves the interests of Indian Tribes and Tribal members.

My decision is consistent with all federal, state, Tribal and local authorizing actions required to implement the Proposed Action. All pertinent statutory requirements applicable to this Proposed Action were considered. These include BLM oil and gas regulations under the Mineral Leasing Act of 1920, the Federal Oil and Gas Royalty Management Act (FOGRMA) of 1982, and the IMDA of 1982. Encompassing BIA regulations are the Indian Minerals Leasing Act of 1920 and the IMDA of 1982. In applying the National Environmental Policy Act (NEPA) to Indian issues, federal agencies must conduct thorough analyses of the proposed action and alternatives. The decisions made based on the analyses must also take into consideration that federal agencies are required to reasonably and prudently further the best interests of tribes and to consult with tribes in ascertaining tribal interests.

Regulations applicable to SUIT oil and gas activities and enforced by other federal agencies, either directly or through delegation to the states, include: consultation with US Fish and Wildlife Service under the Endangered Species Act regarding threatened, endangered and

candidate species; coordination with the US Environmental Protection Agency regarding air and water quality under the Clean Air Act, the Clean Water Act, and the Safe Drinking Water Act; consultation with the Army Corps of Engineers regarding waters of the U.S.; and consultation with the State of Colorado Historic Preservation Office regarding cultural resources.

Exploration, development and operation of the Tribal oil and gas mineral estate are an integral part of the BLM and BIA trust responsibility. Four principal pieces of legislation give primary direction to the agencies for Indian mineral operations: the Allotted Lands Leasing Act of 1909, the Indian Minerals Leasing Act of 1938, the Mineral Leasing Act of 1920, and the IMDA of 1982.

Compliance and Monitoring

BLM will follow guidance provided in BLM's Permanent Instruction Memorandum 2018-014, which generally states that inspections will be limited to the federal action, which includes drilling and producing the federal well or lateral well bore. Surface environmental inspections would not be the responsibility of the BLM during production or final reclamation on the private surface.

The BLM will routinely inspect operations during all phases of the Proposed Action to verify compliance with applicable laws, regulations, lease terms, the Applications for Permit to Drill and its conditions of approval, Onshore Oil and Gas Orders, Notice to Lessees, and other written orders of the authorized officer.

During drilling, operations will be checked by the BLM to ensure that environmental protective measures conform to what was approved. During the lifetime of the well, production compliance inspections will be conducted by BLM periodically to ensure continued production accountability.

Terms / Conditions / Stipulations

Potential resource impacts from the Proposed Action are mitigated through environmental commitments incorporated into the Proposed Action and the mitigation measures in the EA. The applicable mitigation measures in the EA are included as conditions of approval (COAs) to this decision and are provided in Attachment A.

Plan Conformance and Consistency

The Proposed Action has been reviewed by BLM, BIA, and the SUIT, and it is found to be in conformance with the following land use plan (43 CFR 1610.5):

Plan: SUIT Natural Resource Management Plan (NRMP), Planning Period 2012 to 2032 (SUIT 2012)

Date Approved: August, 2012

The Proposed Action would fulfill the objective and intent of the SUIT NRMP, Planning Period 2012 to 2032, that mineral resources on the Southern Ute Indian Reservation (SUIR) be developed in an environmentally responsible manner. With design features incorporated into the Proposed Action and mitigation measures derived from the EA to reduce environmental impacts, the Proposed Action is in conformance with the NRMP.

Alternatives Considered

The EA considered two alternatives: the Proposed Action and the No Action Alternative.

The Proposed Action included drilling 14 natural gas wells, building two well pads and access roads, and constructing gas and water pipelines. The Proposed Action would result in approximately 11.18 acres of surface disturbance (10.83 acres on private land and 0.35 acres on tribal trust land).

The No Action Alternative was considered in the EA, which consisted of denying the APDs for the natural gas wells. Under the No Action Alternative, the proposed wells that would penetrate Indian minerals would not be drilled. The No Action Alternative would result in the continuation of the current land and resource uses in the Proposed Action area.

Rationale for Decision

The Proposed Action, with the COAs in Attachment A, has been selected because it meets the underlying purpose and need for the applicant to exercise their oil and gas lease rights, which allows for the exploration and development of the oil and gas resources. The BLM is approving private exploration and production from Tribal oil and gas leases, because the activity is an integral part of the SUIR oil and gas leasing and development program under authority of the Indian Mineral Leasing Act of 1938 (25 USC § 396; 25 CFR Parts 211 and 212), and the Indian Mineral Development Act of 1982.

The Proposed Action follows the guiding goal of the *Southern Ute Indian Tribe Natural Resource Management Plan, Planning Period 2012 to 2023* (NRMP 2012-2023) to identify and implement processes and procedures to provide integrated management of renewable and non-renewable resources in an environmentally, culturally, and socially responsible manner to benefit current and future generations of the Southern Ute Tribal Membership and support the Permanent Fund Mission statement and guiding principles. In addition, the Proposed Action helps meet the SUIT Department of Energy’s mission of ensuring that the members of the SUIT receive maximum benefit from the energy and mineral resources located on their reservation while at the same time minimizing the impact of extraction of the resources on the natural and cultural environment.

The No Action Alternative would not fulfill the purpose and need of allowing for the responsible development of leased fluid minerals on the Southern Ute Indian Reservation. No other alternatives were brought forward for analysis.

Protest/Appeal Language

This decision is subject to State Director review pursuant to 43 CFR 3165.3 (b). Any party who is adversely affected by the decision of the State Director after a State Director review pursuant to 43 CFR 3165.3(b) may appeal that decision to the Interior Board of Land Appeals pursuant to the regulations set out in 43 CFR Part 4.



Connie Clementson
Field Office Manager
Tres Rios Field Office

9-5-18

Date

The following mitigation measures were derived from the EA and will be attached to the Applications for Permit to Drill as Conditions of Approval and only apply to the Federal action.

Air Quality

1. An Oil and Gas Facility Air Quality Monitoring Annual Report must be submitted to the SUIT Air Quality Program by April 1st of each year. The reporting form can be found on the SUIT DOE's website at the following link: [http://www.suitdoe.com/Documents/Appendix D Air^o%20Quality%^o%20Report%^o%20Format.pdf](http://www.suitdoe.com/Documents/Appendix_D_Air%20Quality%20Report%20Format.pdf)

Water Resources – Ground Water

2. All non-freshwater fluid storage containers/tanks (i.e., produced water storage tanks, chemical tanks, fuel tanks, etc.) must be located within an impermeable, lined (or equivalent) secondary containment structure capable of containing at least 110% of the storage capacity of the largest tank/container during all drilling, completion, and testing operations. If a liner is used, it can be no less than 24-mil thick so the integrity of the liner will be maintained while using heavy equipment.

Cultural Resources

In order for the proposed action to be in compliance with the provisions in Section 106 of the National Historic Preservation Act, the operator must adhere to the following conditions where were derived from the BIA's cultural clearance letters to the operator:

3. Site 5AA1809 must be avoided and protected by placing a temporary fence between the site and the construction area for the Middle Pad 2F as detailed in the cultural survey report's Table 6.2 and illustrated in the cultural report's Figure 5.1 (see cultural survey report SEAS Report 17-098b). Also, a qualified archeologist must monitor all earth-disturbing activities within 50 feet of site boundaries.
4. All land-altering activities shall be confined to the area surveyed for cultural resources, and the project sponsor shall control the action of its agents at the job site to ensure that no archaeological sites are disturbed or damaged. Disturbance or damage to sites on tribal land is a violation of the Archaeological Resources Protection Act (16 U.S.C. § 470ec) which prohibits the excavation, removal, damage, alteration, or defacement, or attempt to excavate, remove, damage, alter, or deface any archaeological resources [cultural resources] located on Indian lands. Both criminal and civil penalties may be assessed (16 U.S.C. §§ 470ee and 470ff) for violations.
5. If subterranean cultural resources or human remains are encountered, all land-altering activities shall cease within 50 feet of the discovery and the Southern Ute Tribe and the BIA Regional Archeologist shall be notified immediately for consultation on the treatment of the discovery.

Approval Date: 03/21/2022

**United States Department of the Interior
Bureau of Land Management**

**Finding of No Significant Impact
DOI-BLM-CO-S010-2018-0030-EA**

September 2018

**North Carracas 32-4 and 32-5
Natural Gas Wells, Well Pads, and Pipelines**

Location: *North Carracas 32-5 (Middle Pad 1E)
NWNE/4, Section 14, Township 32 North, Range 5 West, N.M.P.M.
North Carracas 32-4 (Middle Pad 2F)
NWNW/4, Section 18, Township 32 North, Range 4 West, N.M.P.M.
SWSW/4, Section 7, Township 32 North, Range 4 West, N.M.P.M.
Archuleta County, Colorado*

Applicant/Address: *Red Willow Production Company
P.O. Box 369
Ignacio, Colorado 81137*

U.S. Department of the Interior
Bureau of Land Management
Tres Rios Field Office
161 Burnett Drive, Unit 4
Durango, CO 81301
Phone: 970-247-4874



**FINDING OF NO SIGNIFICANT IMPACT
DOI-BLM-CO-S010-2018-0030-EA**

North Carracas 32-4 and 32-5 Natural Gas Wells, Well Pads, and Pipelines

INTRODUCTION:

The Bureau of Land Management (BLM) has conducted an environmental assessment (EA), DOI-BLM-CO-SO10-2018-0030, to address the Applications for Permit to Drill (APD) from Red Willow Production Company (operator) for two natural gas wells as well as 12 future natural gas wells. The proposed 14 wells would produce Southern Ute Indian Tribal Trust minerals associated with a Bureau of Indian Affairs (BIA) issued oil and gas lease identified as BIA Lease No. 750-08-2008. The anticipated lifespan for each natural gas well is estimated to be 25 to 30 years. The underlying need for the proposal would be met while accomplishing the following objective:

- To respond to the applicant's proposal to exercise valid existing rights pursuant to Southern Ute Indian Tribe (SUIT) oil and gas lease number 750-08-2008 issued by the BIA, consistent with the lease's terms and conditions, through drilling gas wells, and if successful, producing commercial quantities of oil and/or gas from the leased acreage.

The operator is planning to drill up to 14 natural gas wells on two separate well pads known as the North Carracas Middle 1E and 2F well pads. The operator plans to drill up to eight natural gas wells on the Middle 1E well pad: North Carracas 32-5 14E-1, 14E-2, 14E-3, 14E-4, 14E-5, 14E-6, 14E-7, and 14E-8. Up to six natural gas wells are planned on the Middle 2F well pad: North Carracas 32-4 7F-1, 7F-2, 7F-3, 7F-4, 7F-5, and 7F-6. The operator has submitted one APD for the North Carracas 32-5 14E-1, located on Middle Pad 1E, and one APD for the North Carracas 32-4 7F-1, located on Middle Pad 2F, to the BLM Tres Rios Field Office. The locations of the two proposed well pads were included in the Southern Ute Indian Tribe's (Tribe's) North Carracas Natural Gas Plan of Development and were analyzed at a broad, programmatic level in the BLM's 2013 Final Environmental Assessment for the North Carracas Natural Gas Plan of Development.

The proposed Middle 1E well pad is located in the northeast quarter of Section 14, Township 32 North, Range 5 West, New Mexico Principle Meridian (NMPM), and the proposed Middle 2F well pad is located in the southwest quarter of Section 7 and the northwest quarter of Section 18, Township 32 North, Range 4 West, NMPM. Both well sites are located on private surface/non-Federal minerals approximately between 3.5 and 5 miles east of Arboles, Colorado in Archuleta County. The well sites would be located within the Southern Ute Indian Reservation (SUIR).

To access the well sites, the operator would cross tribal trust surface with the access road originating from County Road 500. Gas pipelines would also be constructed along the access road by a pipeline company, Red Cedar Gathering Company. The operator proposes to install a freshwater pull and storage station at the operator's East Pilot well pad, which would store water pulled from the nearby San Juan River. The East Pilot well pad is located in Section 21, Township 32 North, Range 4 West, NMPM. The East Pilot well pad is located on private surface/non-Federal minerals, but the pipeline crosses tribal trust surface.

FINDING OF NO SIGNIFICANT IMPACT:

Based upon a review of the EA and its supporting documents, I have determined that the Proposed Action is not a major federal action, and it will not significantly affect the quality of the human environment, individually or cumulatively with other actions in the general area. None of the environmental effects from the Proposed Action meet the definition of significance in context or intensity as defined in 40 CFR 1508.27, nor do any of the effects exceed those described in the 2013 Final Environmental Assessment for the North Carracas Natural Gas Plan of Development (2013 FEA). Therefore, an environmental impact statement is not needed.

This finding is based on the context and intensity of the Proposed Action as described in the EA:

Context: The project is a site-specific action directly involving approximately 11.18 acres of land (10.83 acres of private land and 0.35 acres of tribal trust land) that by itself does not have international, national, regional, or state-wide importance. The project is located within an area where gas extraction operations have occurred in the past.

Intensity: The following discussion is organized around the Ten Significance Criteria described in 40 CFR 1508.27 and incorporated into the resources and issues considered (includes supplemental authorities, Appendix 1, H-1790-1) and supplemental Instruction Memorandum, Acts, regulations, and Executive Orders.

The following have been considered in evaluating the intensity for this proposal:

1. Impacts may be both beneficial and adverse.

The environmental impacts of the Proposed Action are fully disclosed in the EA. The proposed project would result in short and long term impacts to air quality, culturally important plants, endangered fish species, migratory birds, ambient noise levels, soils, vegetation, visual resources, surface water resources, and groundwater resources. However, design features built into the Proposed Action and mitigation measures considered in Chapter 3 of the EA would help minimize these impacts. None of the environmental effects discussed in detail in the EA and associated appendices are considered significant, nor do the effects exceed those described in the 2013 FEA.

2. The degree to which the selected alternative will affect public health or safety.

The Proposed Action is not expected to significantly affect public health and safety. As described in the EA, the Proposed Action could impact groundwater resources and air quality. However, design features built into the Proposed Action and mitigation measures considered in Chapter 3 of the EA would help minimize these impacts.

3. Unique characteristics of the geographic area such as proximity to historic or cultural resources, park lands, prime farm lands, wetlands, wilderness, wild and scenic rivers, or ecologically critical areas.

There are no park lands, prime farmlands, wetlands, wilderness, wild and scenic rivers, or ecologically critical areas within the project area for the Proposed Action.

The areas that could be affected by the Proposed Action were inventoried by permitted archaeologists, and two historical sites were discovered within the vicinity of the Middle 2F well pad. One site was determined as not eligible for the National Register of Historic

Places, because the site lacked integrity and potential for subsurface cultural deposits. The second site was determined eligible for the National Register of Historic Places under register criteria “d.” This eligible site must be avoided, fenced off, and monitored during construction. Pursuant to 36 CFR 800.4(d)(1), the BIA determined that the Proposed Action would have no effect on any historic properties listed or eligible to the National Register of Historic Places provided that avoidance, fencing, and monitoring mitigation measures are followed. The SUIT concurred with the archaeological report recommendations and mitigation measures for the eligible site, and it presented no comments regarding Southern Ute traditional religious or cultural sites that might be impacted by the Proposed Action. The Colorado State Historic Preservation Officer concurred with BIA’s determination. The Proposed Action is in compliance with the provisions of Section 106 of the National Historic Preservation Act subject to mitigation measures.

4. The degree to which the effects on the quality of the human environment are likely to be highly controversial.

The effects on the quality of the human environment are not likely to be highly controversial. Oil and natural gas well drilling have been occurring historically in the general area, and the effects are generally well understood. In addition, design features built into the Proposed Action and mitigation measures considered in Chapter 3 of the EA would help minimize these impacts.

5. The degree to which the possible effects on the human environment are highly uncertain or involve unique or unknown risks.

The Proposed Action is not unique or unusual. There is a long history of oil and gas development in the San Juan Basin. Effects associated with drilling are well known and documented. There are no predicted effects on the human environment that are considered to be highly uncertain or involve unique or unknown risks.

6. The degree to which the action may establish a precedent for future actions with significant effects or represents a decision in principle about a future consideration.

The Proposed Action neither establishes a precedent for future BLM actions with significant effects, nor represents a decision in principle about future consideration. The Proposed Action is within the scope of the 2013 FEA.

7. Whether the action is related to other actions with individually insignificant but cumulatively significant impacts – which include connected actions regardless of land ownership.

No individually or cumulatively significant impacts were identified for the Proposed Action. A complete disclosure of the effects of the project is contained in Chapter 3 of the EA. The adverse and beneficial impacts identified for the Proposed Action, in conjunction with any impacts of other past, present, or reasonably foreseeable future actions will have negligible cumulative impacts on the human environment.

8. The degree to which the action may adversely affect districts, sites, highways, structures, or other objects listed in or eligible for listing in the National Register of

Approval Date: 03/21/2022

Historic Places or may cause loss or destruction of significant scientific, cultural, or historical resources.

The areas that could be affected by the Proposed Action were inventoried by permitted archaeologists, and two historical sites were discovered within the vicinity of the Middle 2F well pad. One site was determined as not eligible for the National Register of Historic Places, because the site lacked integrity and potential for subsurface cultural deposits. The second site was determined eligible for the National Register of Historic Places under register criteria "d." This eligible site must be avoided, fenced off, and monitored during construction. Pursuant to 36 CFR 800.4(d)(1), the BIA determined that the Proposed Action would have no effect on any historic properties listed or eligible to the National Register of Historic Places provided that avoidance, fencing, and monitoring mitigation measures are followed. The SUIT concurred with the archaeological report recommendations and mitigation measures for the eligible site, and it presented no comments regarding Southern Ute traditional religious or cultural sites that might be impacted by the Proposed Action. The Colorado State Historic Preservation Officer concurred with BIA's determination. The Proposed Action is in compliance with the provisions of Section 106 of the National Historic Preservation Act subject to mitigation measures.

After considering environmental factors and other information, the project is not expected to adversely affect districts, sites, highways, structures, or other objects listed on or eligible for listing on the National Register of Historic Places, nor will it cause loss or destruction of significant scientific, cultural, or historical resources.

9. **The degree to which the action may adversely affect an endangered or threatened species or its habitat that has been determined to be critical under the Endangered Species Act of 1973, or the degree to which the action may adversely affect: 1) a proposed to be listed endangered or threatened species or its habitat, or 2) a species on BLM's sensitive species list.**

Of the nine federally listed species with potential to be impacted from actions on the SUIR, the endangered Colorado pikeminnow (*Ptychocheilus lucius*) and endangered razorback (*Xyrauchen texanus*) sucker have the potential to be impacted by the Proposed Action. Given that the Proposed Action would result in the depletion of 31.5 acre-feet of water over a 5 to 10 year period from within the San Juan River basin, this project falls under BLM Colorado's Programmatic Biological Assessment (PBA) for water depleting activities associated with BLM's fluid minerals program in the San Juan River basin in Colorado. In the PBA, the BLM estimated that the average annual depletion associated with fluid mineral development would be approximately 40 acre-feet.

In response to BLM's PBA, the U. S. Fish and Wildlife Service (FWS) issued a Programmatic Biological Opinion (PBO; ES/GJ-6-CO-08-F-02) on November 21, 2008, which concurred with BLM's determination that water depletions are "Likely to Adversely Affect" the Colorado pikeminnow, and the razorback sucker. Likewise, the project is also likely to adversely affect designated critical habitats for these endangered fish along San Juan river. However, the FWS also determined that BLM water depletions from the San Juan River Basin are not likely to jeopardize the continued existence of the Colorado pikeminnow or razorback sucker, and that BLM water depletions are not likely

to destroy or adversely modify designated critical habitat. As required in the PBO, the amount of depletions from this project as well as all other depletions in the San Juan River Basin will be recorded by BLM and reported to USFWS at the end of the fiscal year.

10. Whether the action threatens a violation of a federal, state, local, or tribal law, regulation or policy imposed for the protection of the environment, where non-federal requirements are consistent with federal requirements.

The Proposed Action does not violate any known federal, state, local or tribal law or requirement imposed for the protection of the environment. Federal and tribal interests were given the opportunity to participate in the process for preparing the environmental analysis. In addition, the project is consistent with applicable land management plans, policies, and programs.



Connie Clementson
Field Office Manager
Tres Rios Field Office



Date

Approval Date: 03/21/2022

EA PROJECT CHECKLIST

*Tres Rios Field Office
Canyons of the Ancients National Monument*

The following checklist was created to guide the project lead through the NEPA process for an Environmental Assessment (EA) and aid the project lead in presenting the completion of appropriate NEPA tasks for efficient decision-making. For further details regarding the NEPA process and individual tasks, please refer to the TRFO-CANM document, SUMMARY of NEPA PROCESS. The "Completed" column of this checklist must be completely filled out and presented to the Authorized Officer on top of the NEPA project for the decision-making process.

Project Title: North Carracas 32-4 and 32-5 Natural Gas Wells, Well Pads, and Pipelines

NEPA Number: DOI-BLM-CO-SO10-2018 - 0030 -EA

File/Serial Number: 750-08-2008

Project: Leader: Tanner Nygren

CHECKLIST

EA Project Task	Completed (Date, "X", or NA)
Project eFolder (Creation) Create project efolder in appropriate fiscal year efolder in S:\nepa	NA
Specialist Request Form Proposed Action; Purpose and Need; Map; and Create accessible GIS shapefiles	NA
NEPA Meeting Presentation Present project to Interdisciplinary Team; Provide Specialist Request Forms and ID Team Checklist	Date: NA
ID Team Checklist Form Specialists assigned to ID team during NEPA meeting; Fill out rationale	Date AO Signed: NA
ePlanning (Initial) Create project in ePlanning (D2 and BackOffice); Acquire NEPA number	7/12/18
NEPA Log (Entry) Enter project into the NEPA Log; Keep NEPA Log up-to-date	X
ID Team Meeting(s) Were internal scoping meetings held?	Date: NA
Cooperating Agencies Notification Were there any cooperating agencies involved in NEPA project?	Date: SUIT/BIA
Public Scoping	Published on ePlanning? <input checked="" type="checkbox"/>
	Interested Party Mailing List Notified? <input type="checkbox"/>
	Press Release? <input type="checkbox"/>
	Public Meeting? <input type="checkbox"/>
Scoping Period: None	
Tribal Consultation	Letter(s) Mailed? <input type="checkbox"/>
	Phone Call(s) or Meeting(s) Held? <input type="checkbox"/>
	Response(s) Received? <input type="checkbox"/>
BIA completed on 8/7/18	

Approval Date: 03/21/2022

EA PROJECT CHECKLIST

*Tres Rios Field Office
Canyons of the Ancients National Monument*

SHPO Consultation Informational Concurrence	Date Initiated: Date Concluded:	BIA completed on 8/7/18
USFWS Consultation Formal <input type="checkbox"/> Informal <input type="checkbox"/>	Date Initiated: Date of Concurrence:	NA
Resource Issues for EA Must be signed by Authorized Officer (AO)		____ / ____ NA Initials / Printed Name of AO
NEPA Document Document has been reviewed by AFM	BLM Drafted <input type="checkbox"/> 3 rd Party Consultant Drafted <input checked="" type="checkbox"/>	
Public Comment on EA	Published on ePlanning? <input type="checkbox"/> Interested Party Mailing List notified? <input type="checkbox"/> Press Release? <input type="checkbox"/> Public Meeting? <input type="checkbox"/>	NA
Public Comment Period: None		
FONSI & DR Both documents have been prepared and reviewed by AFM		

Authorized Officer Decision

Decision: <i>OK</i>	Decision Date: <i>9-5-18</i>
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Post-Decision

ePlanning (Update)	Upload final documents to Back Office? <input type="checkbox"/> Public notification of Appeal Period? Change Status? <input type="checkbox"/> Update Status to "Completed" after Appeal Period? <input type="checkbox"/>	
NEPA Log & Project eFolder Update NEPA Log to reflect milestones and status of project; Ensure all documents are in efolder in S:\nepa		
NEPA Notebook Provide the Administrative Assistant with decision documents		

Approval Date: 03/21/2022



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Tres Rios Field Office
161 Burnett Drive - Unit 4
Durango, CO 81301-3647

In Reply Refer To:

COA APD ID: 10400082523

RED WILLOW PRODUCTION COMPANY
NORTH CARRACAS 32-4 7F-5

GENERAL REQUIREMENTS FOR OIL AND GAS OPERATIONS ON FEDERAL AND INDIAN LEASES

I. GENERAL

- A.** Prior approval by the BLM-Authorized Office (Drilling and Production Section) is required for variance from the approved drilling program and before commencing plugging operations, plug back work casing repair work, corrective cementing operations, or suspending drilling operations indefinitely. Emergency approval may be obtained orally, but such approval is contingent upon filing of a notice of intent (on a Sundry Notice, Form 3160-5) within three business days (original and three copies of Federal leases and an original and four copies on Indian leases). **Any changes to the approved plan or any questions regarding drilling operations should be directed to BLM during regular business hours via Sundry Notice. Emergency program changes after hours should be directed to Joe Killins at (970) 759-8988.**
- B.** Notify this office at least 24 hours in advance prior to the following:
- a. Well Spud
 - b. Running and cementing casing
 - i. Submit a cement evaluation log if cement is not circulated to surface.
 - c. BOP test
 - i. In the event a BLM inspector is not present during the initial BOP test, please provide chart record.
- C.** Each well shall have a well sign in legible condition from spud date to final abandonment. The sign should show the operator's name, lease serial number, or unit name, well number, location of the well, and whether lease is Tribal or Allotted, (See 43 CFR 3162.6(b)).
- D.** A complete copy of the approved Application for Permit to Drill, along with any conditions of approval, shall be available to authorized personnel at the drill site whenever active drilling operations are under way. All operations will be governed by Onshore Order #2 unless specifically modified prior to operations.

INTERIOR REGION 7 • UPPER COLORADO BASIN

COLORADO, NEW MEXICO, UTAH, WYOMING

Approval Date: 03/21/2022

- E. From the time drilling operations are initiated and until drilling operations are completed, a member of the drilling crew or the tool pusher shall maintain rig surveillance at all time, unless the well is secured with blowout preventers or cement plugs.
- F. On directional/horizontal wells submit as drilled directional survey from surface to total depth.

II. Site Specific

III. PHONE NUMBERS

Rodney Brasher	Lead Technician	work: 970-385-1347	cell: 970-799-1244
Alan White	Technician	work: 970-385-1201	cell: 970-317-0329
Nathan Willis	Technician	work: 970-385-1349	cell: 970-749-1734
Bryan Clappe	Technician	work: 970-385-1364	cell: 970-903-9077
Joe Killins	Engineer	work: 970-385-1363	cell: 970-759-8988