

U.S. Department of the Interior
Bureau of Land Management
White River Field Office
220 E Market St
Meeker, CO 81641

DECISION RECORD

Caerus BJU M33 and G35 pads DOI-BLM-CO-N050-2020-0024-EA

Decision

It is my decision to implement the Proposed Action (Alternative A), as described in DOI-BLM-CO-N050-2020-0024-EA, authorizing the expansion of Caerus' BJU M33 and G35 well pad locations as well as the drilling, completion, maintenance, plugging and eventual reclamation of 16 Applications for Permit to Drill (APDs) on the M33 pad and 20 APDs on the G35 pad.

Site-Specific Mitigation

1. At the discretion of the landowner, the BLM recommends that Caerus Piceance, LLC would reseed reclamation areas at the first appropriate seeding window (September 1st – March 31st) following disturbance using Standard BLM seed mix #6 outlined in the table below. Seed mixture rates are Pure Live Seed (PLS) pounds per acre. Drill seeding is the preferred method of application and drill seeding depth shall be no greater than ½ inch. If drill seeding cannot be accomplished, seed should be broadcast at double the rate used for drill seeding and harrowed or raked into the soil.

Cultivar	Common Name	Scientific Name	Application Rate (lbs PLS/acre)
UP Plateau	Sandberg bluegrass	<i>Poa secunda ssp. sandbergii</i>	0.5
San Luis	slender wheatgrass	<i>Elymus trachycaulus ssp. trachycaulus</i>	2
Sherman	big bluegrass	<i>Poa secunda ssp. ampla</i>	1
Bromar	mountain brome	<i>Bromus marginatus</i>	2
Maple Grove	Lewis flax	<i>Linum lewisii</i>	1
Bandera	Rocky Mountain penstemon	<i>Penstemon strictus</i>	0.5
Alternates:			
Canbar	Canby bluegrass	<i>Poa secunda ssp. canbyi</i>	0.5
	balsamroot	<i>Balsamorhiza sagittata</i>	3

2. GRSG-TL-46e: No surface disturbing or disruptive activities are authorized within 4 miles from active leks during lekking, nesting, and early brood-rearing from March 1 to July 15 to minimize disturbance, displacement, or mortality to greater sage-grouse.

Criteria*:

- Location of proposed lease activities in relation to critical GRSG habitat areas as identified by factors, including, but not limited to, average male lek attendance and/or important seasonal habitat
- An evaluation of the potential threats from proposed lease activities that may affect the local population as compared to benefits that could be accomplished through compensatory or off-site mitigation
- An evaluation of the proposed lease activities, including design features, in relation to the site-specific terrain and habitat features. For example, within 4 miles from a lek, local terrain features such as ridges and ravines may reduce the habitat importance and shield nearby habitat from disruptive factors. This is particularly likely in Colorado MZ 17, which has an atypical GRSG habitat featuring benches with GRSG habitat interspersed with steep ravines.

To authorize an activity based on the criteria above, the environmental record of review must show no significant direct disturbance, displacement, or mortality of GRSG.

3. Caerus will minimize the temporary noise levels of well operations during drilling, completions, re-completions, workovers, or similar activities to a maximum permissible noise level of 70 decibels or less measured 350 feet (4 feet above ground level) from the source to reduce disturbance to greater sage-grouse.
4. To prevent long term impacts associated with noise, sound producing equipment (such as compressors or pump jacks) must be equipped with a hospital grade muffler or similar device which limits sound emissions to 55 decibels or less measured 350 feet (4 feet above ground level) from the source.
5. WR-TL-15: Surface-disturbing and disruptive activities will not be allowed within 0.25 miles of active nest sites of those raptors that are not considered special-status during the period from nest territory establishment to dispersal of young from nest (from February 1 through August 1). Exception: An exception to the TL can be granted if an environmental analysis of the proposed action indicates that nature or conduct of the activity could be conditioned so as not to interfere with adult attendance and visitation of the nest site, jeopardize survival of the eggs or nestlings, or otherwise impair the utility of nest for current or subsequent nesting activity or occupancy. The Authorized Officer may also grant an exception if the nest is unattended or remains unoccupied by May 15 of the project year. An exception may be granted to these dates by the Authorized Officer, consistent with policies derived from federal administration of the Migratory Bird Treaty Act.

- a. WR-TL-15: On the G35 location, surface-disturbing and disruptive activities will not be allowed within 0.25 miles of active nest sites of those raptors that are not considered special-status during the period from nest territory establishment to dispersal of young from nest (from February 1 through August 1). The current survey is valid until June 1, 2020.
 - b. WR-TL-15: No active nests were located near the M33 location and an exception to this stipulation is granted until June 1, 2020, at which time the timing limitation will be applied or a new biological survey must be conducted to consider another Exception to the TL.
6. WR-TL-13: No surface disturbing activities (including construction, drilling, completion, and intensive maintenance activities) from May 15 through August 15 would be permitted in order to reduce the disturbance of big game animals on summer winter range. Exceptions and modifications to this Condition of Approval may be considered as expressed in WR-TL-13 in the WRFO Oil and Gas RMPA ROD (2015).
7. A full reclamation bond specific to the site (in accordance with MD MR-14 [GRSG RMPA 2015]) is required for the well pads and access roads. This bond will be necessary prior to the construction of the G35 and/or M33 well pads and access roads. Therefore, operator must submit an estimated cost to fully reclaim the location within 30-days of the APD's approval. Once the estimate is received, the BLM will review the information and provide the operator with the necessary bond amount to ensure bonds are sufficient. The bond is required to cover all overhead and contracting costs anticipated to be incurred by the BLM to result in full restoration of the lands to the condition it was found prior to disturbance.

Standard Mitigation

General

1. The Operator will submit a Sundry Notice a minimum of 48-hours prior to commencing construction and/or reclamation work.
2. Notify Craig Interagency Dispatch (970-826-5037) in the event of any fire.
 - a. The reporting party will inform the dispatch center of fire location, size, status, smoke color, aspect, fuel type, and provide their contact information.
 - b. The reporting party, or a representative of, should remain nearby, in a safe location, in order to make contact with incoming fire resources to expedite actions taken towards an appropriate management response.
 - c. The applicant and contractors will not engage in any fire suppression activities outside the approved project area. Accidental ignitions caused by welding, cutting, grinding, etc. will be suppressed by the applicant only if employee safety is not endangered and if the fire can be safely contained using hand tools and

portable hand pumps. If chemical fire extinguishers are used the applicant must notify incoming fire resources on extinguisher type and the location of use.

- d. Natural ignitions caused by lightning will be managed by Federal fire personnel. If a natural ignition occurs within the approved project area, the fire may be initially contained by the applicant only if employee safety is not endangered. The use of heavy equipment for fire suppression is prohibited, unless authorized by the Field Office Manager.

Wildlife

3. In the event a producing well is established, all new production equipment which has open-vent exhaust systems, such as heater treaters, separators, dehydration units, and flare stacks, will be designed and constructed to prevent birds and bats from entering or nesting in or on such units, and to the extent practical, to discourage birds from perching on the exhaust stacks.
4. The operator will prevent access to facilities that store or are expected to store fluids which may pose a risk to such birds and bats (e.g., toxicity, compromised insulation, drowning). Features that prevent access to such fluids must be in place and functional within 24 hours of installation and will remain effective until such features are removed or incapable of storing fluids. Deterrence methods may include netting or other alternative methods that effectively prevent use and that meet BLM approval. All lethal and non-lethal events that involve migratory birds will be reported to the BLM Authorized Officer immediately.
5. Open trenches should be inspected daily to reduce the potential for wildlife, livestock, or horses to become trapped should they fall into a trench. If an animal has fallen into the trench, the Authorized Officer will be notified immediately.
6. Water Use. The purpose of this COA is to assist the BLM with ensuring that water depletions associated with Federal oil and gas development activities are adequately covered by the U.S. Fish and Wildlife Service (FWS) Programmatic Biological Opinion for the four endangered Colorado River fishes.

The Operator will provide the volumes of fresh water and reused/recycled water used during project development. The river sub-basin of origin (i.e., Colorado, Dolores, Green, Gunnison, White, and Yampa) will be identified for fresh water. The volumes per well will be identified by each development phase (construction, drilling, and completion) and by activity (e.g., dust abatement, pipeline hydrostatic testing, drilling, and completion operations). The water volumes will be identified in an attachment to the BLM Form 3160-4, "Well Completion or Recompletion Report and Log" (completion report) submitted to the BLM Field Office. All volumes are to be reported in barrels per well.

For reporting the water used during construction, submit the total water used for construction with the first completion report. Completion reports submitted subsequent to the first completion report will have the water-use that was not included in the previous completion reports.

Well Name/No.:		API No.:			
County:		Well Pad:			
Operator:					
Water Source (River Sub-Basin)					
Purpose	Water Use (barrels)				
	Construction	Drilling		Completion	
	Fresh	Fresh	Reused/ Recycled	Fresh	Reused/ Recycled
Dust Abatement (Road/Pipeline/Pad)					
Pipeline Hydrostatic Testing					
Cementing					
Mud					
Acid Wash/ Hydraulic Fracturing					

Paleontological Resources

7. Any excavations into the underlying rock formation have the potential to impact scientifically noteworthy fossil resources and must be monitored by a permitted paleontologist. The monitoring paleontologist must be present before the start of excavations that may impact the underlying rock.
8. The operator/holder is responsible for informing all persons who are associated with the project operations that they will be subject to prosecution for disturbing or collecting vertebrate fossils, collecting large amounts of petrified wood (over 25lbs./day, up to 250lbs./year), or collecting fossils for commercial purposes on public lands.
9. If any paleontological resources are discovered as a result of operations under this authorization, the operator/holder or any of his agents must stop work immediately at that site, immediately contact the Authorized Officer, and make every effort to protect the site from further impacts, including looting, erosion, or other human or natural damage. Work may not resume at that location until approved by the Authorized Officer. The BLM or designated paleontologist will evaluate the discovery and take action to protect or remove the resource within 10 working days. Within 10 days, the operator will be allowed to continue construction through the site, or will be given the choice of either (a) following the Paleontology Coordinator’s instructions for stabilizing the fossil resource in place and avoiding further disturbance to the fossil resource, or (b) following the Paleontology Coordinator’s instructions for mitigating impacts to the fossil resource prior to continuing construction through the project area.

Cultural Resources

10. The applicant is responsible for informing all persons who are associated with the project that they will be subject to prosecution for knowingly disturbing archaeological sites or for collecting artifacts.
11. If any archaeological materials are discovered as a result of operations under this authorization, activity in the vicinity of the discovery will cease, and the BLM WRFO Archaeologist will be notified immediately. Work may not resume at that location until approved by the Authorized Officer. The applicant will make every effort to protect the site from further impacts including looting, erosion, or other human or natural damage until BLM determines a treatment approach, and the treatment is completed. Unless previously determined in treatment plans or agreements, BLM will evaluate the cultural resources and, in consultation with the State Historic Preservation Office (SHPO), select the appropriate mitigation option within 48 hours of the discovery. The applicant, under guidance of the BLM, will implement the mitigation in a timely manner. The process will be fully documented in reports, site forms, maps, drawings, and photographs. The BLM will forward documentation to the SHPO for review and concurrence.
12. Pursuant to 43 CFR 10.4(g), the applicant must notify the Authorized Officer, by telephone and 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), the operator must stop activities in the vicinity of the discovery and protect it for 30 days or until notified to proceed by the Authorized Officer. Colorado Statute CRS 24-80-1302 must be adhered to upon the identification of suspected human skeletal remains and associated funerary items on Colorado State and private lands. The applicant will immediately notify the coroner of the county wherein the remains are located as well as the sheriff, police chief, or land managing agency official.

Invasive, Noxious, and Non-Native Species

13. All vehicles and construction equipment will be cleaned using compressed air or high-pressure water spraying equipment prior to use to reduce the potential for introduction of invasive, noxious weeds or other undesirable non-native species. The wash/blow down will concentrate on tracks, feet, or tires and on the undercarriage, with special emphasis on axles, frame, cross members, motor mounts, and on underneath steps, running boards, and front bumper/brush guard assemblies. Operator will dispose of solid wastes collected from the cleaning station.
14. All seed, straw, mulch, or other vegetative material to be used on BLM lands will comply with United States Department of Agriculture (USDA) state noxious weed seed requirements and must be certified by a qualified Federal, State, or county office as free of noxious weeds. Any seed lot with test results showing presence of State of Colorado A or B list species will be rejected in its entirety and a new tested lot will be used instead.
15. All sites will be monitored and treated for noxious weeds for the life of the project until Final Abandonment has been approved by the BLM. Monitoring will be conducted

annually during the growing season to determine the presence of any State-listed noxious weeds. Noxious weeds that have been identified during monitoring will be promptly treated and controlled.

16. Pesticide Use Proposals (PUPs) must be submitted to and approved by the BLM before applying herbicides on BLM lands. The PUP will include target weed species, the herbicides to be used, application rates and timeframes, estimated acres to be treated, as well as maps depicting the areas to be treated and known locations of weeds. The WRFO recommends that all PUPs be submitted no later than March 1st of the year anticipating herbicide application.
17. Use of off-highway vehicles (OHVs) for access to weed treatment areas along the pipeline, power line, and reclaimed roads will be considered on a case-by-case basis (provide that access is limited and will not create visible tracks) and will require prior written approval from the Authorized Officer.

Waste

18. When drilling to set the surface casing, drilling fluid will be composed only of fresh water, bentonite, and/or a benign lost circulation material that does not pose a risk of harm to human health or the environment (e.g., cedar bark, shredded cane stalks, mineral fiber and hair, mica flakes, ground and sized limestone or marble, wood, nut hulls, corncobs, or cotton hulls).
19. All substances that pose a risk of harm to human health or the environment will be stored in appropriate containers. Fluids that pose a risk of harm to human health or the environment, including but not limited to oil, condensate, and/or produced water, must be stored in appropriate containers and in secondary containment systems at 110 percent of the largest vessel's capacity. Secondary fluid containment systems, including but not limited to tank batteries must be lined with a minimum 24 mil impermeable liner.
20. As a reasonable and prudent lessee/operator in the oil and gas industry, acting in good faith, all lessees/operators and right-of-way holders will report all emissions or releases that may pose a risk of harm to human health or the environment, regardless of a substance's status as exempt or nonexempt and regardless of fault, to the BLM WRFO by phone at 970-878-3800 or by email to BLM_CO_WR_NRS@blm.gov.
21. As a reasonable and prudent lessees/operator and/or right-of-way holder in the oil and gas industry, acting in good faith, all lessees/operators and right-of-way holders will provide for the immediate clean-up and testing of air, water (surface and/or ground) and soils contaminated by the emission or release of any substance that may pose a risk of harm to human health or the environment, regardless of that substance's status as exempt or non-exempt. Where the lessee/operator or right-of-way holder fails, refuses or neglects to provide for the immediate clean-up and testing of air, water (surface and/or ground) and soils contaminated by the emission or release of any quantity of a substance that poses a risk of harm to human health or the environment, the BLM WRFO may take measures to clean-up and test air, water (surface and/or ground) and soils at the

lessee/operator's expense. Such action will not relieve the lessee/operator of any liability or responsibility.

Range Management

22. The operator must coordinate with the livestock grazing permittee Piceance Creek Ranch, Ltd. authorized to graze livestock within the project area a minimum of 72 hours prior to drilling activities associated with this permit. Livestock grazing permittee contact information may be found at www.blm.gov/ras/ or by contacting the appropriate BLM Field Office. The operator will provide the grazing permittee the location, nature, and extent of the anticipated activity being completed.
23. Any range improvement projects such as fences, water developments, cattleguards, gates, or other livestock handling/distribution facilities that are damaged or destroyed either directly or indirectly as a result of implementation of the Proposed Action will be promptly repaired or replaced by the applicant to restore pre-disturbance functionality. If the operator damages any range improvement project(s) the operator will notify the Authorized Officer and identify the actions taken to repair the feature(s).

Reclamation Procedures – Interim Reclamation

24. All long-term above-ground structures will be painted and maintained Shale Green from the BLM “Supplemental Environmental Colors” chart to blend with the natural color of the landscape background.
25. To reduce erosion and reduce the risk of weed establishment, interim reclamation will be initiated when either there are no drilling activities expected on the pad for the next six months or there has been no activity on the pad within the last six months, regardless of whether or not there are outstanding approved APDs.
26. In order to inspect and operate the well or complete workover operations, it may be necessary to drive, park, and operate equipment on restored, interim vegetation within the previously disturbed area. Damage to soils and interim vegetation will be repaired and reclaimed following use. To prevent soil compaction, under some situations, such as the presence of moist, clay soils, the vegetation and topsoil will be removed prior to workover operations and restored and reclaimed following workover operations.

Reclamation Procedures – Final Reclamation

27. Final abandonment of pipelines and flow lines will involve flushing, capping, and properly disposing of any fluids in the lines. All surface lines and any lines that are buried close to the surface that may become exposed in the foreseeable future due to water or wind erosion, soil movement, or anticipated subsequent use, must be removed. Deeply buried lines may remain in place unless otherwise directed by the Authorized Officer.

Reclamation Procedures – Monitoring and Final Abandonment Approval

28. All seed tags will be submitted via Sundry Notice (SN) to the designated Natural Resource Specialist within 14 calendar days from the time the seeding activities have ended. The SN will include the purpose of the seeding activity (i.e., seeding well pad, cut and fill slopes, seeding pipeline corridor, etc.). In addition, the SN will include the pipeline, well(s) or well pad number associated with the seeding activity, if applicable, the name of the contractor that performed the work, his/her phone number, the method used to apply the seed (e.g., broadcast, hydro-seeded, drilled), whether the seeding activity represents interim or final reclamation, the total acres seeded, an attached map that clearly identifies all disturbed areas that were seeded, and the date the seed was applied.
29. Each year by January 1st, Caerus Piceance, LLC will submit a Reclamation Status Report to the WRFO via the most current BLM approved data management system that includes the pipeline name and/or well number, API number, legal description, UTM coordinates, project description (e.g., well pad, pipeline, etc.), reclamation status (e.g., interim or final), whether the well pad and/or pipeline has been re-vegetated and/or re-contoured, date seeded, photos of the reclaimed site, acres seeded, seeding method (e.g., broadcast, drilled, hydro-seeded, etc.), and contact information for the person responsible for developing the report. The report will include maps showing each point (), polygon (e.g., well pad), and/or polyline (e.g., road, pipeline) feature that was included in the report. The data must be submitted in UTM Zone 13N, NAD 83, in units of meters. In addition, scanned copies of seed tags that accompanied the seed bags will be included with the report. Internal and external review of the WRFO Reclamation Status Report and the process used to acquire the necessary information will be conducted annually, and new information or changes in the reporting process will be incorporated into the report.
30. The holder/operator will be responsible for ensuring that all disturbance GIS and reclamation data will be submitted via White River Data Management System (WRDMS) which can be accessed at <https://my.usgs.gov/wrfo/>

Reclamation Performance Standards

31. Disturbed areas not needed for long-term production operations or vehicle travel have been recontoured, protected from erosion, and revegetated with a self-sustaining, vigorous, diverse, native (or otherwise approved) plant community sufficient to minimize visual impacts, provide forage, stabilize soils, and impede the invasion of noxious weeds.
32. The operator must meet the following reclamation success criteria, and these standards apply to both interim and final reclamation:
 - a. Self-sustaining desirable vegetative groundcover consistent with the site Desired Plant Community (DPC) (as defined by the range site, WRFO Assessment, Inventory, and Monitoring (AIM) protocol site data (BLM TN 440), ecological site or an associated approved reference site) is adequately established, as described below, on disturbed surfaces to stabilize soils through the life of the project.

- b. Vegetation with 80 percent similarity of desired foliar cover, bare ground, and shrub and/or forb density in relation to the identified DPC. Vegetative cover values for woodland or shrubland sites are based on the capability of those sites in an herbaceous state.
- c. The resulting plant community must have composition of at least five desirable plant species, and no one species may exceed 70 percent relative cover to ensure that site species diversity is achieved. Desirable species may include native species from the surrounding site, species listed in the range/ecological site description, AIM data, reference site, or species from the BLM approved seed mix. If non-prescribed or unauthorized plant species (e.g., yellow sweetclover, *Melilotus officinalis*) appear in the reclamation site, BLM may require their removal.
- d. Bare ground does not exceed the AIM data, range site description, or if not described, bare ground will not exceed that of a representative undisturbed DPC meeting the Colorado Public Land Health Standards.
- e. Reclamation sites affected by cheat grass and or other invasive annuals will be qualified based on the condition of the site (i.e., the relative vegetative cover) prior to disturbance.
 - i. If the Project site contains less than 25 percent relative cover of undesirable species, interim and final reclamation will be considered acceptable when relative cover of undesirable species on the project site does not exceed 5percent.
 - ii. If the project site contains 25 percent to 50 percent relative cover of undesirable species, interim and final reclamation will be considered acceptable when relative cover to of undesirable species on the project site does not exceed 10 percent.
 - iii. If the project site contains more than 50 percent relative cover of undesirable species on the project site does not exceed the level defined by site-specific criteria established in the reclamation plan for that site.

Compliance with Laws & Conformance with the Land Use Plan

This decision is in compliance with the Endangered Species Act and the National Historic Preservation Act. It is also in conformance with the 1997 White River Record of Decision/Approved Resource Management Plan, as amended.

Environmental Analysis and Finding of No Significant Impact

The Proposed Action was analyzed in DOI-BLM-N050-2020-0024-EA and it was found to have no new significant impacts, thus an EIS is not required.

Public Involvement

This project was posted on the WRFO's on-line National Environmental Policy Act (NEPA) register on 04/15/2020. No comments or inquiries have been received.

Monitoring and Compliance

On-going compliance inspections and monitoring will be conducted by White River Field Office staff during and throughout the life of the project. Specific mitigation will be followed. The applicant will be notified of compliance related issues in writing, and depending on the nature of the issue(s), will be provided 30 days to resolve such issues.

Rationale

Analysis of the Proposed Action has concluded that there are no new significant negative impacts. Expansion of the existing pads to accommodate additional well completions offers the opportunity to reduce habitat fragmentation and reduce the overall disturbance footprint by avoiding the construction of additional pads, roads, pipelines, etc. to allow the operator to further develop the leasehold. This incremental increase in the footprint of two pre-existing disturbances is a beneficial tradeoff in comparison to the construction of new locations. In addition, the proposed 16 wells at the location closest in proximity to an active lek (M33 pad) would develop every Williams Fork location that the operator has booked on COC65556 (the surface location lease), and thereby the BLM does not expect the need for future wells on this lease in the foreseeable future.

These elements of the Proposed Action demonstrate conformance with Objective MR-2 of the 2015 Northwest Colorado Greater Sage-Grouse Approved Resource Management Plan Amendment: "Where a proposed fluid mineral development project on an existing lease could adversely affect GRSG populations or habitat, the BLM will work with the lessees, operators, or other project proponents to avoid, reduce, and mitigate adverse impacts to the extent compatible with lessees' rights to drill and produce fluid mineral resources. The BLM will work with the lessee, operator or project proponent in developing an Application for Permit to Drill for the lease to avoid, minimize, and compensate for impacts to GRSG or its habitat..."

Per BLM Surface Disturbance and Reclamation Tracking Tool, greater sage-grouse Management Zone (MZ 17) currently has an anthropomorphic disturbance of 1.51 percent of the three percent disturbance cap and an average energy facility density of 0.71 per 640 acres. Development of the G35 and M33 well pads would contribute ~30 acres to cumulative direct habitat loss (associated with surface disturbance) to the existing 1.51 percent (~500 acres of PHMA) overall in Management Zone 17. Focusing development on locations where disturbance has already occurred assists in keeping disturbance within the three percent cap.

Administrative Remedies

In accordance with 43 CFR 3165.3, any adversely affected party contesting this decision may request an administrative review of this decision, before the State Director, either with or without oral presentation. This request, including all supporting documentation, shall be submitted in writing within 20 business days of the date this decision was received, or considered to have

been received, by the party and shall be sent to Colorado State Director, 2850 Youngfield Street, Lakewood, Colorado 80215-7076. The decision of the State Director may then be appealed to the Interior Board of Land Appeals in accordance with 43 CFR 3165.4. BLM Colorado will not accept a request for State Director Review or a notice of appeal transmitted electronically (e.g., by email, facsimile, or social media means).

Signature of Authorized Official

Field Manager